



Aberdeenshire *housing partnership*

THE COMPANIES ACTS 1985 and 1989

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE
CAPITAL**

ARTICLES OF ASSOCIATION

Of

ABERDEENSHIRE HOUSING PARTNERSHIP

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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 In these Articles, unless the subject matter or context requires otherwise:-
- (a) "Act" meant the Companies Acts 1985 and 1989,
- (b) "Board" shall mean the Board constituted in accordance with Articles 30 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 19(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) “Company” shall mean Aberdeenshire Housing Partnership;
- (h) “Founder Member” shall mean Aberdeenshire Council established by the Local Government etc (Scotland) Act 1994 and having its principal office at Woodhill House, Westburn Road, Aberdeen AB16 5GB;

- (i) “he”, “she”, “him” “her” (or derivatives of any of the foregoing) and “person” shall where appropriate include a body corporate;
- (j) “member” (when not prefixed by the word “Board” or suffixed by the words “of the Board”) shall mean one of the persons referred to in Article 4;
- (k) “member not entitled to vote” shall mean a member who has lost the right to vote as provided in Article 9(b) (iii);
- (l) “officer” shall include the Chairman, Vice Chairman , the Chief Executive and the Company Secretary and any Board member for the time being and such other officers as the Board may appoint under Article 53;
- (m) “Chief Executive” shall mean the person appointed to act as the Chief Executive of the Company in accordance with Article 53(a);
- (n) “property” shall include all heritable and moveable estate (including loan stock certificates, books and papers);
- (o) “these Articles” shall mean these Articles of Association as amended from time to time;
- (p) “Communities Scotland” means Communities Scotland constituted under the provisions of Part 1 of the Housing (Scotland) Act **2001**, and having its Head Office at Thistle House, 91 Haymarket Terrace, Edinburgh EH12 5HE and its statutory successors;

- (q) “Company 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); and

 - (r) “Other Representatives /Tenants’ Representatives” means those members and Board Members who shall either be tenants of the Company or shall be representatives with an interest in those parts of Scotland in which the Company carries on its undertaking. This representation may include the local enterprise company, the chambers of commerce, traders associations, traders and other commercial enterprises and individuals with a particular skill as is deemed acceptable by the Board; and community groups (including community councils, disability fora, ethnic minority groups and other groups deemed acceptable by the Board).

 - (s) “Vice Chairman” shall mean the Board member appointed from time to time to act as the Vice Chairman of the Company in accordance with Article 41;
- 3 Unless otherwise required by the context of these Articles, a reference to an Article shall be deemed to be a reference to an article of these Articles and words importing the singular only shall include the plural and vice versa. References to any statute or section of any statute shall include a reference to any statutory amendment, extension, modification or re-enactment thereof for the time being in force.

MEMBERSHIP

- 4 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 one member and a maximum of eighteen members. The members of the Company shall be comprised of –

- (a) the Founder Member which shall be represented by, subject to Article 14(e) one representative nominated by the Founder Member and shall be regarded as a member of the Company for the purposes of these Articles

- (b) Subject to Article 14(e) a maximum of 17 Other Representatives / Tenants' Representatives may be admitted to Membership in accordance with Article 5. The Board shall at all times aim for what it considers to be a representative governing body with a balance of Other Representatives and Tenants' Representatives who have the necessary expertise, knowledge, perspective and skills

PROVIDED THAT, the total number of Board members does not exceed eighteen.

- 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) For the purposes of Article 5(a), if the application is approved by the Board, 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.

- (c) At all times, every member of the Company shall be a Board member and every Board member shall be a member. Any member who ceases to be a member of the Company for whatever reason shall be deemed to have retired as a Board member at the same time as such cessation of membership. Any Board member who ceases to be a Board member for whatever reason shall be deemed to have withdrawn from membership of the Company at the same time as such cessation of Board membership.
- 6 (a) 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.
- (b) 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.
- (c) The membership of an individual shall be suspended so long as he/she is a representative of a body corporate.
- 7 A person shall not be admitted to membership if he/she is under the age of sixteen years.
- 8 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

- 9 (a) Any member may withdraw from the Company by giving to the Company 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 5(a) 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 5(a).
- (iii) In circumstances where a member, who is also a tenant of the Company or of any subsidiary of the Company, shall (a) have received service of a notice of proceedings for recovery of possession in terms of Part I of Schedule 2 to the Housing (Scotland) Act 2001. or (b) become insolvent or apparently insolvent, he/she shall thereupon cease to have any entitlement to vote at any general meeting of the Company from the date of service of such notice or the date of insolvency or apparent insolvency (as the case may be).
- (iv) In circumstances where a member, who is also a tenant of the Company or of any subsidiary of the Company, ceases for any

reason whatsoever to be a tenant, he/she shall be deemed to have withdrawn from membership of the Company at the date of such cessation.

- (v) All withdrawals of membership pursuant to this Article 9(b) shall be recorded in the register of members.
- (vi) The decision of the Board as to compliance with the terms of this Article 9(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 the 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 contemplated by the definitions of Other Representatives / Tenants' Representatives and he/she ceases to be 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 which he/she is personally liable to the Company at the date of his/her ceasing to be a member.

EXPULSION OF MEMBERS

- 10 (a) Subject to Article 10(c) 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 detrimental to the interests of the Company had been communicated to him/her by the Company 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 10(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. In cases where such a complaint is made in writing supported by the signatures of at least ten per cent of the total number of tenants of the Company (or 30 individual tenants, whichever is the lesser) that complaint shall be dealt with in accordance with the terms of this Article and the decision communicated to the signatories in writing as soon as is reasonably practicable thereafter.
- (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.
- (c) The Founder Member cannot be expelled from the Company.

REPRESENTATIVES OF BODIES CORPORATE

- 11 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 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 the local authority by the Chief Executive of that local authority shall be sent to the Company Secretary.

FUNDING

- 12 The Company may accept subscriptions, grants, donations, gifts, legacies and endowments of all kinds, either absolutely or conditionally 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.
- 13 (a) The holder of loan stock shall 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.

GENERAL MEETINGS

14 The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall approve. The functions of the annual general meeting shall be:-

- (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 30(b) to elect Board members as provided in Articles 32 et seq;
- (d) to appoint the auditor as provided in Articles 64, 65 and 66; and
- (e) to approve any change in –
 - (i) the number of representatives who may be nominated by the Founder Member for the purposes of Articles 4(a) or 32(c).

- (ii) the number of Other Representatives /Tenants Representatives for the purposes of Articles 4(b) or 32(c), and/or
 - (f) to transact any other general business of the Company included in the notice convening the meeting.
- 15 (a) All general meetings other than annual general meetings shall be called extraordinary general meetings. They shall be convened by the Company Secretary either:-
- (i) upon an order of the Board, or
 - (ii) upon a written requisition signed by not less than three 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 15 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 an order or requisition. Should the Company 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.
 - (e) The Company Secretary shall also be under a duty to convene an extraordinary general meeting if called for by a written requisition signed by at least ten per cent of the total number of tenants of the Company (or 30 individual tenants, whichever is the lesser), and stating the purpose for which the meeting is to be convened. The Chairman shall allow tenants a reasonable opportunity to attend at and make representations to the meeting in support of the requisition and the result of any vote taken by the members in respect of the requisition shall be communicated to all tenants of the Company in writing.
- 16 (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 Company 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 Company 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 Company 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

- 17 (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.
- 18 (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.
- 19 (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 Vice Chairman shall act as the Chairman of the meeting. If at any general meeting of the Company both the Chairman and Vice Chairman are not present or unwilling to act the members present shall elect a member of the Board present to be the 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.
- 20 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.

- 21 At all general meetings of the Company every member other than a member not entitled to vote 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.
- 22 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.
- 23 (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 21 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.
- 24 (a) The instrument appointing a proxy shall be in substantially 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 the 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.

CONDUCT OF GENERAL MEETINGS

- 25 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.
- 26 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.
- 27 The time limit for speakers shall be at the discretion of the Chairman of the meeting.
- 28 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.
- 29 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.

BOARD MEMBERS

- 30 (a) The Board shall, subject to Article 33(a), be comprised of not less than twelve and not more than eighteen persons.
- (b) The Board shall at all times be comprised of –

- (i) subject to Article 14(e), one representative nominated by the Founder Member (such representative to be regarded as a Board member for the purposes of these Articles),
 - (ii) subject to Article 14(e) a maximum of seventeen Other Representatives / Tenants' Representatives,
- 31 Only persons who have attained sixteen years of age shall be eligible to become Board members.
- 32 (a) At the conclusion of every annual general meeting (each an "Annual General Meeting"), one third or the nearest number thereto of Board members shall retire from office in accordance with Article 32(c) (and, in accordance with Article 5(c) shall contemporaneously be deemed to have withdrawn from membership of the Company).
- (b) The Board members required to retire for the purposes of Article 32(a) are those who:-
 - (i) have attained seventy years of age,
 - (ii) have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Board Members on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot,
 - (iii) have filled casual vacancies under Article 34, and
 - (iv) have previously been elected pursuant to Article 32(e)

- (c) The vacancies created by retirements pursuant to Article 32(b) shall be filled as follows subject always to the provisions of Articles 30(b):-
 - (i) in the case of the grouping specified in Article 30(a), the Founder Member may nominate and appoint one representative; and
 - (ii) in the case of the groupings specified in Articles 30(b)(ii) and 30(b)(iii), the Company shall, prior to the Annual General Meeting assist the tenants of the Company in organising elections for the purposes of electing further Other Representatives / Tenants' Representatives to serve as Board Members (and, pursuant to Article 5(c), as members) with effect from the conclusion of such Annual General Meeting.
 - (d) A retiring Board member except one who has reached the age of seventy before the date of the annual general meeting commencing next shall be eligible for re-election without nomination.
 - (e) Any Board member who has reached the age of seventy may be nominated for election or re-election to the Board but his/her signed statement of his/her willingness to be elected must include a declaration as to his/her age.
- 33 (a) If at any time the number of representatives on the Board from the parties specified in Article 30(b) falls below the minimum permitted under such Article 30(a), the Board shall take all necessary steps to fill the vacancies, by inviting nominations therefor. Nominations shall be in writing, state the full name, address and occupation of the person nominated, contain a signed statement by the person

nominated of his/her willingness to be elected and be delivered to the Company Secretary or left at the registered office of the Company.

- (b) At the next quorate meeting of the Board the Chairman shall propose the nomination which will be ratified on 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 ratified. Notwithstanding the foregoing, in the case of the representative of the Board nominated by the Founder member, there shall be no requirement for ratification of such nomination by the majority of Board members present, and such appointments shall take effect from the date they are nominated by the Founder Member.
 - (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 30(b) is less than the maximum provided for in Article 30(a).
- 34 A casual vacancy occurring on the Board may be filled by the Board 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 30(a) shall not be exceeded.
- 35 A Board member may be removed from office by a resolution carried by a majority of the members present in person or by proxy and voting at an extraordinary general meeting which may proceed to fill the vacancy. If the vacancy is not filled at the meeting it may be filled by the Board unless otherwise directed by the meeting.

- 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 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 party to civil proceedings by or against the Company;
 - (vi) he/she has been removed from the governing body of another social landlord by Communities Scotland, the Housing Corporation or Tai Cymru; and/or
 - (vii) he/she has been disqualified from being a company director
- (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 Company Secretary,
 - (ii) in the case of a Board member who is a representative of any of the parties specified in Article 30(b) his/her appointment by a body corporate is revoked in accordance with Article 11 (or, if he/she is not a representative of a body corporate his/her representation is withdrawn by notice in writing to the Company 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 three consecutive meetings of the Board without special leave of absence previously granted by the Board.
- (c) (i) Provided that Communities Scotland is satisfied that the Company has failed to act in accordance with its Memorandum and Articles of Association in respect of the provisions detailed in Articles 36(a) and (b), Communities Scotland may by notice served on the Company require that the Company removes a Board member for the reasons stated in the notice;
- (ii) When Communities Scotland is satisfied that there has been misconduct or mismanagement in the affairs of the Company it may by order remove any Board member who has been

responsible for or privy to the misconduct or mismanagement or has by his/her conduct contributed to it or facilitated it.

- (iii) Prior to making an order to require removal of a Board member in terms of this Article 36(c), Communities Scotland shall give at least fourteen days notice of its intention to do so to the Company and to the person whom it intends to have removed such notice to be posted to the said person and addressed to his/her last known address in the United Kingdom.
 - (iv) A Board member who is removed in terms of this Article 36(c) shall be entitled to appeal against the order to the Court of Session;
 - (v) Where a Board member is removed in terms of this Article 36(c), Communities Scotland may appoint another Board member in his place.
- (d) (i) In the event that the Company fails to be awarded a satisfactory Performance Audit Grading by Communities Scotland and within a period of one year thereafter is unable to demonstrate to Communities Scotland' satisfaction that it has improved its performance sufficiently to achieve a satisfactory Performance Rating, Communities Scotland may where it considers it necessary for the proper management of the company's affairs appoint a person or persons to be Board members and members of the Company (the "Appointee").
- (ii) Notwithstanding the provisions of Article 36(d)(i), if in the opinion of Communities Scotland the Company is or will be unable to achieve a satisfactory Performance Audit Grading

within one year Communities Scotland may immediately appoint a person or persons to be Board Members in accordance with Article 36(d)(i).

- (iii) The Appointee may be appointed whether or not he/she is a member of the Company.
- (iv) The Appointee shall hold office for such period and on such terms as Communities Scotland may specify and on the expiry of the appointment Communities Scotland may renew the appointment for such period as it may specify it being understood that the Appointee may elect to retire in accordance with the provision of these Articles.
- (v) An Appointee shall be entitled to attend, speak and vote at all general meetings of the Company, including Board meetings and to receive all notices, papers or communications relating to any such meetings which any member of the Company or Board member is entitled to receive.
- (vi) An Appointee shall be entitled to require a general meeting of the Company or a Board meeting to be convened within twenty one days of a request to that effect made in writing to the Company's Board;
- (vii) In the event that Communities Scotland appoint an Appointee the proper and reasonable expenses of the Appointee shall be borne by the Company.

37 (a) Any Board member or member of any sub-committee of the Board who 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 of other transaction with the Company shall disclose the nature of his/her interest to the Board and shall not remain at a meeting of the Board 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 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, except as unanimously agreed 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, the Act, and any other statutory requirements (including Schedule 7 of the Housing (Scotland) Act 2001, taking into account any relaxations thereof granted by Communities Scotland from time to time) and with any directions given by special resolution of the Company;

- (b) The Company shall not make any payment or grant a benefit to:-
- (i) a person who is or has been during the preceding twelve months a Board member, officer or employee of the Company,
 - (ii) a close relative of a person within paragraph (i); or
 - (iii) a business trading for profit of which a person falling within paragraph (i) or (ii) is a principal proprietor or in the management of which such a person falling within paragraph (i) or (ii) is a principal proprietor or in the management of which such a person is directly concerned.

- (c) Notwithstanding the provisions of Article 37(b) the Company shall be entitled to make the following payments or to grant the following benefits:-
- (i) payments of benefits made to an officer or employee under his contract of employment with the Company;
 - (ii) the payment of proper and reasonable expenses actually incurred in carrying out the business of the Company to a Board member or to an officer of the Company who does not have a contract of employment with the Company;
 - (iii) payment of a sum which in accordance with the Company's Memorandum and Articles of Association is paid as interest on capital loaned to the Company;
 - (iv) where a tenancy of a house has been granted to a person or the close relative of a person who subsequently becomes a Board member, or an officer or employee of the Company, the grant to that tenant of a new tenancy whether of the same or another house;
 - (v) payments made or benefits granted in accordance with any determination made by Communities Scotland;
- (d) In the event that the Company makes a payment or grants a benefit contrary to the provisions or Article 37(b), Communities Scotland may direct the Company to institute proceedings for its recovery.
- 38 (a) Any Board member or member of 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 to do so 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 a member of any sub-committee of the Board who has any financial interest as described in Article 38(a) 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 38) shall be deemed by resolution of the Board to have vacated his/her office. Any Board member who fails to disclose any interest he/she is required to disclose under Article 37(a) shall vacate his/her office is 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 nine the Board may act by a majority of its remaining

members for a maximum period of three months. If at the end of that period the Board has not filled such vacancies to make up the membership to nine 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 nine.

- 41 (a) The members of the Board shall, at a specially convened meeting immediately following each annual general meeting, elect a Chairman and Vice 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 or as the case may be the Vice Chairman and shall be removable from the office of Chairman or as the case may be the Vice 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 Vice Chairman shall act as the Chairman of the meeting. If at any meeting of the Board both the Chairman and Vice Chairman are absent or unwilling to act the members of the Board present shall elect another Board member to be Chairman or as the case may be the Vice 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 or as the case may be the Vice Chairman may resign his/her office by notice in writing to the Company 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 or as the case may be the Vice Chairman in his/her place.

- (c) The Chairman may be re-elected but may not hold office continuously for more than five consecutive annual general meetings. On the expiry of five continuous terms of office, the retiring Chairman shall not 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 Company Secretary by the Chairman of the Board, or by two Board members, specifying the business to be transacted. The Company Secretary shall send a copy of the notice to all Board members 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 Company Secretary of the notice. No other business shall be done at the meeting than the business named in the notice. Should the Company 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 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 Board members not less than seven days before the date of the meeting.
- 46 (a) All matters of business for the agenda shall be in the hands of the Company Secretary not later than 4pm on the day preceding that on which the notice of meeting is issued, unless in relation to a matter or 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 Company 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.
- (b) The Company Secretary shall ensure that there is included on the agenda of the next appropriate Board meeting any written representation or request to reconsider policies or procedures of the Company (including the terms of these Articles) where such representation or request is supported by the signatures of at least ten per cent of the total number of tenants of the Company (or 30 individual tenants, whichever is the lesser). The Board shall consider such representation on request within a reasonable timescale and shall undertake such further consultation with the local housing authority, Communities Scotland or other body as it considers appropriate. Thereafter the Board shall provide to the signatories a response in writing.
- 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 those 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 Chief Executive, the Company 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 or 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 any description.
- (f) to reimburse such out of pocket expenses including travelling expenses as are reasonable and proper and incurred by a Board member or a member of 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 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.
- (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 to 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 afterwards be discovered that there was any defect in the appointment of the Board member or Board members or that any one of 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.

CHIEF EXECUTIVE, COMPANY SECRETARY AND OTHER OFFICERS

- 53 (a) The Board may appoint such person as it deems appropriate to the office of Chief Executive 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 Company 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 Company Secretary is unavailable to carry out his/her functions to the Board or in cases of emergency the Chairman may appoint any officer or employee to carry out the Company Secretary's functions until such time as the Company Secretary is able or available to recommence his/her duties.
- (d) The Company Secretary and other officers, if any, shall act under the superintendence, control and direction of the Board, and without prejudice thereto the Company 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 Company Secretary or other officer shall produce or give up all books, registers, documents and property of the Company in his/her possession whenever required to do so by a resolution of the Board or by 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 to 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. For the purposes of this Article the Company shall have the powers to make payments for or towards insuring against any liability of any directors, officers or employees of the Company from time to time arising from their management or direction of (or otherwise arising in respect of the performance of their duties to) the Company.

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 may 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 its 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 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 on 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 Company 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 Company 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 such 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 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 Company 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.

PROFITS

- 70 (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.

- (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

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

PROCEEDINGS ON DEATH OF A MEMBER

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

WINDING UP

- 73 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.

AMALGAMATION OR DISSOLUTION

- 74 The Company may not pass any resolution for amalgamation, transfer of engagements, voluntary winding up or dissolution without the prior written consent of Communities Scotland which consent shall be given only if the interests of any third parties, including tenants of the Company will not be adversely affected and shall not be unreasonably withheld or delayed. In the event that the Company's assets are transferred in terms of this Article, such transfer shall be to another charitable Registered Social Landlord and shall only be carried out after consultation with the tenants of the Company.

**THIS IS THE APPENDIX REFERRED TO IN THE FOREGOING
ARTICLES OF ASSOCIATION
OF
ABERDEENSHIRE HOUSING PARTNERSHIP
FORMS OF INSTRUMENTS**

PROXY

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

I, _____ residing at _____
being a member of Aberdeenshire Housing Partnership, 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 Aberdeenshire Housing Partnership hereby
revoke the instrument of proxy made by me on the _____ day of _____

Signed

Date.....