

South Hermitage Management Company Limited

Section 9.0 - Any Other Business

The following questions have been raised by Mr M Jones. The Directors response are detailed below each question (*in italics*).

- 1. With respect to the management company employed by the South Hermitage Management Company, it was stated at the AGM that there would be a review after 12 months to see how things have gone. Did the review take place or is it planned to take place, especially in light of the change in the management company and what consultation do you plan with shareholders to extend/renew with a new supplier?**

The process of reviewing the work of the management company is an on-going one. The timing of taking on Nock Deighton proved to be less than satisfactory from their point of view and so meeting and discussing arrangements with Matthews enabled a thorough review and re-think of what the company had to offer. The Directors are pleased that the service from Matthews is proving to be good value for shareholders money.

The appointment and any subsequent renewal (annually) of the managing agent contract falls within the remit of the Directors. Although there is no requirement to consult with the shareholders regarding the renewal the Directors do welcome feedback from all shareholders about the performance of the managing agent. The managing agent performance is one of the topics discussed throughout the year at the directors meeting.

- 2. What other Management Agencies have been approached and/or have SHMC received expressions of interest from any other Property Management Companies? If so are they being considered? If not Why not?**

The process of exploring a number of agencies was taken in advance of employing Nock Deighton and the final decision was taken with legal advice from the Company Solicitor. The Directors have received an expression of interest in assisting with the management of the Company from a shareholder. It is suggested that the offer is based on working with the present group of Directors and yet your questions seem to suggest otherwise. The Directors have agreed to consider this offer at our next meeting and the shareholder has been made aware that we will be in touch.

- 3. Why is a Property Management Company required when there are 5 Directors to carry out the functions? In 2016 (2015) the directors said they were going to resign; are the Directors still going to resign as previously stated? If not why not? What other options have been considered? Will the Directors seek expressions of interest for other Shareholders to put themselves forward to be Directors to manage the estate, remove the requirement for a PMC and thus reduce the Service Charge by £120 per annum per property**

The lease allows the management company to appoint a managing agent if it feels appropriate to do so. The directors consider the appointment of a managing agent is in the best interest of the company and the shareholders. .

The Directors wrote to all shareholders after the last AGM, addressing the question of resignations. Although there was a point at which we felt we wanted others to take over from

us, the shareholders who came forward in response to the requests preferred to work with the serving Directors on moving forward differently and so that is what is being done. We value having 5 Directors to discuss issues as they arise and reach balanced decisions in the interests of all shareholders.

The Directors consider the appointment of a PMC is in the best interests of the Management Company and the shareholders.