

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES of ASSOCIATION

of

**Living Rent (“the Company”)
Company number SC505467**

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1. **Constitution of the Company**

The model articles of association as prescribed in Schedule 2 to The Companies (Model Articles) Regulations 2008 are excluded in respect of the Company

2. **Interpretation**

2.1. In these Articles, unless the context requires otherwise:

- a) “Act” means the Companies Act 2006;
- b) “Articles” means the Company's articles of association for the time being in force;
- c) “Committee” means any committee created by the directors of the Company for the furtherance of the Company Objects;
- d) “Company Objects” mean the objects of the Company as set out in article 3
- e) “Director” means a director of the Company;
- f) “charitable purpose” means a charitable purpose under section 7 of the Charities and Trustee Investment (Scotland) Act 2005 which is also regarded as a charitable purpose in relation to the application of the Taxes Acts;
- g) “electronic form” has the meaning given in section 1168 of the Act;
- h) “Member” means a member of the Company;
- i) “Tenants” mean persons living in either socially or privately rented accommodation;
- j) “property” means any property, heritable or moveable, real or personal, wherever situated; and
- k) “subsidiary” has the meaning given in section 1159 of the Act

2.2. Any reference to a provision of any legislation (including any statutory instrument) shall include any statutory modification or re-enactment of that provision in force from time to time.

2.3. A reference in these Articles to an “article” is a reference to the relevant article of these Articles unless expressly provided otherwise.

2.4. 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.

3. **Company Objects**

3.1. The Company's objects are:

- a) To prevent and relieve poverty and hardship amongst tenants.
- b) To educate tenants about their rights in housing law and policy.
- c) To advance civic participation and community development among tenants.

4. **Approach to objects**

4.1. In pursuance of the Company Objects shall seek to:

- a) To advance the interests of tenants in every area of their interest and concern;
- b) To campaign for properly enforced legislation that puts tenants' rights before landlords' profits;
- c) To organise a strong and vibrant tenants movement in Scotland;
- d) To build links between tenants, trade unions, and community groups;
- e) To campaign for decent and affordable housing for all;
- f) To encourage the development of social housing;

5. **Powers**

5.1. In pursuance of the Company Objects (but not otherwise), the Company shall have the following powers:

- a) To carry on any other activities which further any of the Company Objects
- b) To promote companies whose activities may further one or more of the Company Objects, or may generate income to support the activities of the Company, acquire and hold shares in such companies and carry out, in relation to any such company which is a subsidiary of the Company, all such functions as may be associated with a holding company;
- c) To acquire and take over the whole or any part of the undertaking and liabilities of any body holding property or rights which are suitable for the Company's activities;
- d) To purchase, take on lease, hire, or otherwise acquire, any property or rights which are suitable for the Company's activities;
- e) To improve, manage, develop, or otherwise deal with, all or any part of the property and rights of the Company;
- f) To sell, let, hire out, license, or otherwise dispose of, all or any part of the property and rights of the Company;

- g) To open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques or other instruments;
- h) To lend money and give credit (with or without security) and to grant guarantees and issue indemnities;
- i) To borrow money, and to give security in support of any such borrowings by the Company, in support of any obligations undertaken by the company or in support of any guarantee issued by the Company;
- j) To employ such staff as are considered appropriate for the proper conduct of the company's activities, and to make reasonable provision for the payment of pension and/or other benefits for members of staff, ex-members of staff and their dependants;
- k) To engage such consultants and advisers as are considered appropriate from time to time;
- l) To effect insurance of all kinds (which may include officers' liability insurance);
- m) To invest any funds which are not immediately required for the company's activities in such investments as may be considered appropriate (and to dispose of, and vary, such investments);
- n) To liaise with other voluntary sector bodies, local authorities, UK or Scottish government departments and agencies, and other bodies, all with a view to furthering the company's objects;
- o) To establish and/or support any other body or organisation which advances the company's objects, and to make donations to any such body or organisation for any purpose falling within the Company Objects;
- p) To take such steps as may be deemed appropriate for the purpose of raising funds for the Company's activities;
- q) To accept grants, donations and legacies of all kinds (and to accept any reasonable conditions attaching to them);
- r) To oppose, or object to, any application or proceedings which may prejudice the Company's interests;
- s) To enter into any arrangement for co-operation or mutual assistance with any organisation, government or authority which may be advantageous for the purposes of the activities of the Company;
- t) To enter into contracts to provide services to or on behalf of other bodies;
- u) To incorporate subsidiary companies to further the Company's Objects;
- v) To do all other such lawful things which may be incidental or conducive to the furtherance of any of the Company's Objects.

6. Restrictions on use of the company's assets

- 6.1. The income and property of the Company shall be applied solely towards promoting the Company Objects.
- 6.2. No part of the income or property of the Company shall be paid or transferred (directly or indirectly) to the Members, whether by way of dividend, bonus or otherwise.
- 6.3. No director of the Company shall be appointed as a paid employee of the Company; no director shall hold any office under the Company for which a salary or fee is payable.
- 6.4. No benefit (whether in money or in kind) shall be given by the Company to any director except (i) repayment of out-of-pocket expenses or (ii) reasonable payment in return for particular services (not being of a management nature) actually rendered to the company.

7. Liability of Members

- 7.1. Each Member undertakes that if the Company is wound up while they are a Member (or within one year after they cease to be a Member), they will contribute up to a maximum of £1 to the assets of the Company, to be applied towards:
 - a) payment of the Company's debts and liabilities contracted before they cease to be a Member;
 - b) payment of the costs, charges and expenses of winding up of the Company; and
 - c) adjustment of the rights of the contributories among themselves.

8. General structure

- 8.1. The structure of the company consists of:
 - a) the MEMBERS - who have the right to attend the annual general meeting (and any extraordinary general meeting) and have important powers under the articles of association and the Act; in particular, the Members elect people to serve as directors of the Company and take decisions in relation to changes to the Articles;
 - b) the BOARD OF DIRECTORS - who hold regular meetings during the period between annual general meetings, and generally control and supervise the activities of the Company; in particular, the directors are responsible for monitoring the financial position of the Company;
 - c) the COMMITTEES – which are responsible for focusing on and furthering specific elements of the Company Objects as instructed by the Directors for time to time.
 - d) the BRANCHES – which are responsible for furthering the company objects within a given locality.

MEMBERS

9. Qualifications for membership

- 9.1. The Members shall consist of the subscribers to the memorandum of association and such other persons as are admitted to membership under article 9.
- 9.2. Membership shall be open to any person resident in Scotland who rents their home with the exception of those excluded by sections 9.3 and 9.4 of these articles.
- 9.3. Landlords and Letting Agents are not permitted to become members.
- 9.4. Employees of the Company shall not be eligible for membership; a person who becomes an employee of the company after admission to membership shall automatically cease to be a Member.

10. Application for membership

- 10.1. Any person who wishes to become a Member must sign, and lodge with the Company, a written application for membership; the applicant must pay a monthly membership subscription
- 10.2. The Directors may, at their discretion, refuse to admit any person to membership.
- 10.3. The Directors shall consider each application for membership at the first Directors' meeting which is held after receipt of the application (and payment of the membership subscription); the Directors shall, within a reasonable time after the meeting, notify the applicant of their decision on the application.

11. Membership Subscription

- 11.1. Members will be required to pay a monthly membership subscription; the Directors may determine the value of the monthly membership subscription at a directors' meeting.
- 11.2. If the membership subscription payable by any Member remains outstanding for more than 2 months after the date on which it fell due, and providing that they have been given at least one written reminder, the Directors may, by the giving of written notice to that effect, expel them from membership.
- 11.3. A person who ceases (for whatever reason) to be a Member shall not be entitled to any refund of the membership subscription.

12. Register of Members

- 12.1. The Directors shall maintain a register of Members, 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.

13. Withdrawal from membership

Any person who wishes to withdraw from membership shall sign, and lodge with the Company, a written notice to that effect; on receipt of the notice by the Company, they shall cease to be a Member.

14. Expulsion from membership

- 14.1. Any person may be expelled from membership by a majority decision of the board of Directors, providing the following procedures have been observed:-
- a) at least 21 days' notice must be given to the Member concerned, specifying the grounds for the proposed expulsion;
 - b) the Member concerned shall be entitled to be heard at the Directors meeting where the decision is made.

15. Termination/transfer

- 15.1. Membership shall cease on death of the Member.
- 15.2. A Member may not transfer their membership to any other person.

BRANCHES

16. Branch composition

- 16.1. Branches of the organisation shall be formed in a locality where one hundred or more members reside.
- 16.2. Branch formation must be ratified by the board of directors and may be refused at their discretion.
- 16.3. A member may only be a member of a single branch at any one time.

17. Branch meetings

- 17.1. Branches are expected to meet regularly and for all members within the branch to be given adequate notice of such meetings.
- 17.2. Branches must hold an Annual General Meeting every 12 months at which all branch officers must be elected.
- 17.3. Branch officers must include a branch secretary, responsible for arranging and publicising branch meetings.
- 17.4. At the discretion of the branch other officer posts may be created and elected at the branch Annual General Meeting.

18. Branch activities

- 18.1. Branches are required to pursue the object of the company in accordance with the articles of the company within their locality.
- 18.2. Branches must adhere to decisions of any national General Meetings and the board of directors.

- 18.3. Branches may submit motions to both the board of directors and any national General meetings provided such motions are democratically agreed upon by the branch and submitted within the deadline of the meeting in question.

MEETINGS OF MEMBERS

19. National general meetings (meetings of Members)

- 19.1. The Board of Directors shall convene an annual general meeting every 24 months.
- 19.2. The business of each annual general meeting shall include:
- a) a report by the chair on the activities of the Company;
 - b) consideration of the annual accounts of the Company;
- 19.3. The Board of Directors may convene an extraordinary general meeting at any time which may elect Directors.
- 19.4. The Board of Directors must convene an extraordinary general meeting if there is a valid requisition by Members (under section 303 of the Act) or a requisition by a resigning auditor (under section 518 of the Act).

20. Notice of general meetings

- 20.1. At least 14 clear days' notice must be given of an annual general meeting or extraordinary general meeting.
- 20.2. The reference to "clear days" in article 20.1 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 by electronic means, the day after it was sent) and also the day of the meeting, should be excluded
- 20.3. A notice calling a meeting shall specify the time and place of the meeting; it shall (a) indicate the general nature of the business to be dealt with at the meeting and (b) if a special resolution (see article 21 (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.
- 20.4. A notice convening an annual general meeting shall specify that the meeting is to be an annual general meeting; any other general meeting shall be called an extraordinary general meeting.
- 20.5. Notice of every general meeting shall be given:
- a) in writing or, (where the individual to whom notice is given has notified the company of an address to be used for the purpose of electronic communication) in electronic form; or
 - b) (subject to the Company notifying members of the presence of the notice on the website, and complying with the other requirements of section 309

of the Act) by means of a website.

21. Special resolutions and ordinary resolution

- 21.1. 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 an annual general meeting or extraordinary general meeting, providing proper notice of the meeting and of the intention to propose the resolution has been given in accordance with articles 16; 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 meeting.
- 21.2. In addition to the matters expressly referred to elsewhere in these articles, the provisions of the Act allow the company, by special resolution to:
- a) alter its name;
 - b) alter any provision of these articles or adopt new Articles.
- 21.3. 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), at an annual general meeting or extraordinary general meeting, providing proper notice of the meeting has been given in accordance with article 20

22. Procedure at general meetings

- 22.1. No business shall be dealt with at any general meeting unless a quorum is present; the quorum for a general meeting shall be 8 individuals entitled to vote (each being a Member).
- 22.2. 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 meeting, a quorum ceases to be present - the meeting shall stand adjourned to such time and place as may be fixed by the chairperson of the meeting.
- 22.3. The chair of the Company shall (if present and willing to act as chairperson) preside as chairperson of each general meeting; if the chair is not present and willing to act as chairperson within 15 minutes after the time at which the meeting was due to commence, the Directors present at the meeting shall elect from among themselves the person who will act as chairperson of that meeting.
- 22.4. The chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting to such time and place as the chairperson may determine
- 22.5. Every Member shall have one vote, which (whether on a show of hands or on a secret ballot) may be given personally.
- 22.6. If there are an equal number of votes for and against any resolution, the chairperson of the meeting shall be entitled to a casting vote.
- 22.7. A resolution put to the vote at a general meeting shall be decided on a show of

hands unless a secret ballot is demanded by the chairperson (or by at least two persons present at the meeting and entitled to vote); a secret ballot may be demanded either before the show of hands takes place, or immediately after the result of the show of hands is declared.

- 22.8. If a secret ballot is demanded, it shall be taken at the meeting and shall be conducted in such a manner as the chairperson may direct; the result of the ballot shall be declared at the meeting at which the ballot was demanded.

DIRECTORS

23. Minimum and Maximum number of Directors

- 23.1. The minimum number of voting Directors shall be 3 and the maximum shall be 12.

24. Eligibility

- 24.1. A person shall not be eligible for election as a voting director unless they are a Member.

25. Election, retiral, re-election

- 25.1. The Members may elect any Member (providing they are willing to act) to be a Director. Directors will be elected for a two year term. These elections will take place for any directorial vacancies annually by means of a Single Transferable Vote in the case that there are more candidates than vacant positions. Votes for this ballot will be collected at Branch AGMs with members only eligible to vote once, at the AGM of their nearest branch.
- 25.2. All members are eligible to stand for election as a Director.
- 25.3. Directors may serve up to 24 months, at the end of which they shall retire from office. They shall then be eligible for reelection.

26. Board of Directors

- 26.1. The directors will take decisions by meeting as a board with a majority vote required for any proposal to be accepted.
- 26.2. The directors may, by process of majority vote, co-opt additional non-voting board members. Such members shall be entitled to attend board meetings and need not be members of the company.

27. Termination of office

- 27.1. A Director shall automatically vacate office if:
- a) they cease to be a Director through the operation of any provision of the Act or becomes prohibited by law from being a director;

- b) 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;
- c) they cease to be a Member;
- d) they become an employee of the Company;
- e) they resign office by notice to the Company;
- f) they are absent (without permission of the Directors) from more than three consecutive meetings of the Directors, and the Directors resolve to remove them from office;
- g) they are removed from office by ordinary resolution (special notice having been given) in pursuance of section 168 of the Act.

28. Register of Directors

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

29. Office bearers

- 29.1. The Directors shall elect from among themselves a chair and a treasurer, and such other office bearers (if any) as they consider appropriate
- 29.2. All of the office bearers shall cease to hold office at the conclusion of each annual general meeting, but shall then be eligible for re-election.
- 29.3. A person elected to any office shall cease to hold that office if they cease to be a Director, or if they resign from that office by written notice to that effect.

30. Powers of Directors

- 30.1. Subject to the provisions of the Act, and these articles, and subject to any directions given by special resolution, the Company and its assets and undertaking shall be managed by the directors, who may exercise all the powers of the Company.
- 30.2. A meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

31. Personal interests

- 31.1. A Director who has a personal interest in any transaction or other arrangement which the Company is proposing to enter into, must declare that interest at a meeting of the Directors; they will be debarred (in terms of article 31.3) from voting on the question of whether or not the company should enter into that arrangement.
- 31.2. For the purposes of the preceding article, a Director 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 director (or any other party who/which is deemed to be connected with them for the purposes of the Act), has a personal interest in that arrangement.

31.3. Provided that:

- a) they have declared their interest;
- b) they have not voted on the question of whether or not the company should enter into the relevant arrangement; and
- c) the requirements of article 31 are complied with,

a Director will not be debarred from entering into an arrangement with the company in which they have a personal interest (or is deemed to have a personal interest under article 31.2) and may retain any personal benefit which they gain from their participation in that arrangement.

31.4. No Director may serve as an employee (full time or part time) of the Company, and no Director may be given any remuneration by the Company for carrying out their duties as a Director.

31.5. Where a Director provides services to the Company or might benefit from any remuneration paid to a connected party for such services, then:

- a) the maximum amount of the remuneration must be specified in a written agreement and must be reasonable;
- b) the directors must be satisfied that it would be in the interests of the Company to enter into the arrangement (taking account of that maximum amount); and
- c) less than half of the Directors must be receiving remuneration from the Company (or benefit from remuneration of that nature).

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

DIRECTORS' MEETINGS

32. Procedure at directors' meetings

32.1. Any Director may call a meeting of the Directors or request the secretary to call a meeting of the Directors.

32.2. Questions arising at a meeting of the Directors shall be decided by a majority of votes; if an equality of votes arises, the chairperson of the meeting shall have a casting vote.

32.3. No business shall be dealt with at a meeting of the Directors unless a quorum is

present; the quorum for meetings of the Directors shall be 3.

- 32.4. If at any time the number of Directors in office falls below the number fixed as the quorum, the remaining Director(s) may act only for the purpose of filling vacancies or of calling a general meeting.
- 32.5. Unless they are unwilling to do so, the chair of the Company shall preside as chairperson at every Directors' meeting at which they are present; if the chair is unwilling to act as chairperson or is not present within 15 minutes after the time when the meeting was due to commence, the directors present shall elect from among themselves the person who will act as chairperson of the meeting.
- 32.6. The Directors may, at their discretion, allow any person who they reasonably consider appropriate, to attend and speak at any meeting of the Directors; for the avoidance of doubt, any such person who is invited to attend a Directors' meeting shall not be entitled to vote.
- 32.7. A Director shall not vote at a Directors' 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 company; they must withdraw from the meeting while an item of that nature is being dealt with.
- 32.8. For the purposes of article 32.7, 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 stakeholder or director, has a personal interest in that matter.
- 32.9. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which they are not entitled to vote.
- 32.10. The Company may, by ordinary resolution, suspend or relax to any extent – either generally or in relation to any particular matter – the provisions of articles 32.7 – 32.9.

33. **Conduct of Directors**

- 33.1. Each of the Directors shall, in exercising their functions as a Director of the Company, act in the interests of the Company; and, in particular, must:
- a) seek, in good faith, to ensure that the Company acts in a manner which is in accordance with the Company Objects;
 - b) act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person
 - c) in circumstances giving rise to the possibility of a conflict of interest of interest between the Company and any other party;
 - i put the interests of the Company before that of the other party, in taking decisions as a Director
 - ii where any other duty prevents them from doing so, disclose the conflicting interest to the Company and refrain from participating in any

discussions or decisions involving the other Directors with regard to the matter in question

34. Delegation to sub-committees and branches

- 34.1. The Directors may delegate any, but not all, of their powers or functions to any Committee or Branch as the Directors may determine; they may also delegate to the chair of the Company (or the holder of any other post) such of their powers as they may consider appropriate. Terms of delegation shall be recorded in the minute book. All acts and proceedings of any branch or committee must be fully and promptly reported to the Directors.
- 34.2. Any delegation of powers under article 30.1 may be made subject to such conditions as the Directors may impose and may be revoked or altered.
- 34.3. The rules of procedure for any Committee or Branch shall be as prescribed by the Directors.

ADMINISTRATION

35. Operation of bank accounts

- 35.1. The signatures of two out of the signatories appointed by the Directors shall be required in relation to all operations (other than lodgement of funds) on the bank and building society accounts held by the Company; at least one out of the two signatures must be the signature of a Director.

36. Secretary

- 36.1. The Directors shall (notwithstanding the provisions of the Act) appoint a Company Secretary, and on the basis that the term of the appointment, the remuneration (if any) payable to the Company Secretary, and the such conditions of appointment shall be as determined by the Directors; the Company Secretary may be removed by them at any time.

37. Minutes

- 37.1. The Directors shall ensure that minutes are made of all proceedings at general meetings, Directors' 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.

38. Accounting records and annual accounts

- 38.1. The Directors shall ensure that proper accounting records are maintained in accordance with all applicable statutory requirements.
- 38.2. The Directors 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.

38.3. No Member shall (unless they are a Director) have any right of inspecting any accounting or other records, or any document of the Company, except as conferred by statute or as authorised by the Directors or as authorised by ordinary resolution of the Company.

39. **Notices**

39.1. Any notice which requires to be given to a Member under these Articles shall be given either in writing or by electronic means; such a notice may be given personally to the Member *or* be sent by post in a pre-paid envelope addressed to the member at the address last intimated by them to the Company *or* (in the case of a Member who has notified the Company of an address to be used for the purpose of electronic communications) may be given to the Member by electronic means.

39.2. Any notice, if sent by post, shall be deemed to have been given at the expiry of 24 hours after posting; for the purpose of proving that any notice was given, it shall be sufficient to prove that the envelope containing the notice was properly addressed and posted.

39.3. Any notice sent by electronic means shall be deemed to have been given at the expiry of 24 hours after it is sent; for the purpose of proving that any notice sent by electronic means was indeed sent, it shall be sufficient to provide any of the evidence referred to in the relevant guidance issued from time to time by the Chartered Institute of Secretaries and Administrators.

40. **Political affiliation**

40.1. The company shall not affiliate to any political party or subdivision thereof. The Company shall remain politically independent and welcome supporters of all political parties and none.

41. **Winding-up**

41.1 If on the winding-up of the Company any property remains after satisfaction of all the Company's debts and liabilities, such property shall be transferred to such body or bodies (whether incorporated or unincorporated) as may be determined by the Members at or before the time of dissolution (or, failing such determination, by such court as may have or acquire jurisdiction), to be used solely for purpose consistent with the Company Objects. To the extent that effect cannot be given to article 41.1, the relevant property shall be applied to some charitable purpose or purposes.

42. **Indemnity**

42.1. Every Director or other officer or auditor of the company shall be indemnified (to the extent permitted by sections 232, 234, 235, 532 and 533 of the Act) out of the assets of the Company 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, (but only to the extent permitted by those sections of the Act), 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 Company.

- 42.2. The Company shall be entitled to purchase and maintain for any Director insurance against any loss or liability which any director or other officer of the company may sustain or incur in connection with the execution of the duties of their office, and such insurance may extend to liabilities of the nature referred to in section 232(2) of the Act (negligence etc. of a director).