



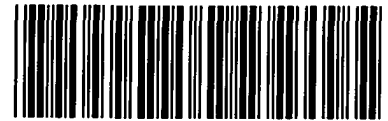
Draft Articles of Association referred to in the foregoing Special Resolution

Signature

NIC MAYALL

Director

WEDNESDAY



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23/03/2022

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COMPANIES HOUSE

The Companies Act 2006

Company Limited by Guarantee and not having a share capital

ARTICLES OF ASSOCIATION

of

PROPERTY MANAGERS ASSOCIATION SCOTLAND LIMITED

As adopted by special resolution on [date]

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

ARTICLES OF ASSOCIATION
of
PROPERTY MANAGERS ASSOCIATION SCOTLAND LIMITED

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GENERAL

Interpretation

1 In these articles, unless the context requires otherwise:

"Act"	means the Companies Act 2006;
"Association"	means Property Managers Association Scotland Limited, the company limited by guarantee operating under these articles;
"Council"	means the board of directors for the time being of the Association;
"Council members"	means the directors for the time being of the Association;
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form;
"electronic form"	has the meaning given in section 1168 of the Act;
"eligible Council member"	means a Council member who would be entitled to vote on the matter at a meeting of the Council (but excluding any Council member whose vote is not to be counted in respect of the particular matter);
"Model Articles"	means the model articles contained in Schedule 2 of The Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these articles;
"property"	means any property, heritable or moveable, wherever situated
"subsidiary"	has the meaning given in section 1159 of the Act;

- 1.1 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Act shall have the same meanings in these articles.
- 1.2 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles
- 1.3 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.4 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms. Reference in these articles to the singular shall be deemed to include the plural.
- 1.5 These articles shall apply to the Association to the total exclusion of the Model Articles.

Objects

2 The Association's objects are:

- 2.1 To promote and foster, among managers of real and heritable property and others interested in property management, the efficient management and factoring of all classes of such property and the education and training of property managers, and to do all such things as from time to time as may be necessary to promote and protect the interests of property managers in Scotland.

- 2.2 To oppose the creation and procure the removal of inequitable fiscal and other burdens upon heritable property and to promote or support proposals for improvement in the law relating to heritable property and property management, and to oppose alterations in the law which are not conducive to these objects.

Powers

3 In pursuance of the objects in article 2, the Association shall have the following powers:

- 3.1 To petition Scottish Government, Parliament and local authorities, corporations or persons; to appear (whether by counsel and agents or otherwise) before committees of Scottish Government, Parliament, courts and other tribunals, and to aid Members or others with information and financial support in litigation and other proceedings relating to heritable property and property management.
- 3.2 To encourage the education, through a suitable framework, of persons who are undertaking, or intend to undertake, the management of heritable property, to assist Members and others in matters affecting rights and liabilities in relation to heritable property, to collect and circulate information on matters relating to this, to publish and circulate such papers, periodicals, books, circulars and reports as may seem conducive to any of the objects of the Association, and to provide opportunities for discourse among the Members, and to provide facilities for the dissemination of information regarding heritable property.
- 3.3 To invest the funds of the Association in or upon such investments, securities or property as may be thought fit.
- 3.4 To support and subscribe to any charitable or benevolent cause selected by the Council.
- 3.5 To purchase or lease property, to sell, surrender or otherwise dispose of property or leases, to borrow money and grant security on this, to raise money by subscription or otherwise and to grant any rights or privileges to subscribers, subject always to articles 4.2 and 5 (restricting payments made to members).
- 3.6 To enter into agreements and make arrangements for joint action for promoting the objects of the Association or any of them with other associations or societies in Great Britain having the same or similar objects, and to join a federation of such societies temporarily or permanently and to apply funds of the Association for the purpose of such federation and joint action with others.
- 3.7 To do all such other things as may from time to time be deemed necessary or desirable to promote and protect the interests of managers of heritable property.
- 3.8 To carry on any other activities which further any of the above objects, or do anything which may be incidental or conducive to the furtherance of any of the Association's objects.

Use of Company assets

4 Subject to article 5:

- 4.1 The income and property of the Association shall be applied solely towards promoting the Association's objects (as set out in article 2).
- 4.2 No part of the income or property of the Association shall be paid or transferred (directly or indirectly) to the members of the Association, whether by way of dividend, bonus or otherwise, but that subject to article 5.

5 The Association shall, notwithstanding the provisions of article 4, be entitled:

- 5.1 To make payment in good faith of remuneration to any officers, agents or servants of the Association, or to any member of the Association or other person, in return for any services actually rendered to the Association;

- 5.2 to pay interest at a rate not exceeding the commercial rate on money lent to the Association by any Council member or member of the Association;
- 5.3 to pay rent at a rate not exceeding the open market rent for premises let to the Association by any Council member or member or purchase assets from, or sell assets to, any Council member or member of the Association providing such purchase or sale is at market value.

Liability of members

- 6 The liability of the members is limited. Every member of the Association undertakes to contribute such amount as may be required (not exceeding £1) to the Association's assets if it should be wound up while they are a member or within one year after they cease to be a member, for payment of the Association's debts and liabilities contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

General structure

- 7 The structure of the Association consists of:
 - 7.1 The **members** – who have the right to attend any general meeting (including the annual general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as Council members and take decisions in relation to changes to the articles themselves.
 - 7.2 The **Council members** – who are company directors and hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the Association; in particular, the Council members are responsible for monitoring the financial position of the Association.

MEMBERS

Qualifications for membership

- 8 The members of the Association shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under articles 9 to 12.
- 9 Membership shall be open to 3 classes of member:
- 9.1 **"Property Manager Members"**: persons, firms or companies managing real or heritable property in Scotland. Property Manager Members will have all the rights and privileges of full members and will be entitled to attend and speak at general meetings of the Association and to exercise one vote in addition to any vote which they or any of their partners, directors, consultants or employees may exercise as an Ordinary Member. For the avoidance of doubt such additional one vote as a Property Manager Member will be exercisable by a person carrying on business as a property manager in his own name and paying Property Manager Members' contributions and by a Property Manager firm with a sole proprietor who is also paying Property Manager members' contributions.
- 9.2 **"Ordinary Members"**: persons who manage real or heritable property in Scotland; Ordinary Members must be sole proprietors or Partners or Directors or Consultants or employees of firms or companies which are Property Manager Members of the Association. Ordinary Members will have all the rights and privileges of full members and will be entitled to attend, speak and vote at general meetings of the Association.
- 9.3 **"Honorary Members"**: (a) persons who were Life Members prior to the adoption of these articles and (b) persons who in the opinion of the Council have rendered special or outstanding services to the Association or who for any reason merit recognition by the Association and who are appointed by resolution of the Council. Honorary Members will be entitled to attend and speak at general meetings of the Association, but will not be entitled to a vote.
- 10 Applications for membership will be made in a form prescribed by the Council and will be submitted to the Association for consideration by the Council who may in their sole discretion admit or reject any application without giving reasons. Applications for Property Manager Membership or Ordinary Membership must comply with all the criteria for admission set by Council from time to time, which criteria will be included in the application form and other information provided to applicants. Every Property Manager Member, Ordinary Member and Honorary Member will be entitled to a Certificate of Membership in a form prescribed by the Council. The Certificate will be returned to the Association on the death, resignation or expulsion of the member.
- 11 Every application for admission will be held as an engagement to observe the rules and regulations of the Association for the time being in force, and to pay the subscriptions and contributions due.
- 12 Every Member will from time to time notify to the Association a place of business or residence in the United Kingdom to be registered as his address, and the place from time to time so registered shall for the purposes of statute and these presents be deemed his address. If any Member fails to give such an address in the United Kingdom they will not be entitled to receive notice of any of the meetings or other proceedings of the Association, and no meetings or other proceedings will be invalidated by reason of his not having received such notice.

Membership subscription and contributions

- 13 No fees will be payable unless otherwise determined by the Council and subject to the following articles 14 to 19.
- 14 Subscriptions and contributions will be payable as follows:
- 14.1 Property Manager Members and Honorary Members will not pay any annual subscription.
- 14.2 Ordinary Members will pay an annual subscription of such amount as may from time to time be determined by the Council. The subscriptions for Ordinary Members will be payable from the 1st day of January in each year after admission, and a year's subscription will be payable on

admission; but should the day of admission be later than 30th June a half-year's subscription only will be payable for that first year.

- 14.3 Property Manager Members will pay an annual contribution as defined in article 17. Ordinary Members and Honorary Members will not be liable to pay any annual contribution, but this is without prejudice to the liability of Ordinary Members if they are also Property Manager Members, to pay the contribution for which they may be liable in that capacity.
- 15 Prior to the conclusion of each financial year of the Association the Association will issue requests to all Property Manager Members for total customer numbers to be returned (being one customer per unit of whatever type managed), or will verify through the Property Factors Register the number of units of property managed by such member in Scotland and take this as the customer number. Property Manager Members declaring commercial units will be asked to confirm the number of these units. The number of units so established will, for the purpose of determining the Property Manager Member's contribution, apply during the whole of the ensuing financial year notwithstanding any alteration in the number of units managed by the Property Manager Member during that year.
- 16 Before the end of each financial year of the Association the Council will prepare a budget of the estimated expenditure of the Association for the ensuing year.
- 17 The total amount of the budgeted expenditure, under deduction of an estimated amount of subscriptions and other income of the Association will be divided by the total number of units managed by all Property Manager Members, and the Council will in their sole discretion determine the amount of contribution required in respect of each unit to defray the budgeted expenditure. Each Property Manager Member will be liable to pay an annual contribution calculated by multiplying the amount required in respect of each unit by the number of units managed by such Member, subject to a minimum and maximum contribution as determined by the Council from time to time.
- 18 As soon as practicable after the contribution has been determined in accordance with article 17 the Association will issue to each Property Manager Member a demand note requesting payment of the amount of contribution due by that member, and payment of that amount shall be made by the member on or before the date or dates specified in the demand note. In the event of the contribution not being paid on the due date or dates, the Council will have power to charge the Property Manager Member interest from the due date or dates on the amount of any outstanding contribution at a rate not exceeding 3% over the base lending rate of the Bank of Scotland or such other Bank as is approved by the Council at the time and from time to time.
- 19 To maintain the funds of the Association (a) all members, other than Honorary Members, will make payment of any levies determined from time to time by the Council and (b) all members may, in addition to the subscriptions or contributions due by them, contribute annually to the funds of the Association such sum or sums as they may see fit, and the Association may receive contributions from any member or from any other person.

Register of members

- 20 The Association shall maintain a register of members, comprising 3 lists: Property Manager Members, Ordinary Members, and Honorary Members. In each case, setting out the full name and address of each member, the date on which they were admitted to membership, and the date on which any person ceased to be a member. The Register of Members will be open to inspection by any Member on request, having provided reasonable notice. No other books records or papers of the Association will be open to inspection except with the express authority of the Council.

Withdrawal from and forfeiture of membership

- 21 A member will cease to be a member if:
- 21.1 They wish to withdraw from membership of the Association, and they sign, and lodge with the Association, a written notice to that effect; if pay, prior to or together with such notice, all subscriptions and contributions due. On receipt of such notice by the Association, they shall cease to be a member; or

- 21.2 They have not attended, submitted apologies or appointed a proxy to attend on their behalf, for 3 annual general meetings in a row, and the Council resolves that their membership will cease.
- 22 Any Property Manager Member will cease to be a member if (a) the annual contribution or any instalment due by such member to the Association is in arrears for four months from the date when the same became payable or (b) such member fails to fulfil his or their obligations as a Property Manager Member, and if in either case the Council determine that the membership of such Member will cease.
- 23 Any Ordinary Member will cease to be a Member (a) if the annual subscription due by him to the Association is in arrears for six months from the date when the same became payable and the Council determine that his membership will cease or (b) if the Ordinary Member is the sole proprietor of, or is a partner or director or consultant or employee of, a firm or company which is eligible for membership as a Property Manager Member, and such Ordinary Member or such firm or company does not become a Property Manager Member or ceases to be a Property Manager Member.
- 24 Any person, firm or company who ceases to be a member in pursuance of articles 21, 22 or 23 will nevertheless remain liable for all arrears of subscriptions and contributions and any other sums due by such member to the Association and for all other obligations undertaken or incumbent upon him by virtue of membership of the Association which have not been implemented.
- 25 The Council may, in their sole discretion in circumstances which they consider special, modify or waive the operation of articles 21 to 24.

Expulsion from membership

- 26 If any member is guilty of dishonourable conduct or of conduct prejudicially affecting the interests of the Association, the Council will have power to terminate his membership of the Association, but any such member may by written notice to the Association, within 30 days after the date when the decision of the Council has been notified to him, require a special general meeting to consider the matter to be held within 40 days from the receipt of the notice. At such general meeting the member will be entitled to attend and speak or be represented and the decision of the general meeting will be final. Such member, notwithstanding that his membership may have been terminated, will remain liable in payment of all subscriptions and contributions then due by him to the Association.
- 27 Any person may be expelled from membership by special resolution of the members (see article 42), providing the following procedures have been observed:
- 27.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion;
- 27.2 the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

- 28 If any member becomes bankrupt or grant a trust deed for his creditors, or becomes insolvent or enters into administration or other insolvency proceedings, they will cease to be a member, but in the discretion of the Council they may be reinstated on such terms as the Council may determine.
- 29 Membership shall cease on death.
- 30 A member may not transfer their membership to any other person.
- 31 No person ceasing by death or otherwise to be a member of the Association, or his representatives, will have any claim upon or interest in the funds of the Association, with the exception of approved unclaimed expenses, but this article will be without prejudice to the rights of the Association to claim from such member or his representative any arrears of subscription or other sums due from him to the Association at the time of his ceasing to be a member.

GENERAL MEETINGS (meetings of members)

General meetings (meetings of members)

- 32 The Council members shall convene an annual general meeting in each year.
- 33 Not more than 15 months shall elapse between one annual general meeting and the next.
- 34 The business of each annual general meeting shall include:
- 34.1 a report by the chair on the activities of the Association;
 - 34.2 consideration of the annual accounts of the Association;
 - 34.3 the election/re-election of Council members, as referred to in articles 65 and 66.
- 35 The Council members may convene a general meeting at any time. For the avoidance of doubt, a quorum of Council (as set out at article 79) can exercise this power.
- 36 The Council members must convene a general meeting:
- 36.1 if there is a valid requisition by members (under section 303 of the Act, which provides that such requisition must be made by members who represent at least 5% of the total voting rights of all members with a right to vote at general meetings); or
 - 36.2 if there is a requisition by a resigning auditor (under section 518 of the Act); or
 - 36.3 on the request of the President.

Notice of general meetings

- 37 Unless consent to short notice is given by the members in accordance with Section 307 of the Act, at least 14 clear days' notice must be given of any general meeting.
- 38 The reference to "**clear days**" in article 37 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent in electronic form, the day after it was sent) and also the day of the general meeting, should be excluded.
- 39 A notice calling a general meeting shall specify the time and place of the general meeting; it shall:
- 39.1 indicate the general nature of the business to be dealt with at the general meeting; and
 - 39.2 if a special resolution (see article 42) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.
- 40 A notice convening an annual general meeting shall specify that the general meeting is to be an annual general meeting.
- 41 Notice of every general meeting shall be given (either in writing or, where the party to whom notice is given has notified the Association of an address to be used for the purpose of electronic communications, in electronic form) to all the members (Property Manager Members, Ordinary Members and Honorary Members) and to the Council members, and (if there are auditors in office at the time) to the auditors.

Special resolutions and ordinary resolutions

- 42 For the purposes of these articles, a "**special resolution**" means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the general meeting and of the intention to propose the resolution has been given in accordance with articles 37 to 41; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of

the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the general meeting.

- 43 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the Association, by special resolution:

43.1 to alter its name;

43.2 to alter its articles of association with respect to the Association's objects or to alter any other provision of these articles or adopt new articles of association.

- 44 For the purposes of these articles, an "**ordinary resolution**" means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against, and (as applicable) the chairperson's casting vote), at a general meeting, providing proper notice of the general meeting has been given in accordance with articles 37 to 41.

Procedure at general meetings

- 45 No business shall be dealt with at any general meeting unless a quorum is present. Persons will be present if they can communicate with others present, and vote on any business of the meeting (for example via telephone or video conferencing). The quorum for a general meeting shall be 5 persons entitled to vote, each being a member or a proxy for a member.

- 46 If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence – or if, during a general meeting, a quorum ceases to be present – the general meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the general meeting, such adjourned meeting to be called not later than 1 month thereafter.

- 47 The President of the Association shall (if present and willing to act as a chairperson) preside as chairperson of each general meeting. If the President is not present and willing to act as chairperson within 15 minutes after the time at which the general meeting was due to commence, the Vice-President will act as chairperson of the general meeting. If the Vice-President is not present and willing to act as chairperson within 15 minutes after the time at which the general meeting was due to commence, members present at the general meeting shall elect from among themselves the person who will act as chairperson of that general meeting.

- 48 The chairperson of a general meeting may, with the consent of the general meeting, adjourn the general meeting to such time and place as the chairperson may determine. No business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. No notice need be given of any adjourned meeting, unless it is so directed in the resolution for adjournment.

- 49 Any Member wishing to bring before any general meeting any special business by way of motion, will give notice of such motion in writing to the Council not less than 14 days before the day of the meeting, and no such motion will come before the meeting unless such notice has been given, or unless the Council will see fit to dispense with this rule in any particular case.

- 50 No business will be transacted at a general meeting except such as has been specified in the notice convening it, and in the case of the Annual Meeting the matters provided for in article 34.

- 51 Every Property Manager Member and every Ordinary Member shall have one vote, which (whether on a show of hands or on a poll) may be given either personally or by proxy. However, no such member will be entitled to be present or to vote at any general meeting if, at the date of the meeting, they have been in arrears for a period of 28 days or more in respect of any subscription, contribution or other sum payable to the Association.

Proxies

- 52 A proxy need not be a member of the Association and (with the exception of the President for the time being) a proxy shall hold no more than 2 proxy votes at any one time.

- 53 A member shall not be entitled to appoint more than one proxy to attend the same general meeting. A proxy appointed to attend and vote at any general meeting instead of a member shall have the same right as the member who appointed them to speak at the general meeting.

Content of proxy notices

54

- 54.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
- (a) states the name and address of the member appointing the proxy;
 - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Council members may determine; and
 - (d) is delivered to the Association in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 54.2 The Association may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 54.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) *on one or more resolutions*.
- 54.4 Unless a proxy notice indicates otherwise, it must be treated as allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the general meeting, and appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the general meeting itself.

Delivery of proxy notice

55

- 55.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that general meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Association by or on behalf of that person
- 55.2 An appointment under a proxy notice may be revoked by delivering to the Association a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the general meeting or adjourned general meeting to which it relates.
- 55.3 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Voting

56

- If there is an equal number of votes for and against any resolution, the chairperson of the general meeting shall be entitled to a casting vote in addition to his vote as a Member.

57

- A member qualified to vote being personally present at any general meeting may decline to vote on any question before the meeting, but will not by so declining be considered absent from the meeting, nor will his presence invalidate any proxy duly given by him, except as regards any question on which they may vote in person.

58

- No objection will be made to the validity of any vote except at the meeting or poll at which such vote is tendered, and every vote not disallowed at such meeting or poll will be deemed valid. The chairperson of the meeting will be the sole and absolute judge of the validity of every vote at any meeting or on a poll.

- 59 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a poll is demanded by the chairperson (or by at least two persons present in person at the general meeting and entitled to vote, whether members or proxies for members); a poll may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared. A demand for a poll may be withdrawn if: (a) the poll has not yet been taken, and (b) the chairperson consents to the withdrawal.
- 60 If a poll is demanded, it shall be taken at the general meeting and shall be conducted in such a manner as the chairperson may direct; the result of the poll shall be declared at the general meeting at which the poll was demanded.

Amendments to resolutions

61

- 61.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if notice of the proposed amendment is given to the Association in writing by a person entitled to vote at the said general meeting not less than 48 hours before the general meeting is to take place (or such later time as the chairperson of the general meeting may determine), and the proposed amendment does not, in the reasonable opinion of the chairperson, materially alter the scope of the resolution.
- 61.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if the chairperson proposes the amendment at the said general meeting and the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 61.3 If the chairperson, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairperson's error does not invalidate the vote on that resolution.

Written resolutions

62

A resolution in writing signed by members of the Association who would be entitled to receive notice of and to attend and vote at a general meeting at which such resolution was to be proposed, or by their duly appointed attorneys or representatives, shall be as valid and effectual as if it had been passed at a general meeting of the Association duly convened and held, if the appropriate number of members (per article 42 re special resolutions and article 44 re ordinary resolutions) have signed the said written resolution. Any such resolution may consist of several documents in the like form each signed by one or more of the members or their duly appointed attorneys or representatives.

COUNCIL MEMBERS

Number of Council members

- 63 The maximum number of Council members shall be 15 and the minimum shall be 4 comprising:
- 63.1 The President (appointed under article 65);
 - 63.2 The Vice-President (appointed under article 65);
 - 63.3 The Immediate Past President; and
 - 63.4 Up to 12 other persons, called the "Directors" (appointed under articles 66 or 68).

Eligibility

- 64 A person shall be eligible for election/appointment or re-election as a Council member under these articles as long as they are an Ordinary Member of the Association.

Election, retiral, re-election

- 65 At each annual general meeting, the members will elect 2 Ordinary Members as the President and the Vice-President to hold office for one year (and until the next annual general meeting).
- 66 At each annual general meeting, the members will (subject to article 63.4) elect 2 Ordinary Members (providing they are willing to act) to be Directors.
- 67 Directors shall be subject to retirement by rotation, as follows. At every annual general meeting 2 of the said Directors shall retire from office provided that, for the avoidance of doubt, if there is only one Director they shall retire. The Directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. At each annual general meeting, any Director who has retired from office under this article shall then be eligible for re-election.
- 68 The Council members may at any time appoint any Ordinary Member (providing they are willing to act) to be a Council member (subject to article 63) should a vacancy arise between annual general meetings. A Council member so appointed shall hold office only until the next following annual general meeting at which time they shall retire. At each annual general meeting, any Council member who has retired from office under this article shall then be eligible for re-election (under articles 65 or 66).

Termination of office

- 69 A Council member shall automatically vacate office if:
- 69.1 they cease to be a Council member through the operation of any provision of the Act or become prohibited by law from being a Council member;
 - 69.2 they become incapable for medical reasons of fulfilling the duties of their office and such incapacity is expected to continue for a period of more than six months;
 - 69.3 they resign office by notice to the Association;
 - 69.4 they are absent (without permission of the Council) from more than three consecutive meetings of the Council, and the remaining Council members resolve to remove them from office;
 - 69.5 they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act;
 - 69.6 two thirds of the remaining Council members vote in favour of this at a special meeting of the Council convened for the purpose;

69.7 they cease to be a member of the Association for any reason.

Register of Council members

70 The Association shall maintain a register of Council members, setting out full details of each Council member, including the date on which they became a Council member, and also specifying the date on which any person ceased to hold office as a Council member.

Powers of Council members

71 Subject to the provisions of the Act and these articles, and subject to any directions given by special resolution, the Association and its assets and undertaking shall be managed by the Council, who may exercise all the powers of the Association.

72 A meeting of the Council members at which a quorum is present (under article 79) may exercise all powers exercisable by the Council members.

Personal interests

73 A Council member who has a personal interest in any transaction or other arrangement which the Association is proposing to enter into, must declare that interest at a meeting of the Council; they will be debarred (in terms of article 83) from voting on the question of whether or not the Association should enter into that arrangement.

74 For the purposes of the preceding article, a Council member shall be deemed to have a personal interest in an arrangement if any partner or other close relative of theirs or any firm of which they are a partner or any limited company of which they are a substantial shareholder or company director (or any other party that is deemed to be connected with them for the purposes of section 252 of the Act), has a personal interest in that arrangement.

75 Provided (a) they have declared their interest and (b) they have not voted on the question of whether or not the Association should enter into the relevant arrangement – a Council member will not be debarred from entering into an arrangement with the Association in which they have a personal interest (or is deemed to have a personal interest under article 74) and may retain any personal benefit which they gain from their participation in that arrangement.

Council members' expenses

76 The Council members may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the Council, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

COUNCIL MEETINGS

Procedure at Council members' meetings

- 77 A meeting of the Council may be called by the secretary at such times as the Council thinks fit, or also on the request of the President or the Vice-President or 3 Council members.
- 78 Questions arising at a meeting of the Council shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
- 79 No business shall be dealt with at a meeting of the Council unless a quorum is present. Persons will be present if they can communicate with others present, and vote on any business of the meeting (for example via telephone or video conferencing). The quorum for meetings of the Council shall be 4 Council members.
- 80 If at any time the number of Council members in office falls below the number fixed as the quorum, the remaining Council member(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 81 Unless they are unwilling to do so, the President of the Association shall preside as chairperson at every Council meeting at which they are present. If the President is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Vice-President will preside as chairperson. If the Vice-President is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Council members present shall elect from among themselves the person who will act as chairperson of the meeting.
- 82 The Council may, at their discretion, allow any person whom they reasonably consider appropriate, to attend and speak at any meeting of the Council; for the avoidance of doubt, any such person who is invited to attend a Council meeting shall not be entitled to vote.
- 83 A Council member shall not vote at a Council meeting (or at a meeting of a committee) on any resolution concerning a matter in which they have a personal interest which conflicts (or may conflict) with the interests of the Association; they must withdraw from the meeting while an item of that nature is being dealt with.
- 84 For the purposes of article 83, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of theirs, or any firm of which they are a partner, or any limited company of which they are a substantial shareholder or company director, has a personal interest in that matter.
- 85 A Council member shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
- 86 The Association may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 83 to 85, provided that despite any such relaxation a Council member can only attend and / or vote in relation to a matter in which they have a personal interest if they have declared said interest.

Delegation

- 87 No Council member may appoint an alternate Council member or anyone to act on their behalf at a meeting of the Council members.
- 88 The Council may delegate any of the powers which are conferred on them under the articles:
- 88.1 to such person or committee;
 - 88.2 by such means (including by power of attorney);
 - 88.3 to such an extent;
 - 88.4 in relation to such matters or territories; and

88.5 on such terms and conditions;

as they think fit.

- 89 If the Council members so specify, any delegation of powers under article 88 may authorise further delegation of the Council members' powers by any person to whom they are delegated.
- 90 The Council members may revoke any delegation in whole or in part, or alter its terms and conditions.
- 91 The rules of procedure for any sub-committee shall be as prescribed by the Council.

ADMINISTRATION

Operation of bank accounts

- 92 Two persons out of the authorised persons appointed by the Council members shall be required to undertake any and all operations (other than lodgement of funds) on the bank and building society accounts held by the Association.

Secretary

- 93 Subject to the provisions of the Act, the company secretary may be appointed by the Council members for such term, at such remuneration (if any) and upon such conditions, as they may think fit; the company secretary may be removed by them at any time. For the avoidance of doubt, the Association may use a title other than "secretary" for the company secretary, as agreed by the Council.

Minutes

- 94 The Council shall ensure that minutes are made of all proceedings at general meetings, Council members' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting at which they are approved.

Accounting records and annual accounts

- 95 The Council shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 96 The Council shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.
- 97 No member shall (unless they are a Council member) have any right of inspecting any accounting or other records, or any document of the Association, except as conferred by statute or as authorised by the Council or as authorised by ordinary resolution of the Association.

Notices / communications

- 98 Subject to the articles, any notice or anything sent or supplied by or to the Association under the articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Association (which includes sending the communication in writing or in electronic form).
- 99 Subject to the articles, any notice or document to be sent or supplied to a Council member in connection with the taking of decisions by Council members may also be sent or supplied by the means by which that Council member has asked to be sent or supplied with such notices or documents for the time being. A Council member may agree with the Association that notices or documents sent to that Council member in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

MISCELLANEOUS

Provision for employees on cessation of business

- 100 The Council members may decide to make provision for the benefit of persons employed or formerly employed by the Association or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Association or that subsidiary.

Winding up

- 101 If on the winding-up of the Association any property remains after satisfaction of all of the Association's debts and liabilities, such property shall not be paid to or distributed among the members of the Association; that property shall instead be transferred to some other institution or institutions (whether incorporated or unincorporated) whose objects are similar (wholly or in part) to the objects of the Association.
- 102 The body or bodies to which property is transferred under article 101 shall be determined by the members of the Association at or before the time of dissolution or, failing such determination, by such court as may have jurisdiction at the time.

Indemnity

- 103 Every Council member or other officer or auditor of the Association shall be indemnified out of the assets of the Association against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office; that may include, without prejudice to that generality, any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted or any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the Association.
- 104 The indemnity contained in article 103 shall be subject to the provisions of the Act and is without prejudice to any other indemnity to which a Council member may otherwise be entitled.



The Companies Act 2006

Company Limited by Guarantee and not having a share capital

ARTICLES OF ASSOCIATION

of

PROPERTY MANAGERS ASSOCIATION SCOTLAND LIMITED

As adopted by special resolution on 4 March 2022

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

ARTICLES OF ASSOCIATION
of
PROPERTY MANAGERS ASSOCIATION SCOTLAND LIMITED

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GENERAL

Interpretation

1 In these articles, unless the context requires otherwise:

"Act"	means the Companies Act 2006;
"Association"	means Property Managers Association Scotland Limited, the company limited by guarantee operating under these articles;
"Council"	means the board of directors for the time being of the Association;
"Council members"	means the directors for the time being of the Association;
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form;
"electronic form"	has the meaning given in section 1168 of the Act;
"eligible Council member"	means a Council member who would be entitled to vote on the matter at a meeting of the Council (but excluding any Council member whose vote is not to be counted in respect of the particular matter);
"Model Articles"	means the model articles contained in Schedule 2 of The Companies (Model Articles) Regulations 2008 (SI 2009/3229) as amended prior to the date of adoption of these articles;
"property"	means any property, heritable or moveable, wherever situated
"subsidiary"	has the meaning given in section 1159 of the Act;

- 1.1 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Act shall have the same meanings in these articles.
- 1.2 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of these articles
- 1.3 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.4 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms. Reference in these articles to the singular shall be deemed to include the plural.
- 1.5 These articles shall apply to the Association to the total exclusion of the Model Articles.

Objects

2 The Association's objects are:

- 2.1 To promote and foster, among managers of real and heritable property and others interested in property management, the efficient management and factoring of all classes of such property and the education and training of property managers, and to do all such things as from time to time as may be necessary to promote and protect the interests of property managers in Scotland.

- 2.2 To oppose the creation and procure the removal of inequitable fiscal and other burdens upon heritable property and to promote or support proposals for improvement in the law relating to heritable property and property management, and to oppose alterations in the law which are not conducive to these objects.

Powers

3 In pursuance of the objects in article 2, the Association shall have the following powers:

- 3.1 To petition Scottish Government, Parliament and local authorities, corporations or persons; to appear (whether by counsel and agents or otherwise) before committees of Scottish Government, Parliament, courts and other tribunals, and to aid Members or others with information and financial support in litigation and other proceedings relating to heritable property and property management.
- 3.2 To encourage the education, through a suitable framework, of persons who are undertaking, or intend to undertake, the management of heritable property, to assist Members and others in matters affecting rights and liabilities in relation to heritable property, to collect and circulate information on matters relating to this, to publish and circulate such papers, periodicals, books, circulars and reports as may seem conducive to any of the objects of the Association, and to provide opportunities for discourse among the Members, and to provide facilities for the dissemination of information regarding heritable property.
- 3.3 To invest the funds of the Association in or upon such investments, securities or property as may be thought fit.
- 3.4 To support and subscribe to any charitable or benevolent cause selected by the Council.
- 3.5 To purchase or lease property, to sell, surrender or otherwise dispose of property or leases, to borrow money and grant security on this, to raise money by subscription or otherwise and to grant any rights or privileges to subscribers, subject always to articles 4.2 and 5 (restricting payments made to members).
- 3.6 To enter into agreements and make arrangements for joint action for promoting the objects of the Association or any of them with other associations or societies in Great Britain having the same or similar objects, and to join a federation of such societies temporarily or permanently and to apply funds of the Association for the purpose of such federation and joint action with others.
- 3.7 To do all such other things as may from time to time be deemed necessary or desirable to promote and protect the interests of managers of heritable property.
- 3.8 To carry on any other activities which further any of the above objects, or do anything which may be incidental or conducive to the furtherance of any of the Association's objects.

Use of Company assets

4 Subject to article 5:

- 4.1 The income and property of the Association shall be applied solely towards promoting the Association's objects (as set out in article 2).
- 4.2 No part of the income or property of the Association shall be paid or transferred (directly or indirectly) to the members of the Association, whether by way of dividend, bonus or otherwise, but that subject to article 5.

5 The Association shall, notwithstanding the provisions of article 4, be entitled:

- 5.1 To make payment in good faith of remuneration to any officers, agents or servants of the Association, or to any member of the Association or other person, in return for any services actually rendered to the Association;

- 5.2 to pay interest at a rate not exceeding the commercial rate on money lent to the Association by any Council member or member of the Association;
- 5.3 to pay rent at a rate not exceeding the open market rent for premises let to the Association by any Council member or member or purchase assets from, or sell assets to, any Council member or member of the Association providing such purchase or sale is at market value.

Liability of members

- 6 The liability of the members is limited. Every member of the Association undertakes to contribute such amount as may be required (not exceeding £1) to the Association's assets if it should be wound up while they are a member or within one year after they cease to be a member, for payment of the Association's debts and liabilities contracted before they cease to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

General structure

- 7 The structure of the Association consists of:
 - 7.1 The **members** – who have the right to attend any general meeting (including the annual general meeting) and have important powers under the articles of association and the Act; in particular, the members elect people to serve as Council members and take decisions in relation to changes to the articles themselves.
 - 7.2 The **Council members** – who are company directors and hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the Association; in particular, the Council members are responsible for monitoring the financial position of the Association.

MEMBERS

Qualifications for membership

- 8 The members of the Association shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under articles 9 to 12.
- 9 Membership shall be open to 3 classes of member:
- 9.1 **"Property Manager Members"**: persons, firms or companies managing real or heritable property in Scotland. Property Manager Members will have all the rights and privileges of full members and will be entitled to attend and speak at general meetings of the Association and to exercise one vote in addition to any vote which they or any of their partners, directors, consultants or employees may exercise as an Ordinary Member. For the avoidance of doubt such additional one vote as a Property Manager Member will be exercisable by a person carrying on business as a property manager in his own name and paying Property Manager Members' contributions and by a Property Manager firm with a sole proprietor who is also paying Property Manager members' contributions.
- 9.2 **"Ordinary Members"**: persons who manage real or heritable property in Scotland; Ordinary Members must be sole proprietors or Partners or Directors or Consultants or employees of firms or companies which are Property Manager Members of the Association. Ordinary Members will have all the rights and privileges of full members and will be entitled to attend, speak and vote at general meetings of the Association.
- 9.3 **"Honorary Members"**: (a) persons who were Life Members prior to the adoption of these articles and (b) persons who in the opinion of the Council have rendered special or outstanding services to the Association or who for any reason merit recognition by the Association and who are appointed by resolution of the Council. Honorary Members will be entitled to attend and speak at general meetings of the Association, but will not be entitled to a vote.
- 10 Applications for membership will be made in a form prescribed by the Council and will be submitted to the Association for consideration by the Council who may in their sole discretion admit or reject any application without giving reasons. Applications for Property Manager Membership or Ordinary Membership must comply with all the criteria for admission set by Council from time to time, which criteria will be included in the application form and other information provided to applicants. Every Property Manager Member, Ordinary Member and Honorary Member will be entitled to a Certificate of Membership in a form prescribed by the Council. The Certificate will be returned to the Association on the death, resignation or expulsion of the member.
- 11 Every application for admission will be held as an engagement to observe the rules and regulations of the Association for the time being in force, and to pay the subscriptions and contributions due.
- 12 Every Member will from time to time notify to the Association a place of business or residence in the United Kingdom to be registered as his address, and the place from time to time so registered shall for the purposes of statute and these presents be deemed his address. If any Member fails to give such an address in the United Kingdom they will not be entitled to receive notice of any of the meetings or other proceedings of the Association, and no meetings or other proceedings will be invalidated by reason of his not having received such notice.

Membership subscription and contributions

- 13 No fees will be payable unless otherwise determined by the Council and subject to the following articles 14 to 19.
- 14 Subscriptions and contributions will be payable as follows:
- 14.1 Property Manager Members and Honorary Members will not pay any annual subscription.
- 14.2 Ordinary Members will pay an annual subscription of such amount as may from time to time be determined by the Council. The subscriptions for Ordinary Members will be payable from the 1st day of January in each year after admission, and a year's subscription will be payable on

admission; but should the day of admission be later than 30th June a half-year's subscription only will be payable for that first year.

- 14.3 Property Manager Members will pay an annual contribution as defined in article 17. Ordinary Members and Honorary Members will not be liable to pay any annual contribution, but this is without prejudice to the liability of Ordinary Members if they are also Property Manager Members, to pay the contribution for which they may be liable in that capacity.
- 15 Prior to the conclusion of each financial year of the Association the Association will issue requests to all Property Manager Members for total customer numbers to be returned (being one customer per unit of whatever type managed), or will verify through the Property Factors Register the number of units of property managed by such member in Scotland and take this as the customer number. Property Manager Members declaring commercial units will be asked to confirm the number of these units. The number of units so established will, for the purpose of determining the Property Manager Member's contribution, apply during the whole of the ensuing financial year notwithstanding any alteration in the number of units managed by the Property Manager Member during that year.
- 16 Before the end of each financial year of the Association the Council will prepare a budget of the estimated expenditure of the Association for the ensuing year.
- 17 The total amount of the budgeted expenditure, under deduction of an estimated amount of subscriptions and other income of the Association will be divided by the total number of units managed by all Property Manager Members, and the Council will in their sole discretion determine the amount of contribution required in respect of each unit to defray the budgeted expenditure. Each Property Manager Member will be liable to pay an annual contribution calculated by multiplying the amount required in respect of each unit by the number of units managed by such Member, subject to a minimum and maximum contribution as determined by the Council from time to time.
- 18 As soon as practicable after the contribution has been determined in accordance with article 17 the Association will issue to each Property Manager Member a demand note requesting payment of the amount of contribution due by that member, and payment of that amount shall be made by the member on or before the date or dates specified in the demand note. In the event of the contribution not being paid on the due date or dates, the Council will have power to charge the Property Manager Member interest from the due date or dates on the amount of any outstanding contribution at a rate not exceeding 3% over the base lending rate of the Bank of Scotland or such other Bank as is approved by the Council at the time and from time to time.
- 19 To maintain the funds of the Association (a) all members, other than Honorary Members, will make payment of any levies determined from time to time by the Council and (b) all members may, in addition to the subscriptions or contributions due by them, contribute annually to the funds of the Association such sum or sums as they may see fit, and the Association may receive contributions from any member or from any other person.

Register of members

- 20 The Association shall maintain a register of members, comprising 3 lists: Property Manager Members, Ordinary Members, and Honorary Members. In each case, setting out the full name and address of each member, the date on which they were admitted to membership, and the date on which any person ceased to be a member. The Register of Members will be open to inspection by any Member on request, having provided reasonable notice. No other books records or papers of the Association will be open to inspection except with the express authority of the Council.

Withdrawal from and forfeiture of membership

- 21 A member will cease to be a member if:
- 21.1 They wish to withdraw from membership of the Association, and they sign, and lodge with the Association, a written notice to that effect; if pay, prior to or together with such notice, all subscriptions and contributions due. On receipt of such notice by the Association, they shall cease to be a member; or

- 21.2 They have not attended, submitted apologies or appointed a proxy to attend on their behalf, for 3 annual general meetings in a row, and the Council resolves that their membership will cease.
- 22 Any Property Manager Member will cease to be a member if (a) the annual contribution or any instalment due by such member to the Association is in arrears for four months from the date when the same became payable or (b) such member fails to fulfil his or their obligations as a Property Manager Member, and if in either case the Council determine that the membership of such Member will cease.
- 23 Any Ordinary Member will cease to be a Member (a) if the annual subscription due by him to the Association is in arrears for six months from the date when the same became payable and the Council determine that his membership will cease or (b) if the Ordinary Member is the sole proprietor of, or is a partner or director or consultant or employee of, a firm or company which is eligible for membership as a Property Manager Member, and such Ordinary Member or such firm or company does not become a Property Manager Member or ceases to be a Property Manager Member.
- 24 Any person, firm or company who ceases to be a member in pursuance of articles 21, 22 or 23 will nevertheless remain liable for all arrears of subscriptions and contributions and any other sums due by such member to the Association and for all other obligations undertaken or incumbent upon him by virtue of membership of the Association which have not been implemented.
- 25 The Council may, in their sole discretion in circumstances which they consider special, modify or waive the operation of articles 21 to 24.

Expulsion from membership

- 26 If any member is guilty of dishonourable conduct or of conduct prejudicially affecting the interests of the Association, the Council will have power to terminate his membership of the Association, but any such member may by written notice to the Association, within 30 days after the date when the decision of the Council has been notified to him, require a special general meeting to consider the matter to be held within 40 days from the receipt of the notice. At such general meeting the member will be entitled to attend and speak or be represented and the decision of the general meeting will be final. Such member, notwithstanding that his membership may have been terminated, will remain liable in payment of all subscriptions and contributions then due by him to the Association.
- 27 Any person may be expelled from membership by special resolution of the members (see article 42), providing the following procedures have been observed:
- 27.1 at least 21 days' notice of the intention to propose the resolution must be given to the member concerned, specifying the grounds for the proposed expulsion;
- 27.2 the member concerned shall be entitled to be heard on the resolution at the general meeting at which the resolution is proposed.

Termination/transfer

- 28 If any member becomes bankrupt or grant a trust deed for his creditors, or becomes insolvent or enters into administration or other insolvency proceedings, they will cease to be a member, but in the discretion of the Council they may be reinstated on such terms as the Council may determine.
- 29 Membership shall cease on death.
- 30 A member may not transfer their membership to any other person.
- 31 No person ceasing by death or otherwise to be a member of the Association, or his representatives, will have any claim upon or interest in the funds of the Association, with the exception of approved unclaimed expenses, but this article will be without prejudice to the rights of the Association to claim from such member or his representative any arrears of subscription or other sums due from him to the Association at the time of his ceasing to be a member.

GENERAL MEETINGS (meetings of members)

General meetings (meetings of members)

- 32 The Council members shall convene an annual general meeting in each year.
- 33 Not more than 15 months shall elapse between one annual general meeting and the next.
- 34 The business of each annual general meeting shall include:
- 34.1 a report by the chair on the activities of the Association;
 - 34.2 consideration of the annual accounts of the Association;
 - 34.3 the election/re-election of Council members, as referred to in articles 65 and 66.
- 35 The Council members may convene a general meeting at any time. For the avoidance of doubt, a quorum of Council (as set out at article 79) can exercise this power.
- 36 The Council members must convene a general meeting:
- 36.1 if there is a valid requisition by members (under section 303 of the Act, which provides that such requisition must be made by members who represent at least 5% of the total voting rights of all members with a right to vote at general meetings); or
 - 36.2 if there is a requisition by a resigning auditor (under section 518 of the Act); or
 - 36.3 on the request of the President.

Notice of general meetings

- 37 Unless consent to short notice is given by the members in accordance with Section 307 of the Act, at least 14 clear days' notice must be given of any general meeting.
- 38 The reference to "**clear days**" in article 37 shall be taken to mean that, in calculating the period of notice, the day after the notice is posted, (or, in the case of a notice sent in electronic form, the day after it was sent) and also the day of the general meeting, should be excluded.
- 39 A notice calling a general meeting shall specify the time and place of the general meeting; it shall:
- 39.1 indicate the general nature of the business to be dealt with at the general meeting; and
 - 39.2 if a special resolution (see article 42) (or a resolution requiring special notice under the Act) is to be proposed, shall also state that fact, giving the exact terms of the resolution.
- 40 A notice convening an annual general meeting shall specify that the general meeting is to be an annual general meeting.
- 41 Notice of every general meeting shall be given (either in writing or, where the party to whom notice is given has notified the Association of an address to be used for the purpose of electronic communications, in electronic form) to all the members (Property Manager Members, Ordinary Members and Honorary Members) and to the Council members, and (if there are auditors in office at the time) to the auditors.

Special resolutions and ordinary resolutions

- 42 For the purposes of these articles, a "**special resolution**" means a resolution passed by 75% or more of the votes cast on the resolution at a general meeting, providing proper notice of the general meeting and of the intention to propose the resolution has been given in accordance with articles 37 to 41; for the avoidance of doubt, the reference to a 75% majority relates only to the number of votes cast in favour of

the resolution as compared with the number of votes cast against the resolution, and accordingly no account shall be taken of abstentions or members absent from the general meeting.

- 43 In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the Association, by special resolution:

43.1 to alter its name;

43.2 to alter its articles of association with respect to the Association's objects or to alter any other provision of these articles or adopt new articles of association.

- 44 For the purposes of these articles, an "**ordinary resolution**" means a resolution passed by majority vote (taking account only of those votes cast in favour as compared with those votes against, and (as applicable) the chairperson's casting vote), at a general meeting, providing proper notice of the general meeting has been given in accordance with articles 37 to 41.

Procedure at general meetings

- 45 No business shall be dealt with at any general meeting unless a quorum is present. Persons will be present if they can communicate with others present, and vote on any business of the meeting (for example via telephone or video conferencing). The quorum for a general meeting shall be 5 persons entitled to vote, each being a member or a proxy for a member.
- 46 If a quorum is not present within 15 minutes after the time at which a general meeting was due to commence – or if, during a general meeting, a quorum ceases to be present – the general meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the general meeting, such adjourned meeting to be called not later than 1 month thereafter.
- 47 The President of the Association shall (if present and willing to act as a chairperson) preside as chairperson of each general meeting. If the President is not present and willing to act as chairperson within 15 minutes after the time at which the general meeting was due to commence, the Vice-President will act as chairperson of the general meeting. If the Vice-President is not present and willing to act as chairperson within 15 minutes after the time at which the general meeting was due to commence, members present at the general meeting shall elect from among themselves the person who will act as chairperson of that general meeting.
- 48 The chairperson of a general meeting may, with the consent of the general meeting, adjourn the general meeting to such time and place as the chairperson may determine. No business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. No notice need be given of any adjourned meeting, unless it is so directed in the resolution for adjournment.
- 49 Any Member wishing to bring before any general meeting any special business by way of motion, will give notice of such motion in writing to the Council not less than 14 days before the day of the meeting, and no such motion will come before the meeting unless such notice has been given, or unless the Council will see fit to dispense with this rule in any particular case.
- 50 No business will be transacted at a general meeting except such as has been specified in the notice convening it, and in the case of the Annual Meeting the matters provided for in article 34.
- 51 Every Property Manager Member and every Ordinary Member shall have one vote, which (whether on a show of hands or on a poll) may be given either personally or by proxy. However, no such member will be entitled to be present or to vote at any general meeting if, at the date of the meeting, they have been in arrears for a period of 28 days or more in respect of any subscription, contribution or other sum payable to the Association.

Proxies

- 52 A proxy need not be a member of the Association and (with the exception of the President for the time being) a proxy shall hold no more than 2 proxy votes at any one time.

- 53 A member shall not be entitled to appoint more than one proxy to attend the same general meeting. A proxy appointed to attend and vote at any general meeting instead of a member shall have the same right as the member who appointed them to speak at the general meeting.

Content of proxy notices

54

- 54.1 Proxies may only validly be appointed by a notice in writing (a "**proxy notice**") which:
- (a) states the name and address of the member appointing the proxy;
 - (b) identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Council members may determine; and
 - (d) is delivered to the Association in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- 54.2 The Association may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 54.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 54.4 Unless a proxy notice indicates otherwise, it must be treated as allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the general meeting, and appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the general meeting itself.

Delivery of proxy notice

55

- 55.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that general meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Association by or on behalf of that person
- 55.2 An appointment under a proxy notice may be revoked by delivering to the Association a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the general meeting or adjourned general meeting to which it relates.
- 55.3 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Voting

56

If there is an equal number of votes for and against any resolution, the chairperson of the general meeting shall be entitled to a casting vote in addition to his vote as a Member.

57

A member qualified to vote being personally present at any general meeting may decline to vote on any question before the meeting, but will not by so declining be considered absent from the meeting, nor will his presence invalidate any proxy duly given by him, except as regards any question on which they may vote in person.

58

No objection will be made to the validity of any vote except at the meeting or poll at which such vote is tendered, and every vote not disallowed at such meeting or poll will be deemed valid. The chairperson of the meeting will be the sole and absolute judge of the validity of every vote at any meeting or on a poll.

- 59 A resolution put to the vote at a general meeting shall be decided on a show of hands unless a poll is demanded by the chairperson (or by at least two persons present in person at the general meeting and entitled to vote, whether members or proxies for members); a poll may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared. A demand for a poll may be withdrawn if: (a) the poll has not yet been taken, and (b) the chairperson consents to the withdrawal.
- 60 If a poll is demanded, it shall be taken at the general meeting and shall be conducted in such a manner as the chairperson may direct; the result of the poll shall be declared at the general meeting at which the poll was demanded.

Amendments to resolutions

61

- 61.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if notice of the proposed amendment is given to the Association in writing by a person entitled to vote at the said general meeting not less than 48 hours before the general meeting is to take place (or such later time as the chairperson of the general meeting may determine), and the proposed amendment does not, in the reasonable opinion of the chairperson, materially alter the scope of the resolution.
- 61.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if the chairperson proposes the amendment at the said general meeting and the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 61.3 If the chairperson, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairperson's error does not invalidate the vote on that resolution.

Written resolutions

62

A resolution in writing signed by members of the Association who would be entitled to receive notice of and to attend and vote at a general meeting at which such resolution was to be proposed, or by their duly appointed attorneys or representatives, shall be as valid and effectual as if it had been passed at a general meeting of the Association duly convened and held, if the appropriate number of members (per article 42 re special resolutions and article 44 re ordinary resolutions) have signed the said written resolution. Any such resolution may consist of several documents in the like form each signed by one or more of the members or their duly appointed attorneys or representatives.

COUNCIL MEMBERS

Number of Council members

63 The maximum number of Council members shall be 15 and the minimum shall be 4 comprising:

63.1 The President (appointed under article 65);

63.2 The Vice-President (appointed under article 65);

63.3 The Immediate Past President; and

63.4 Up to 12 other persons, called the "Directors" (appointed under articles 66 or 68).

Eligibility

64 A person shall be eligible for election/appointment or re-election as a Council member under these articles as long as they are an Ordinary Member of the Association.

Election, retiral, re-election

65 At each annual general meeting, the members will elect 2 Ordinary Members as the President and the Vice-President to hold office for one year (and until the next annual general meeting).

66 At each annual general meeting, the members will (subject to article 63.4) elect 2 Ordinary Members (providing they are willing to act) to be Directors.

67 Directors shall be subject to retirement by rotation, as follows. At every annual general meeting 2 of the said Directors shall retire from office provided that, for the avoidance of doubt, if there is only one Director they shall retire. The Directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. At each annual general meeting, any Director who has retired from office under this article shall then be eligible for re-election.

68 The Council members may at any time appoint any Ordinary Member (providing they are willing to act) to be a Council member (subject to article 63) should a vacancy arise between annual general meetings. A Council member so appointed shall hold office only until the next following annual general meeting at which time they shall retire. At each annual general meeting, any Council member who has retired from office under this article shall then be eligible for re-election (under articles 65 or 66).

Termination of office

69 A Council member shall automatically vacate office if:

69.1 they cease to be a Council member through the operation of any provision of the Act or become prohibited by law from being a Council member;

69.2 they become incapable for medical reasons of fulfilling the duties of their office and such incapacity is expected to continue for a period of more than six months;

69.3 they resign office by notice to the Association;

69.4 they are absent (without permission of the Council) from more than three consecutive meetings of the Council, and the remaining Council members resolve to remove them from office;

69.5 they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act;

69.6 two thirds of the remaining Council members vote in favour of this at a special meeting of the Council convened for the purpose;

69.7 they cease to be a member of the Association for any reason.

Register of Council members

70 The Association shall maintain a register of Council members, setting out full details of each Council member, including the date on which they became a Council member, and also specifying the date on which any person ceased to hold office as a Council member.

Powers of Council members

71 Subject to the provisions of the Act and these articles, and subject to any directions given by special resolution, the Association and its assets and undertaking shall be managed by the Council, who may exercise all the powers of the Association.

72 A meeting of the Council members at which a quorum is present (under article 79) may exercise all powers exercisable by the Council members.

Personal interests

73 A Council member who has a personal interest in any transaction or other arrangement which the Association is proposing to enter into, must declare that interest at a meeting of the Council; they will be debarred (in terms of article 83) from voting on the question of whether or not the Association should enter into that arrangement.

74 For the purposes of the preceding article, a Council member shall be deemed to have a personal interest in an arrangement if any partner or other close relative of theirs or any firm of which they are a partner or any limited company of which they are a substantial shareholder or company director (or any other party that is deemed to be connected with them for the purposes of section 252 of the Act), has a personal interest in that arrangement.

75 Provided (a) they have declared their interest and (b) they have not voted on the question of whether or not the Association should enter into the relevant arrangement – a Council member will not be debarred from entering into an arrangement with the Association in which they have a personal interest (or is deemed to have a personal interest under article 74) and may retain any personal benefit which they gain from their participation in that arrangement.

Council members' expenses

76 The Council members may be paid all travelling and other expenses reasonably incurred by them in connection with their attendance at meetings of the Council, general meetings, or meetings of committees, or otherwise in connection with the carrying-out of their duties.

COUNCIL MEETINGS

Procedure at Council members' meetings

- 77 A meeting of the Council may be called by the secretary at such times as the Council thinks fit, or also on the request of the President or the Vice-President or 3 Council members.
- 78 Questions arising at a meeting of the Council shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.
- 79 No business shall be dealt with at a meeting of the Council unless a quorum is present. Persons will be present if they can communicate with others present, and vote on any business of the meeting (for example via telephone or video conferencing). The quorum for meetings of the Council shall be 4 Council members.
- 80 If at any time the number of Council members in office falls below the number fixed as the quorum, the remaining Council member(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 81 Unless they are unwilling to do so, the President of the Association shall preside as chairperson at every Council meeting at which they are present. If the President is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Vice-President will preside as chairperson. If the Vice-President is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the Council members present shall elect from among themselves the person who will act as chairperson of the meeting.
- 82 The Council may, at their discretion, allow any person whom they reasonably consider appropriate, to attend and speak at any meeting of the Council; for the avoidance of doubt, any such person who is invited to attend a Council meeting shall not be entitled to vote.
- 83 A Council member shall not vote at a Council meeting (or at a meeting of a committee) on any resolution concerning a matter in which they have a personal interest which conflicts (or may conflict) with the interests of the Association; they must withdraw from the meeting while an item of that nature is being dealt with.
- 84 For the purposes of article 83, a person shall be deemed to have a personal interest in a particular matter if any partner or other close relative of theirs, or any firm of which they are a partner, or any limited company of which they are a substantial shareholder or company director, has a personal interest in that matter.
- 85 A Council member shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
- 86 The Association may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 83 to 85, provided that despite any such relaxation a Council member can only attend and / or vote in relation to a matter in which they have a personal interest if they have declared said interest.

Delegation

- 87 No Council member may appoint an alternate Council member or anyone to act on their behalf at a meeting of the Council members.
- 88 The Council may delegate any of the powers which are conferred on them under the articles:
- 88.1 to such person or committee;
 - 88.2 by such means (including by power of attorney);
 - 88.3 to such an extent;
 - 88.4 in relation to such matters or territories; and

88.5 on such terms and conditions;

as they think fit.

- 89 If the Council members so specify, any delegation of powers under article 88 may authorise further delegation of the Council members' powers by any person to whom they are delegated.
- 90 The Council members may revoke any delegation in whole or in part, or alter its terms and conditions.
- 91 The rules of procedure for any sub-committee shall be as prescribed by the Council.

ADMINISTRATION

Operation of bank accounts

- 92 Two persons out of the authorised persons appointed by the Council members shall be required to undertake any and all operations (other than lodgement of funds) on the bank and building society accounts held by the Association.

Secretary

- 93 Subject to the provisions of the Act, the company secretary may be appointed by the Council members for such term, at such remuneration (if any) and upon such conditions, as they may think fit; the company secretary may be removed by them at any time. For the avoidance of doubt, the Association may use a title other than "secretary" for the company secretary, as agreed by the Council.

Minutes

- 94 The Council shall ensure that minutes are made of all proceedings at general meetings, Council members' meetings and meetings of committees; a minute of any meeting shall include the names of those present, and (as far as possible) shall be signed by the chairperson of the meeting at which they are approved.

Accounting records and annual accounts

- 95 The Council shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 96 The Council shall prepare annual accounts, complying with all relevant statutory requirements; if an audit is required under any statutory provisions or if they otherwise think fit, they shall ensure that an audit of such accounts is carried out by a qualified auditor.
- 97 No member shall (unless they are a Council member) have any right of inspecting any accounting or other records, or any document of the Association, except as conferred by statute or as authorised by the Council or as authorised by ordinary resolution of the Association.

Notices / communications

- 98 Subject to the articles, any notice or anything sent or supplied by or to the Association under the articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Association (which includes sending the communication in writing or in electronic form).
- 99 Subject to the articles, any notice or document to be sent or supplied to a Council member in connection with the taking of decisions by Council members may also be sent or supplied by the means by which that Council member has asked to be sent or supplied with such notices or documents for the time being. A Council member may agree with the Association that notices or documents sent to that Council member in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

MISCELLANEOUS

Provision for employees on cessation of business

- 100 The Council members may decide to make provision for the benefit of persons employed or formerly employed by the Association or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Association or that subsidiary.

Winding up

- 101 If on the winding-up of the Association any property remains after satisfaction of all of the Association's debts and liabilities, such property shall not be paid to or distributed among the members of the Association; that property shall instead be transferred to some other institution or institutions (whether incorporated or unincorporated) whose objects are similar (wholly or in part) to the objects of the Association.
- 102 The body or bodies to which property is transferred under article 101 shall be determined by the members of the Association at or before the time of dissolution or, failing such determination, by such court as may have jurisdiction at the time.

Indemnity

- 103 Every Council member or other officer or auditor of the Association shall be indemnified out of the assets of the Association against any loss or liability which they may sustain or incur in connection with the execution of the duties of their office; that may include, without prejudice to that generality, any liability incurred by them in defending any proceedings (whether civil or criminal) in which judgement is given in their favour or in which they are acquitted or any liability in connection with an application in which relief is granted to them by the court from liability for negligence, default or breach of trust in relation to the affairs of the Association.
- 104 The indemnity contained in article 103 shall be subject to the provisions of the Act and is without prejudice to any other indemnity to which a Council member may otherwise be entitled.