

The National Association of Estate Agents

897907

# Memorandum and Articles of Association

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*The Companies Act 1948, as amended*

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE  
CAPITAL

## **Memorandum of Association**

OF

### **The National Association of Estate Agents**

1. The name of the Company (hereinafter called 'the Association') is 'THE NATIONAL ASSOCIATION OF ESTATE AGENTS'
2. The Registered Office of the Association will be situated in England.
3. The objects for which the Association is established are:-
  - (a) To take over the assets and liabilities and carry on the functions of the unincorporated body known as The National Association of Estate Agents.
  - (b) To promote unity and understanding among estate agents, and to protect the general public against fraud, misrepresentation and malpractice and (without prejudice to the generality of the foregoing) to that end:-
    - (i) to make such rules and regulations as the Association shall think fit to govern the conduct of its members and to provide for sanctions in the event of their infringement;
    - (ii) to set up such disciplinary procedure as the Association shall think fit for the investigation of alleged breaches of such rules and regulations, for the imposition of sanctions, where appropriate, and for the hearing and final disposal of appeals by a member against any finding that they have committed a breach of such rules and regulations and/or against any sanction imposed in respect of such breach;
    - (iii) if the Association shall think fit, to make provision for the establishment of either a Bonding Scheme or a Deposit Guarantee Scheme to which those members of the Association to whom the scheme is intended to apply shall be obliged to belong and contribute financially.
  - (c) To safeguard its membership and the public against restrictive practices within the profession
  - (d) To encourage a high ethical standard of competitive practice and to

commercial experience.

- (e) To provide an organisation for land and estate agents and managers, surveyors, auctioneers and valuers for the protection of their collective interests.
- (f) To do such things as may be necessary or expedient to sustain or raise the status of land and estate agents and managers, surveyors, auctioneers and valuers and particularly of members of the association as such.
- (g) To promote the study of the theory and practice of the profession of land and estate agent and manager, surveyor, auctioneer or valuer and to establish and/or provide facilities for the holding of classes or examinations (either under the jurisdiction of the Association or that of any college appointed by the Association) and for the award of medals, scholarships, certificates, diplomas and related designatory letters.
- (h) To promote and provide opportunities for professional and social intercourse among members of the association, to encourage and promote the delivery of lectures and reading and discussion of papers relative to members practices and their interests.
- (i) To prepare and issue a journal for distribution among the members of the Association and to print, publish, issue, circulate and sell such papers, periodicals, books, statistics, lectures, circulars and other literary works as may seem conducive to the attainment of the objects of the Association and to acquire and manage a library of such works and to buy, sell, lend or exchange such works.
- (j) To lend or make grants of money, books or apparatus for the training of candidates for the examinations of or membership of the Association and for the promotion of research in connection with the practice of land and estate agents and managers, surveyors, auctioneers and valuers.
- (k) To erect, maintain, alter or repair any library, lecture-hall, offices or other buildings or accommodation or any part of the same which may be required for the purposes of the Association and to manage the same and to provide the same with all proper and necessary fixtures, furniture, fittings, apparatus, appliances, books, conveniences and accommodation.
- (l) To amalgamate or combine or act temporarily or otherwise in conjunction with any other body or bodies, institution or institutions having similar objects to those of the Association.
- (m) To accept legacies and gifts of money and apply the same to the objects of the Association or any of them.
- (n) To establish, undertake, superintend or administer any charitable or benevolent fund from whence donations or advances may be made to assist necessitous Members and the widows and children of and/or other persons dependent on, deceased Members or other deserving persons (whether Members or not) who may be or may have been connected with the profession; and (subject to the provisions of Clause 4 of this Memorandum) to make any contribution out of the surplus assets or income of the Association from time to time to any such benevolent fund or funds and to establish and support and aid in the establishment and support of any charitable or benevolent associations or institutions and to subscribe or guarantee money for charitable or benevolent purposes in any way connected with the purposes of the Association or calculated to further its objects.

- (o) To apply for, promote, petition for or otherwise support any Act of Parliament, Royal Charter or other measures for the purpose of attaining the above objects or any of them.
- (p) To petition Parliament and/or take whatever measures may be necessary to oppose any proposed legislation which might prejudicially affect the interests or status of land and estate agents and managers, surveyors, auctioneers and valuers and particularly members of the Associations.
- (q) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Association may think necessary or convenient for the promotion of its objects.
- (r) To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Association as may be thought expedient with a view to the promotion of its objects.
- (s) To undertake and execute any trusts which may be lawfully be undertaken by the Association and may be conducive to its objects.
- (t) To borrow or raise money for the purpose of the Association on such terms and on security as may be thought fit and to enter into any guarantee, contract of indemnity or suretyship.
- (u) To invest the moneys of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.
- (v) To make, draw, accept, endorse, execute and issue promissory notes, bills of exchange, debentures and other negotiable or transferable instruments.
- (w) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.
- (x) To do all or any of the above things as principals, agents, trustees, or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.

IT IS HEREBY EXPRESSLY DECLARED that each of the preceding sub-clauses shall be construed independently of and shall in no way be limited by reference to any other sub-clause and that the objects set out in each sub-clause are independent objects of the Company.

PROVIDED that:

- (i) In case the Association shall take or hold any property which may be subject to any trusts, the Association shall only deal with or invest the same in such manner as allowed by law having regard to such trusts.
- (ii) The Association shall not support with its funds any object, or endeavour to impose on or procure to be observed by its members or others any regulation, restriction or condition which if an object of the Association would make it a Trade Union.
- (iii) In case the Association shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales or Minister of Education, the Association shall not sell, mortgage, charge lease the same without authority, approval or consent as may be required by law, and as regards any such property the Council of Management or Governing Body of the Association 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 Council of Management or Governing Body have been if no incorporation has been effected, and the incorporation of the Association shall not diminish or impair any control or authority exercisable by the Chancery Division, the Charity Commissioners or the Minister of Education over such Council of Management or Governing Body, but they shall as regards any such property be subject jointly and separately to such control or authority as if the Association were not incorporated.

4. The income and property of the Association whencesoever derived, shall be applied solely towards the promotion of the objects of the Association as set forth in the Memorandum of Association, and no portion thereof shall be paid or transferred directly or indirectly, by way of profit, dividend, bonus or otherwise howsoever by way of profit, to the members of the Association.

Provided that nothing herein shall prevent payment, in good faith, of reasonable and proper remuneration to any officer or servant of the Association, or to any member of the Association, in return for services actually rendered to the Association, nor prevent the payments of grants of money, pensions or allowances to employees or ex-employees of the Association and the wives, widows, families, dependents or relations of such persons, nor prevent the payment of interest at the rate not exceeding 3% per annum above the Bank of England Minimum Lending Rate for the time being in force on money lent or reasonable proper rent for premises demised or let by any member to the Association: but so that no member of the Council of Management or Governing Body of the Association other than the Secretary shall be appointed to any salaried office of the Association or any office of the association paid by fees, and that no remuneration or other benefit in money or money's worth shall be given by the Association to any member of such council or Governing Body other than as aforesaid except payment of out-of-pocket expenses and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Association: provided that the provision last aforesaid shall not apply to any payment to any company of which a member of the Council of Management or Governing Body may be a member, and in which such member shall not hold more than one hundredth part of the capital, and such member shall not be bound to account for any share of profits they may receive in respect of any such payment

5. The liability of the members is limited.

6. Every member of the Association undertakes to contribute such amount not exceeding £5 to the assets of the Association in the event of the same being wound up while they are a member of the Association or within one year after they cease to be a member as may be required for payment of the debts and liabilities of the Association contracted before they cease to be a member of the Association and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

7. If upon the winding up or dissolution of the Association there remains, after the satisfaction of all its debts any liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Association, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Association, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Association under or by virtue of Clause 4 hereof, such institution or institutions to be deemed by the members of the Association at or before time of dissolution, and if and so far as effect cannot be given to such provision, then to some charitable object.

*The Companies Act 1948 as amended*

COMPANY LIMITED BY GUARANTEE AND  
NOT HAVING A SHARE CAPITAL

**Articles of Association**  
OF  
**The National Association of Estate Agents**

GENERAL

1. In these presents the words standing in the first column of the Table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context.

WORDS	MEANINGS
The Act	The Companies Act, 1948
The Statutes	The Companies Act, 1948 to 1985, and every statutory modification or re-enactment thereof for the time being in force.
These presents	These Articles of Association, and the regulations of the Association from time to time in force.
The Association	The above-named company.
The Council Association.	The Council of Management for the time being of the
The Office	The registered office of the Association.
The Seal	The Common Seal of the Association. The United Kingdom Great Britain and Northern Ireland.
Month	Calendar month.
In writing	Written, printed or lithographed, or partly one and partly another, and other modes of representing or reproducing words in visible form.
Secretary of the Association.	Any person appointed to perform the duties of the Secretary
Branches	The Branches of the Association established from time to time by the Council under power contained in Article 29 hereof.

## WORDS

## MEANINGS

Member Any Fellow, Honorary Member, Member Associate, Affiliate, Student or Member of such other class or classes of member as may be determined from time to time by the Council in accordance with the provisions of Article 3 (iii) hereof.

Words importing the singular number only shall include the plural number, and vice versa.

Subject as aforesaid, any words or expressions defined in the Act or any statutory modification thereof in force at the date on which these presents become binding on the Association shall, if not inconsistent with the subject or context, bear the same meanings in these presents. The Association is established for the purposes expressed in the Memorandum of Association.

## MEMBERS

2. The number of members of which the Association proposes to be registered is 20,000 but the Council may from time to time register an increase of members.
3. (i) Corporate Membership of the Association shall be open to persons practicing as estate agents, either by themselves or with others (whether as principals, partners, directors or employees of firms and companies), who accept the aims and objects of the Association, and agree to be bound by its Memorandum and Articles of Association and by any rules and regulations made by the Association, its Council, Committees and Sub-Committees. Where a corporate member ceases to practice as an estate agent, that in itself shall not be sufficient cause for that member to be other than a corporate member.
- (ii) For the purposes of the preceding paragraph Estate Agent shall mean a person acting on behalf of a vendor or a purchaser or a lessor or lessee of land in matters directly connected with the sale or letting thereof and whose primary business activity consists in acting on behalf of such persons in such matters. The Council shall have the absolute right to determine whether or not a person's primary business activity consists in acting on behalf of such persons in such matters.
- (iii) Different classes of membership including that of honorary membership and the qualifications of such classes and their respective voting rights shall be prescribed by the Council from time to time with power to vary the classes, qualifications and voting rights thereof. The Council shall circulate to all Branches of the Association any proposal relating to the qualifications for such classes and their respective voting rights made by Council at least one month prior to reaching a decision thereon, and will take note of the views and opinions expressed by the branches.
- (iv) The Council reserves the right to refuse membership to or to impose conditions of membership on an applicant for membership of any class and to consider from time to time whether any existing member continues to meet the current qualifications for membership of that class, or to comply

of that fact in writing. The Council may also impose conditions of membership on any existing member or class of membership. The Council may delegate its powers under this Article of the Membership Sub-Committee in accordance with the provisions of Article 46 hereof. The Council acting through the Membership Sub-Committee may only impose a condition of membership when an applicant meets the qualifications for membership of a particular class, and where the Council acting through the Membership Sub-Committee in its discretion, considers that there are special reasons justifying the imposition of such a condition for the protecting of the Association.

Where such a condition is imposed, the applicant must, within 21 days of the membership Sub-Committee's decision to impose the condition, be notified in writing of the condition and the reason for the making of the Condition and of their right to appeal to the Council. Any appeal against the imposition of a condition must be made within 21 days of the date on which the Membership Sub-Committee notifies the applicant of its decision to impose the condition. On the hearing of an appeal, the Council shall consider whether the imposition of any condition/conditions was reasonable in all the circumstances of the case and shall have the power to discharge or modify any condition or conditions or to impose such further condition or conditions as it may in its absolute discretion think fit. A member shall be entitled to have a condition of membership removed at any time on *producing satisfactory evidence to the Membership Sub-Committee or on appeal to the Council* that the reason for imposing the condition no longer applies.

- (v) A Corporate Member who has been awarded a Fellowship by Council for signal service to the advancement of the association shall be entitled to use the word '(Honoured)' after their designatory letters

A Fellow shall be entitled to use the designatory letters 'FNAEA', a Member shall be entitled to use the designatory letters 'MNAEA' and an Associate shall be entitled to use the designatory letters 'ANAEA'.

A Corporate Member who has passed the Association's examinations shall be entitled to use the letter '(P)' after their designatory letters. A Corporate member who has passed the Association's Diploma Examination shall be entitled to use the letters '(Dip)' after their designatory letters.

Past Presidents are entitled to place the words '(Past President)' after their designatory letters, or to use the initial letters 'PPNAEA'.

A Corporate Member who has retired and who has not taken any other trade, profession or calling shall be entitled to use the abbreviation 'Retd' after their designatory letters.

4. The provisions of Section 110 of the Act shall be observed by the Association and every member of the Association shall either sign a written consent to become a member or sign the Register of Members on becoming a Member.

5. The subscribers to the Memorandum of Association and such other persons as the Council shall admit to membership in accordance with the provisions herein contained shall be members of the Association.



6. (a) Any person desiring to become a member of the Association shall make an application in writing for that purpose signed by the applicant in a form to be approved by the Council and shall on application pay a processing fee, if the payment thereof is prescribed by the Rules of the Association for the time being in force, and shall on becoming a member and on the appropriate day in every year while they remain a member, pay an annual subscription. The amounts of such processing fee (if any) and annual subscription respectively shall be prescribed from time to time by the Council and in fixing the amounts they may have regard to such considerations in different classes of cases or individual cases as the Council shall think fit and the amounts may be different as between certain classes and others and/or as between one or more member or members.
- (b) A member shall not be entitled to exercise any of the rights or privileges of membership until all moneys due from him to the Association upon becoming a member have been paid.

7. The Association may from time to time at the discretion of the council levy (in addition to the annual contributions referred to in article 6 (a) hereof) special funds in support of the activities (whether at National or Branch level) of the Association.

8. A member shall cease to be a member on the happening of any of the following events:

- (a) If any aspect of the declaration and certification in the member's application for membership proves to be false.
- (b) (i) If they (being an individual) shall become bankrupt or shall enter into an arrangement or composition with their creditors.
- (ii) If it (being a company) shall enter into liquidation whether compulsory or voluntary (save for the purposes of amalgamation or re-construction of a solvent company) or if a receiver shall be appointed of its undertaking or if it shall have an administration order made against it or if it shall enter into an arrangement or composition with its creditors or
- (iii) If they (being an individual) are a Director of a Company in respect of which any of the circumstances set out in sub-clause (ii) above occur.
- (c) If they be required to resign their membership as a result of a finding to that effect made under the Association's disciplinary procedure.
- (d) On their death.
- (e) If they become unsound of mind.
- (f) If the subscriptions or any agreed contributions of a member or any other moneys due from him to the Association shall remain outstanding for more than one month but while any other subscriptions, contributions or other moneys shall remain a debt due to and recoverable by the Association the Council shall have power to reinstate such member upon such terms and conditions as the Council shall think fit.
- (g) If they resign from the Association by notice in writing sent by post or delivered to the Secretary at the Office of the Association.

- (h) If the Council shall notify a member in writing that they no longer continue to meet the current qualifications for membership or a condition for membership imposed on them under Article 3 (iv) hereof.
- (i) If the Membership Sub-Committee attaches to their membership, special conditions and they are in breach of those conditions.
- (j) If they fail to maintain Professional Indemnity Insurance and Client Money Protection Cover in accordance with such criteria as may from time to time be approved by Council.
- (k) If they fail to provide an Accountant's Report meeting the requirements of the Association within the time frame specified within Rule 1 (5).

Provided always that if a member shall cease to be a member in accordance with any one or more of the foregoing provisions, they shall not thereafter be entitled to hold themselves out to be a member of the Association in any way and if they do so then the Association may take such action (including legal proceedings) against them as it deems to be necessary and the Association shall be entitled to publish the facts in any local and/or national newspapers and such other publications as it shall think fit. Under no circumstances will membership fees be refunded.

The Membership Sub-Committee may, on just cause shown, reinstate a former member in any grade.

9. All members shall be entitled to the free use of the library and other premises of the Association reserved for the general use of members and to all such information and advice with regard to the practice of the profession of land and estate agent and manager, surveyor, auctioneer or valuer as the Association or any of its offices may be able to supply.

10. No right or privilege of any member shall be in any way transferable or transmissible but all such rights and privileges shall cease upon the member ceasing to be such.

## GENERAL MEETINGS

11. The Association shall hold a General Meeting in every calendar year as its Annual General Meeting not later than the 31st May in every year at such time and place as may be determined by the Council and shall specify the meeting as such in the notice calling it.

12. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.

13. The Council may whenever it thinks fit convene an Extraordinary General Meeting, and an Extraordinary General Meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Section 132 of the Act. If at any time there are not within the United Kingdom sufficient members of the Council capable of acting to form a quorum, any member of the Council or any twenty members of the Association may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Council.

14. Twenty-one days' notice in writing at the least of every Annual General Meeting and of every meeting convened to pass a Special Resolution, and fourteen days' notice in writing at the least of every other General Meeting (exclusive in every case both on the day which it is served or deemed to be served and of the day for which it is given), specifying the place, day and hour of meeting, and in the case of special business the general nature of that business shall be given in manner hereinafter mentioned to such persons (including the Auditors) as are under these presents or under the statutes entitled to receive such notices from the Association; but with the consent of all members having the right to attend and vote thereat, or of members entitled to at least 95 per cent of the total voting rights in the case of meetings other than Annual General Meetings, a meeting may be convened by such notice as those members may think fit.

15. The accidental omission to give notice of a meeting to, or the non receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed, or proceeding had, at any meeting.

#### PROCEEDINGS AT GENERAL MEETING

16. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that transacted at an Annual General Meeting shall also be deemed special, with the exception of the consideration of the income and expenditure account, and balance sheet, and the reports of the Council and of the Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

17. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided 20 members personally present shall be a quorum.

18. If within half an hour of the time appointed for the holding of a General Meeting a quorum is not present, the meeting, if convened on the requisition of the members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other place as the Council may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum.

19. The President (if any) of the Council or in their absence one of the Vice - Presidents shall preside as Chairman at every General Meeting, but if there be no such President or Vice-President or if at any meeting they shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, the members present shall choose such member of the Council, or if no such member be present, or if all the members of the Council present decline to take the chair, they shall choose some member of the Association who shall be present to preside.

20. The Chairman may, with the consent of any General Meeting at which a quorum is present (and shall so directed by the meeting) adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

21. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or upon the declaration of the result of the show of hands) demanded.

- (a) by the Chairman, or
- (b) by at least three members present in person, or
- (c) by a member of members present in person and representing one-tenth of the total voting rights of all members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn.

22. Subject to the provisions of Article 23, if a poll be demanded in manner aforesaid, it shall be taken at such time and place, and in such manner, as the Chairman of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

23. No poll shall be demanded on the election of a Chairman of a meeting or on any question or adjournment.

24. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

25. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTES OF MEMBERS

26. Subject as hereinafter provided, every member shall have one vote.

27. Save as herein expressly provided, no member other than a member complying with the qualifications laid down by the Council under Article 3 and duly registered, who shall have paid every subscription and other sum (if any) which shall be due and payable to the Association in respect of their membership, shall be entitled to vote on any question, at any General Meeting.

## OFFICERS

28. The Executive Officers of the Association shall be:

The President  
The President Elect  
Two Vice-Presidents  
The Treasurer  
The Business Practices Officer  
The Immediate Past President

At a meeting held within 60 days prior to each Annual General Meeting the Council shall:

- (a) elect two Vice-Presidents for the ensuing year. Nominations for the two Vice-Presidents shall be made by any member of the Council from past or present members of the Executive Committee of the Association or, failing them, from any member of the Council.
- (b) elect a President Elect for the ensuing year. The President Elect shall, except in special circumstances, take office as President following the Annual General Meeting at the end of the ensuing year. Nominations for the President Elect shall be made by any member of the Council from past or present members of the Executive Committee of the Association or, failing them, from any member of the council;
- (c) if there is no President Elect taking office in accordance with paragraph (b) of this article, Council may elect a President for the ensuing year. Nominations for the office of President may be made by, or from, any corporate member of the Association. The president shall, except in special circumstances, hold office for one year;
- (d) elect a Treasurer for the ensuing year. Nomination for the Treasurer shall be made by any member of the Council from past or present members of the Council;
- (e) elect a Business Practices Officer upon such conditions as they may think fit and any such elected Officer may be removed by them. Nominations for the Business Practices Officer shall be made by any Member of the Council from Executive Officers of the Association and/or from past or present Members of the Executive Committee. The Business Practices Officer will investigate all complaints against Members by whomsoever made in accordance with the Disciplinary Procedure Regulations made from time to time by the Council under the power contained in Article 51 hereof.

The Council shall have power at any time to fill any vacancy in these offices occurring through resignation, retirement or otherwise.

The President shall be the Head of the Association. Immediately on their retirement the President shall be entitled to the title of Immediate Past President of the Association and shall, except in special circumstances, retain that title for one year. All Past Presidents shall be entitled to attend (but not to vote and only to speak with the consent of the Chairman at) all Council Meetings so long as they remain

members of the Association. The President, President Elect and the two Vice-Presidents shall be entitled to attend (but not vote and only speak with the consent of the Chairman) at Committee and Sub-Committee meetings as long as they remain in office as President, President Elect and Vice-Presidents, respectively.

For the purposes of this Article the ensuing year shall mean the year beginning with the Annual General Meeting following election and ending immediately prior to the next Annual General Meeting. The Council shall in its absolute discretion determine what are special circumstances for any of the purposes of this article.

## BRANCHES

29. The Council may from time to time establish Branches in such places as they may in their absolute discretion think fit and prescribe Rules and Regulations relating to their function and proceedings.

## COUNCIL OF MANAGEMENT AND ITS POWERS

30. The business of the Association shall be managed by the Council which shall consist of the Executive Officers of the Association and two Corporate Members of the Association to be nominated each year in accordance with the regulations issued from time to time by the Council (prior to the Annual General Meeting of the Association) by each of the Branches of the Association from its own members. Members so nominated shall hold office as members of the Council for the ensuing year as defined in the preceding Article 28.

No person who is not a Corporate Member of the Association shall in any circumstances be eligible to hold office as a member of the Council or of any of its Committees or Sub-Committees.

31. Section 185 of the Act (relating to the age limit of directors) shall apply to the members of the Council.

32. A Branch shall be entitled at any time or times to appoint one of its own members who is also a Corporate member of the Association to fill a casual vacancy and any member so appointed shall retain their office only until the next Annual General Meeting but they shall be eligible for re-nomination by that Branch, provided that for this purpose a casual vacancy shall be deemed to arise if any member of the Council elected thereto by a Branch is appointed an Executive Officer of the Association or as a member of the Executive Committee and provided further that a Branch shall only be entitled to fill a casual vacancy under this Article twice during the course of anyone year.

33. The Council may exercise all such powers of the Association, as are not by the statutes or by these Articles required to be exercised by the Association in General Meeting subject nevertheless to the provisions of these Articles, and of the statutes and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Association in General Meeting, but no regulation made by the Association in General Meetings shall invalidate any prior act of the Council which would have been valid if such registration had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Council by any other Article.

34. The members for the time being of the Council may act notwithstanding any vacancy in their body.

35. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Association, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Council shall from time to time by resolution determine.

36. The Council shall cause minutes to be made in books provided for the purpose:

- (a) of all appointments of officers made by the Council;
- (b) of the names of the members of the Council present at each meeting of the Council and any of its Committees or Sub-Committees.
- (c) Of all resolutions and proceedings at all meetings of the Association and of the Council and of any Committees or Sub-Committees of the Council.

and every member of the Council present at any meeting of the Council or of any Committee or Sub-Committee of the Council shall sign their name in a book to be kept for that purpose.

#### SECRETARY

37. The Secretary shall be appointed by the Council for such time, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The provisions of Sections 177 and 179 of the Act shall apply and be observed. The Council may from time to time by resolution appoint an assistant or deputy Secretary, and any person so appointed may act in place of the Secretary if there be no Secretary or no Secretary capable of acting. The Secretary shall be entitled to attend and speak (but not vote) at all meetings of the Council, Committees and Sub-Committees of the Association.

#### THE SEAL

38. The Seal of the Association shall not be affixed to any instrument except by the authority of a resolution of the Council or of the Executive Committee and in the presence of at least two members of the Council and of the Secretary, and the said members and Secretary shall sign every instrument to which the seal shall be so affixed in their presence, and in favour of any purchaser or person bona fide dealing with the Association such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.

#### DISQUALIFICATION OF MEMBERS OF THE COUNCIL

39 Suspension of Members of the Council

- (i) Any member of Council who is subject to a Disciplinary Tribunal should have their membership of all committees (including Branch responsibilities) suspended until the matter has been through the due process.

(ii) Where the circumstances set out in Article 39(i) arise and the member is found guilty, the matter shall be referred to and considered by Council in meeting and Council shall decide whether it is appropriate that such person should be or remain a member of the Council, or whether that person should resign from such office, membership or Branch Office and Council's resolution on the issue shall be final and binding. If Council shall resolve that such person should resign from such office, membership or branch office then he shall do so within 21 days of the date of Council's resolution to that effect or (in the absence of such resignation) shall be deemed to have vacated such office, membership or branch office at the expiry of such period.

40. The office of a member of the Council shall be vacated:

- (a) If a receiving order is made against them or they make any arrangement or composition with their creditors.
- (b) They become of unsound mind.
- (c) If they cease to be a member of the Association as laid down in Article 8.
- (d) If by notice in writing to the Association they resign their office.
- (e) If they cease to hold office by reason of any order made under Section 188 of the Act or under Section 28 of the Companies Act 1976.
- (f) If they are removed from office by a resolution duly passed pursuant to Section 184 of the Act.
- (g) If by resolution passed by a three-fourths majority of the whole of the members for the time being of the Council excluding themselves they shall be requested to resign provided that if a person whose office as a member of the Council has been vacated as hereinbefore provided is also an officer of the Association that office shall also be vacated at the same time.

#### PROCEEDINGS OF THE COUNCIL

41. The Council may meet together at least quarterly for the dispatch of business adjourn and otherwise regulate their meeting as they think fit, and determine the quorum necessary for the transaction of business. Unless otherwise determined the one of quarter of its total membership shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.

42. Upon receipt of a written requisition signed by ten or more members of the Council the Secretary shall, at any time, summon a meeting of the Council by notice served upon several members of the Council. A member of the Council who is absent from the United Kingdom shall not be entitled to notice of a meeting.

43. The President of the Association for the time being shall preside at all meetings of the Council. In their absence the senior Vice-President present will preside. If at any meeting of the Council neither the President nor any of the Vice-Presidents are present within fifteen minutes of the time appointed for the holding of the meeting the members then present shall appoint an acting Chairman to preside over the meeting.



44. A meeting of the Council at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Association for the time being vested in the Council generally.

#### EXECUTIVE COMMITTEE

45. There shall be an Executive Committee which shall conduct the financial and day-to-day business in accordance with the policy laid by the Council.

The Executive Committee shall consist of:

The Executive Officers of the Association

Fourteen members of Council

Seven such members shall be elected for a two year term by the Council annually at the meeting at which the Council elects the President, Vice-Presidents Treasurer and Business Practices Officer after it has elected those officers.

The President shall be entitled to invite any Past President to attend (but not to vote at any meetings of the Executive Committee.

46 Any member of Executive who is subject to a Disciplinary Tribunal should have their membership of all committees (including Branch responsibilities) suspended until the matter has been through the due process.

46A(i) If any of the following circumstances arise in relation to an Executive Officer of the Association or any other member of the Executive Committee then the provisions of Article 46A(ii) shall be invoked.

(a) If their primary occupation is not or ceases to be that of an estate agent either by himself or with others (whether as principal, partner, director or employee of a firm or company); or

(b) if any conflict of interest exists or arises (or is likely to arise) between such person and the main objects of the Association as set out in paragraphs 3(b) to (p) (inclusive) of the Association's Memorandum of Association; or

(c) if they are found guilty by the Disciplinary Sub-Committee of any breach of the Association's Rules of Conduct or other disciplinary rules.

46A(ii) Where any of the circumstances set out in Article 46A(i) arise the matter shall be referred to and considered by Council in meeting and Council shall decide whether it is appropriate that such person should be or remain an Executive Officer of the Council or other member of the Executive Committee or whether that person should resign from such office, membership or branch office and Council's resolution on the issue shall be final and binding. If Council shall resolve that such person should resign from such office, membership or branch office then they shall do so within 21 days of the date of Council's resolution to that effect or (in the absence of such resignation) shall be deemed to have vacated such office, membership or branch office at the expiry of such period.

46B An Executive Officer of the Association or any other member of the

Executive Committee shall vacate such position if:

- (a) they shall cease (for any reason) to be a member of the Council; or
- (b) by notice in writing they resign their office; or
- (c) they have any temporary suspension of their membership of the Association upheld by the Disciplinary Sub-Committee or the Appeals Committee or if they are found guilty by the Disciplinary Sub-Committee or Appeals Committee of any breach of the Association's Rules of Conduct or other disciplinary rules and Council resolves that in consequence it is appropriate that they vacate such position.

46C(i) Subject to the provisions of Article 46A(i) and of the Statutes and of the Memorandum of Association and provided that they have disclosed to the Council or Executive Committee the nature and extent of any material interest of theirs a member of the Executive Committee notwithstanding their office:

- (a) may be a party to or interested in any transaction or arrangement with the Association or in which the Association is otherwise interested;
- (b) may be a director or other officer of or employed by or party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Association or in which the Association is otherwise interested; and
- (c) shall not by reason of their office be accountable to the Association for any benefit which they derive from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

(ii) For the purposes of paragraph (i) above:

- (a) a general notice given to the Council or Executive Committee that a member of the Executive Committee is to be regarded as having an *interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested* shall be deemed to be a disclosure that such member has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a member of the Executive Committee has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of this.

(iii) A member of the Executive Committee shall not vote at a meeting of the Executive Committee or any sub-committee thereof on any resolution concerning a matter in which they have directly or indirectly an interest or duty which is material and which conflicts or may conflict with the interests of the Association and they shall absent themselves from the meeting or relevant part of the meeting at which the resolution is being considered.

For the purposes of this regulation an interest of a person who is for any purpose of the Statutes (excluding any statutory modification thereof not in force when this regulation becomes binding on the Association) deemed to be connected with such member of the Executive Committee shall be treated as an interest of such member.

(iv) A member of the Executive Committee shall not be counted in the quorum

present at a meeting in relation to a resolution on which they are not entitled to vote.

- (v) If a question arises at a meeting of the Executive Committee or any sub-committee thereof as to the right of a member to vote on any resolution the question may before the conclusion of the meeting be referred to the Chairman of the meeting and their ruling in relation to any member other than himself shall be final and conclusive.

47. The Executive Committee shall appoint:-

- (a) a minimum of three but not more than five Assistant Business Practices Officers upon such conditions as they think fit and any such Officers so appointed may be removed by the Executive Committee. The Assistant Business Practices Officers will investigate all complaints referred to them against Members by whomsoever made in accordance with Disciplinary Procedure Regulations made from time to time by the Council under the power contained in Article 53 hereof. The Assistant Business Practices Officers by virtue of their title will not be considered Executive Officers of the Association, unless they already hold such office;
- (b) a Disciplinary Sub-Committee the function of which shall be to hear determine and dispose of (in accordance with the provisions of the Disciplinary Procedure Regulations issued from time to time by the Council under Article 53 hereof) such cases of alleged breaches of the Association's Code of Conduct as may be referred to it;
- (c) a Membership Sub-Committee which shall have the function set out in Article 3 (iv) hereof;
- (d) an Intermediary Pool. Up to ten Council representatives not elected to Executive, shall be invited to form an Intermediary Pool between Executive and Council. The members shall be appointed to serve as full members, but not as Chairmen, on one or two Sub-Committees during their appointed term of one year;

and may appoint such other Sub-Committees as may be required and shall have power to co-opt members from the Council and Corporate members of the Association to serve as may be needed and the provisions hereinafter appearing with respect to Committees of the Council shall apply mutatis mutandis to Sub-Committees of the Executive.

48. The Council may delegate any of its powers to Committees consisting of such member or members of the Council and Corporate Members of the Association as it thinks fit, and any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Council. The meetings and proceedings of any such Committee shall be governed by the provisions of these presents for regulating the meetings and proceedings of the Council so far as applicable and so far as the same shall not be superseded by any regulations made by the Council. The Council shall have power to co-opt members of the Council and Corporate Members of the Association to serve on such Committees or otherwise as may be needed and any member of the Council or Corporate Member of the Association so co-opted to serve on such Committees shall be entitled to vote at meetings of such Committees.

49. . All acts bona fide done by any meeting of the Council or of any Committee of the Council, or by any person acting as a member of the Council, shall, notwithstanding it

in office of any such member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Council.

50. The Council shall cause proper minutes to be made of all appointments of officers made by the Council and of the proceedings of all meetings of the Association and of the Council and of Committees of the Council, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.

51. A resolution in writing signed by all the members for the time being of the Council or of any Committee of the Council who are entitled to receive notice of a meeting of the Council or of such Committee shall be as valid and effectual as if it had been passed at a meeting of the Council or of such Committee duly convened and constituted.

#### BORROWING

52. The Council may exercise all the powers of the Association to borrow money and to mortgage or charge its property or any part thereof and to issue or give any security whether outright or as security for any debt liability or obligation of the Association.

#### RULES

53. The Council shall have power to make, alter or revoke Rules for carrying on the business and affairs of the Association provided always that the Rules from time to time in force shall not be repugnant to the Memorandum of Association or these presents and that no Rule shall have any validity or effect which would amount to such an alteration of or addition to these presents as could only legally be made by special resolution of a General Meeting. The Rules shall be deemed to include the Association's Rules of Conduct, the Residential Estate Agents Code of Practice, Regulations for the Association's Examinations, the Disciplinary Procedure Regulations and the Association's Continuing Professional Development requirements as laid down from time to time.

54. The Council shall circulate to all Branches the particulars of any proposals made by the Council to make, alter or revoke the Rules at least one month prior to reaching a decision thereon and will take note of the views and opinions expressed by the Branches.

#### ACCOUNTS

55. The Council shall cause accounting records to be kept in accordance with S.12 of the Companies Act, 1976.

56. The accounting records shall be kept at the Office, or, subject to Sections 12(6) and (7) of the Companies Act, 1976, at such other place or places as the Council shall think fit, and shall always be open to the inspection of the Officers\* of the Association.

57. The Council shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounting records of the Association or any of them shall be open to the inspection of members not being members of the Council and no member (not being a member of the Council) shall have any right of inspecting any account or book or document of the Association except as conferred by statute or authorised by the Council or by the Association in General Meeting.

58. At the Annual General Meeting in every year the Council shall lay before the Association a proper income and expenditure account for the period since the last preceding account made up to date not more than six months before such meeting, together with a proper balance sheet made up as at the same date. Every such balance sheet shall be accompanied by proper reports of the Council and the Auditors, and copies of such account, balance sheet and reports (all of which shall be framed in accordance with any statutory requirements for the time being in force) and of any other documents required by law to be annexed or attached thereto or to accompany the same shall not less than twenty-one clear days before the date of the meeting, subject nevertheless to the provisions of Section 158(1)(c) of the Act, be sent to the Auditors and to all other persons entitled to receive notices of General Meetings in the manner in which notices are hereinafter directed to be served. The Auditors' report shall be open to inspection and be read before the meeting as required by Section 14 of the Companies Act, 1967.

\* Officers is defined by the 1948 Act as including a Director, Manager or Secretary.

#### AUDIT

59. Once at least in every year the accounts of the Association shall be examined and the correctness of the income and expenditure account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.

60. The Auditor or Auditors shall be appointed and their duties regulated in accordance with Section 161 of the Act, Section 14 of the Companies Act, 1967, and Sections 13-18 (inclusive) of the Companies Act, 1976, the Members of the Council being treated as the directors mentions in those Sections.

#### NOTICES

61. A notice may be served by the Association upon any member, either personally or by sending it through the post in a prepaid letter, addressed to such member at their registered address as appearing in the register of members.

62. Any member described in the register of members by an address not within the United Kingdom, who shall from time to time give the Association an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address but, save as aforesaid and as provided by the Act, only those members who are described in the register of members by an address within the United Kingdom shall be entitled to receive notices from the Association.

63. Any notice, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office as a prepaid letter.

64. Notice of every General Meeting shall be given in a manner hereinbefore authorised to:

- (a) Every member who in accordance with the regulations concerning voting rights has the right to vote at a General Meeting except those members who (having no registered address in the United Kingdom) have not supplied to the Association an address within the United Kingdom for the giving of notices to them.

(b) The Auditor or Auditors for the time being of the Association.

No other person shall be entitled to receive notice of the General Meetings.

#### DISSOLUTION

65. Clause 7 of the Memorandum of Association relating to the winding up and dissolution of the Association shall have effect as if the provisions thereof were repeated in these Articles.

#### INDEMNITY

66. Subject to the provisions of and so far as may be permitted by the Act every member of the Council, Officer, Auditor and Secretary of the Association shall be entitled to be indemnified by the Association against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of their duties or in relation thereto.

*Consolidated as Amended*

*July 2001*