

**Registered Number:**

**The Companies Act 2006**

**Company limited by guarantee and not having a share capital**

**Articles of association**

**of**

**[XYZ] Limited**

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**1 Interpretation and definitions**

In these Articles unless the context otherwise requires:

**1989 Act** means the Local Government and Housing Act 1989 and any statutory modification or re-enactment thereof for the time being in force;

**2006 Act** means the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force;

**Articles** means these Articles of Association;

**Board** means the Board of directors of the Organisation from time to time;

**Board Members** means the directors for the time being of the Organisation;

**Business Day** means any day which is not either a Saturday or a Sunday or a public holiday in England;

**Chair** means the chair of the Organisation appointed pursuant to Article 63 or in his absence any vice or deputy chair appointed pursuant to Article 65;

**clear days** means in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**Companies Acts** means any provisions of the Companies Act 1985 and of the 2006 Act for the time being in force;

**Council Board Member** means a Board Member who is appointed pursuant to Article 23;

**Council** means Shropshire Council or any successor body thereto;

**First Board Member(s)** has the meaning given in Article 22.8;

**Independent Board Member** means a Board Member appointed pursuant to Articles 30 to 35 inclusive;

**Local Authority Person** means any person:

- (a) who is a member of the Council; or
- (b) who is an officer of the Council (which for these purposes shall not include employees with non-managerial posts apart from housing employees);

**Order** means the Local Authorities (Companies) Order 1995 and any statutory modification or re-enactment thereof for the time being in force;

**the seal** means the common seal of the Organisation;

**Secretary** means the secretary of the Organisation or any other person appointed to perform the duties of the secretary of the Organisation including a joint assistant or deputy secretary;

**Staff Board Member** means a Board Member who is an employee of the Organisation and who is appointed pursuant to Articles 36 to 38 inclusive;

**Tenant** means an individual who alone or jointly with others holds a tenancy or lease of or a licence to occupy a residential property from and occupies a property belonging to the Council that is managed by the Organisation;

**Tenant Board Member** means a Board Member appointed pursuant to Articles 26 to 29 inclusive;

**the United Kingdom** means Great Britain and Northern Ireland.

## **Interpretation**

2 Unless the context otherwise requires words or expressions contained in these Articles bear the same meaning as in the Companies Acts but excluding any statutory modification thereof not in force on the date of incorporation of the Organisation.

3 In these Articles words importing individuals shall unless the context otherwise requires include corporations and words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender.

### **4 Name**

The name of the company is [XYZ] Limited (the **Organisation**).

### **5 Registered office**

The Organisation's registered office is to be located in England.

## 6 Objects

The objects of the Organisation shall be primarily (but not necessarily exclusively) in the areas where the Council owns or manages housing stock to:

- 6.1 provide manage maintain improve demolish or convert the housing stock owned or managed by the Council from time to time together with any other amenities or facilities for the benefit of residents of such housing stock either exclusively or together with persons who are not residents of such housing stock;
- 6.2 provide amenities and services of any description for residents of housing stock owned or managed by the Council from time to time either exclusively or together with persons who are not residents of such housing stock;
- 6.3 provide advice and assistance to all tenants leaseholders and licensees of the Council and applicants for housing and applicants for housing advice in respect of housing owned managed or provided by the Council;
- 6.4 carry out any activity which contributes to the regeneration or development in the area of Shropshire including but not limited to:
  - 6.4.1 securing that land and buildings are brought into effective use;
  - 6.4.2 contributing to or encouraging economic development;
  - 6.4.3 creating an attractive and safe environment;
  - 6.4.4 preventing crime and anti-social behaviour or reducing the fear of crime and anti-social behaviour;
  - 6.4.5 providing or improving housing or social and recreational facilities for the purpose of encouraging people to live or work in the said area or for the purpose of benefiting people or improving the health and well-being of people who live there;
  - 6.4.6 providing employment for local people;
  - 6.4.7 providing or improving training educational facilities or health services or promoting healthy and active lifestyles for local people;
  - 6.4.8 promoting and assisting local people to make use of or to provide to local people opportunities for education training or employment; and
  - 6.4.9 meeting the special needs of local people which arise because of their age gender race nationality ethnic origin religion sexual orientation or disability;
  - 6.4.10 assisting, promoting and providing services for residents to enable them to take part in community activities and volunteering.
- 6.5 provide construct improve or manage housing to be kept available for letting or hostels;

- 6.6 provide manage maintain or improve accommodation required from time to time for the benefit of persons who require temporary accommodation;
- 6.7 provide services of any description for the Council;
- 6.8 assess and process applications by residents of housing stock owned or managed by the Council to exercise the right to buy under Part V of the Housing Act 1985 for final approval by the Council;
- 6.9 enable or assist any residents of the housing stock owned or managed by either the Council or the Organisation to acquire or to acquire and enter into occupation of houses;
- 6.10 construct develop repair or improve houses to be sold (freehold or leasehold) or otherwise disposed of on such terms as the Organisation shall determine; and
- 6.11 do all such other acts and things as may be incidental or conducive to the attainment of the foregoing objects.

## 7 **Powers**

- 7.1 Subject to Article 7.3 the Organisation shall have power to do any thing that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless prohibited by these Articles.
- 7.2 Subject to Article 7.3 and without limiting the powers described in Article 7.1 the Organisation shall have power to:
  - 7.2.1 carry out works to land buildings or other property;
  - 7.2.2 contract with the Council and other bodies in furtherance of the Organisation's objects;
  - 7.2.3 subject to the prior written consent of the Council and to such consents as may be required by law to borrow money issue loan stock and raise money in such manner as the Organisation shall determine and to secure the repayment of any money borrowed raised or owing by such security as the Organisation shall determine (including by way of floating charge) upon the whole or any part of the Organisation's property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by the Organisation of any obligation or liability it may undertake or which may become binding on it;
  - 7.2.4 insure and arrange insurance cover for the Organisation from and against all such risks as the Organisation may determine and to pay any premium in respect of such insurance;
  - 7.2.5 insure and arrange insurance cover for and to indemnify its Board Members employees and voluntary workers and the Council from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any premium in relation to indemnity insurance in respect of liabilities of its Board Members or any of them which would otherwise

attach to them in respect of any negligence default breach of duty or breach of trust of which they may be guilty in respect of the Organisation **provided that** such insurance shall not extend to any liability in respect of an act or omission which such Board Member or Board Members knew or ought reasonably to have known was a breach of duty or trust or which was committed by such Board Member or Board Members recklessly without due regard as to whether such act or omission might be a breach of duty or trust;

7.2.6 invest any monies of the Organisation not immediately required for the furtherance of its objects as it determines and as permitted by law, subject to the Council's prior consent;

7.2.7 subject to such consents as may be required by law and compliance with all formal guidance issued by any statutory regulator with authority over the Organisation to purchase or otherwise acquire or to encourage or promote and in any way support or aid the establishment and development of any subsidiary or any other body established for the purposes of carrying on any trade or business either for the purpose of raising funds for the Organisation or for the furtherance of the objects of the Organisation;

7.2.8 subject to the prior written consent of the Council make donations grants or loans and provide services and assistance to such natural or legal persons on such terms as the Organisation may determine to further the objects of the Organisation **provided that** in the event that the Organisation shall take or hold any property which may be subject to any trusts the Organisation shall only deal with or invest the same in such manner as allowed by law having regard to such trusts.

7.3 The Organisation shall not do any act or thing which causes or might cause the Council to be in breach of the CIPFA Prudential Code for Capital Finance in Local Authorities.

## 8 **Application of income and property**

8.1 The income and property of the Organisation shall be applied solely towards the promotion of its objects as set forth in these Articles.

8.2 Save as provided below no portion of the income and property of the Organisation shall be paid or transferred directly or indirectly by way of dividend bonus or otherwise howsoever by way of profit to members of the Organisation and no Board Member shall be appointed to any office of the Organisation paid by salary or fees or receive any remuneration or other benefit or money or money's worth from the Organisation.

8.3 Notwithstanding the provisions of Articles 8.1 and 8.2 the Organisation may make payment in good faith:

8.3.1 of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension policies and terminal grants and gratuities) to any officer or employee of the Organisation (not being a Board Member) in return for any services rendered to the Organisation;

- 8.3.2 of fees remuneration or other benefit in money or money's worth to a company or other body corporate of which a Board Member may be a member holding not more than 2% of the share capital and controlling not more than 2% of the voting rights at general meetings of such company or body corporate;
- 8.3.3 to any Board Member of reasonable out-of-pocket expenses **provided that** no sum shall be paid to a Board Member who is an elected member of the Council and no sum shall be paid to a Board Member in excess of that which would be permitted to be paid to a Board Member of a social landlord registered under the Housing Act 1996;
- 8.3.4 of reasonable and proper remuneration to the Council or to an employee thereof not being a Board Member in return for any services rendered to the Organisation;
- 8.3.5 of reasonable and proper rent for premises demised or let by the Council; or
- 8.3.6 of reasonable and proper interest on money lent by the Council.
- 8.4 Notwithstanding the provisions of Articles 8.1 and 8.2 the Organisation may manage property in accordance with its objects (including the full range of activities it may undertake) notwithstanding the fact that a tenant lessee or licensee (or prospective tenant lessee or licensee) of such property may be a Board Member **provided that** no Board Member shall be entitled to speak in any debate or cast any vote in respect of any matter relating specifically to property of which he is tenant lessee or licensee and to no other property of the Organisation and shall absent himself from such proceedings.

## 9 **Equal opportunities**

The Organisation shall at all times take into consideration the principles of equality of opportunity irrespective of age gender race nationality ethnic origin religion sexual orientation or disability.

## 10 **Limited liability**

The liability of the Council is limited.

## 11 **Members' guarantee**

The Council undertakes to contribute to the assets of the Organisation in the event of the Organisation being wound up while they are a member of the Organisation or within one year after they cease to be a member of the Organisation for payment of the debts and liabilities of the Organisation contracted before they cease to be a member of the Organisation and of the costs charges and expenses of winding up such amount as may be required not exceeding one pound.

## 12 **Winding up**

If upon the winding up or dissolution of the Organisation there remains after the satisfaction of all its debts and liabilities any property whatsoever such property shall be

paid or transferred to the Housing Revenue Account (as defined in the 1989 Act) of the Council.

### **Admission of members**

- 13 No person other than the Council shall be admitted to membership of the Organisation.
- 14 The Council shall nominate a person to act as its representative in the manner provided in Section 323 of the 2006 Act. Such representative shall have the right on behalf of the Council to attend meetings of the Organisation and vote thereat and to exercise all rights of membership on behalf of the Council. The Council may by written notice to the Secretary revoke the nomination of such representative and may nominate another representative in his place.
- 15 The rights of the Council shall be personal and shall not be transferable and shall be exercisable only by the Council or a duly authorised representative of the Council.

### **General meetings and resolutions**

- 16 With effect from 1 April 2013 the Organisation shall once in every period of twelve months hold a general meeting which for the purposes of these Articles shall be called the annual general meeting. All other general meetings shall be called extraordinary general meetings. The Board Members may call general meetings and on the requisition of the Council (acting by its duly appointed representative) shall forthwith proceed to convene a general meeting as required pursuant to the provisions of Section 304 of the 2006 Act. If there are not within the United Kingdom sufficient Board Members to call a general meeting any Board Member or the Council may call a general meeting.
- 17 Any general meeting not called on the requisition of the Council pursuant to Article 16 shall be called by at least twenty-one clear days' notice or by shorter notice if it is so agreed by the Council. The notice shall specify the time and place of the meeting. The notice shall be given to the Council and to the Board Members and to the Organisation's auditors.
- 18 The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 19 No business shall be transacted at any general meeting unless a quorum is present. The presence of the duly authorised representative of the Council shall be a quorum.
- 20 If the Council makes a decision which is required to be taken in a general meeting or by means of a written resolution that decision shall be valid and effectual as if agreed by the Organisation in general meeting **provided that** any such decision taken by the Council pursuant to this Article 20 shall be recorded in writing and delivered by the Council to the registered office of the Organisation for entry in the Organisation's minute book. Any such decision shall take effect on delivery to the registered office of the Organisation or at such later time as may be specified in the written record so delivered.
- 21 An entry in the minutes of any general meeting stating that a resolution has been carried or lost shall be conclusive evidence of the fact.

### **Number of Board Members**

- 22 The number of Board Members shall be fifteen.
- 22.1 Five Board Members shall be Council Board Members.
- 22.2 Five Board Members shall be Tenant Board Members.
- 22.3 Four Board Members shall be Independent Board Members.
- 22.4 One Board Member shall be a Staff Board Member.
- 22.5 No more than seven Board Members shall be Tenants.
- 22.6 No more than five Board Members shall be Local Authority Persons.
- 22.7 In the event that the number of Board Members shall be less than the numbers specified in this Article 22 the remaining Board Members shall use reasonable endeavours to appoint further Board Members and may act notwithstanding this Article.
- 22.8 The First Board Member(s) of the Organisation shall be the person(s) named as a director in the statement delivered pursuant to section 9 of the Companies Act 2006 who shall be deemed to have been appointed under these Articles. The First Board Member(s) shall have the power to appoint other Board Members subject only to the provisions of this Article 22.

### **Appointment of Board Members by the Council**

- 23 Subject to Article 22 the Council shall have the power to appoint up to five persons as Council Board Members and shall have the power to remove from office any Council Board Member.
- 24 Subject to Article 22 the Council shall have the power at any time by notice in writing to the Organisation to appoint and/or remove any Board Member.
- 25 Appointment or removal pursuant to Article 23 or Article 24 shall be effected by notice in writing signed by the Council and shall take effect upon delivery to the registered office of the Organisation or at such later time than such delivery as may be specified in the notice.

### **Retirement and election of Tenant Board Members**

- 26 At every annual general meeting beginning with the first annual general meeting held on or after 1 April 2015 Tenant Board Members shall retire from office in the following rotation:
- 26.1 at the close of the first such annual general meeting one Tenant Board Members shall retire;
- 26.2 at the close of the second such annual general meeting a further two Tenant Board Members shall retire; and
- 26.3 at the close of the third such annual general meeting a further two Tenant Board Member shall retire



and so forth such that the Tenant Board Members shall subsequently retire in a rotation which mirrors that in Articles 26.1 to 26.3.

27 The Tenant Board Members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became Tenant Board Members but as between persons who became Tenant Board Members on the same day those to retire shall be chosen by agreement between such retiring Tenant Board Members or if agreement cannot be reached they shall be chosen by lot **provided that** where a Tenant Board Member is appointed as a consequence of the death or retirement (other than by operation of this Article 27) of another Tenant Board Member (the **Former Tenant Board Member**) the period of time for which the Tenant Board Member shall have held office shall for the purposes only of this Article 27 be deemed to include the period since the last election or appointment of the Former Tenant Board Member.

28 Prior to every annual general meeting beginning with the first annual general meeting held on or after 1 April 2015, direct or indirect elections shall be held among the Tenants for the number of Tenant Board Members to be appointed thereat. The mode and manner of such elections shall be as the Board may from time to time agree subject at all times to compliance with Article 22 and the Organisation's policy for Board Member selection adopted by the Board from time to time. The Secretary shall announce the results of the elections referred to in this Article 28 at each relevant annual general meeting and the Tenants so elected shall be duly appointed as Tenant Board Members with effect from the close of such meeting.

29 If at the meeting at which a Board Member retires in accordance with Article 26 there are no other candidates to fill the post the retiring Tenant Board Members shall if willing to act be deemed to have been reappointed unless a resolution not to reappoint the Tenant Board Members is passed by the Board at such meeting.

#### **Retirement and election of Independent Board Members**

30 At every annual general meeting beginning with the first annual general meeting held on or after 1 April 2015 Independent Board Members shall retire from office in the following rotation:

30.1 at the close of the first such annual general meeting two Independent Board Member shall retire;

30.2 at the close of the second such annual general meeting a further one Independent Board Members shall retire; and

30.3 at the close of the third such annual general meeting a further one Independent Board Member shall retire

and so forth such that the Independent Board Members shall subsequently retire in a rotation which mirrors that in Articles 30.1 to 30.3.

31 The Independent Board Members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became Independent Board Members but as between persons who became Independent Board Members on the same day those to retire shall be chosen by agreement between such

retiring Independent Board Members or if agreement cannot be reached they shall be chosen by lot **provided that** where a Independent Board Member is appointed as a consequence of the death or retirement (other than by operation of this Article 31) of another Independent Board Member (the **Former Independent Board Member**) the period of time for which the Independent Board Member shall have held office shall for the purposes only of this Article 31 be deemed to include the period since the last election or appointment of the Former Independent Board Member.

32 If at the meeting at which a Board Member retires in accordance with Article 30 there are no other candidates to fill the post the retiring Independent Board Members shall if willing to act be deemed to have been reappointed unless a resolution not to reappoint the Independent Board Members is passed by the Board at such meeting.

33 No person other than an Independent Board Member retiring by rotation shall be appointed as a Independent Board Member unless he is recommended by the Board.

34 Subject to Article 22 and Articles 30 to 33 inclusive the Council may appoint any eligible person who is willing to act as an Independent Board Member.

35 Not less than seven nor more than twenty-eight clear days before the date appointed for holding an annual general meeting notice shall be given to the Organisation of any person (other than a Board Member retiring by rotation at the meeting) who is recommended by the Board for appointment or reappointment as a Independent Board Member at the meeting. The notice shall give the particulars of that person which would if he were so appointed or reappointed be required to be included in the Organisation's register of Board Members.

#### **Retirement and election of Staff Board Members**

36 At the third annual general meeting and every third annual general meeting thereafter the Staff Board Member shall retire from office.

37 Prior to every third annual general meeting, direct or indirect elections shall be held among the employees of the Organisation for the Staff Board Member to be appointed thereat. The mode and manner of such elections shall be as the Board may from time to time agree subject at all times to compliance with Article 22 and the Organisation's policy for Board Member selection adopted by the Board from time to time. The Secretary shall announce the results of the elections referred to in this Article 37 at each relevant annual general meeting and the employee of the Organisation so elected shall be duly appointed as a Staff Board Member with effect from the close of such meeting.

38 If at the meeting at which a Board Member retires in accordance with Article 36 there are no other candidates to fill the post the retiring Staff Board Member shall if willing to act be deemed to have been reappointed unless a resolution not to reappoint the Staff Board Member is passed by the Board at such meeting.

#### **Casual vacancies**

39 Subject to Article 22 the Board may appoint a person who is willing to act to be a Board Member to fill a vacancy.

- 39.1 The Board may only fill vacancies occurring among Council Board Members where the Council shall have failed within three months of a written request by the Organisation to make the appropriate appointments pursuant to Article 23 or shall have given notice to the Organisation in writing that it does not intend to make such appointments.
- 39.2 The Board may only fill vacancies occurring among Tenant Board Members where the procedure for selecting Tenant Board Members set out in the Organisation's policy for Board Member selection adopted by the Board from time to time has been followed and there has been no nomination within three months of the vacancy arising.
- 39.3 A Board Member appointed under this Article 39 shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting he shall vacate office at the conclusion thereof.

#### **Disqualification and removal of Board Members**

- 40 A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Board Member if the relevant individual:
- 40.1 ceases to be a Board Member by virtue of any provision of the Companies Acts or becomes prohibited by law from being a company director; or
- 40.2 is or becomes a person disqualified from elected membership of a local authority; or
- 40.3 is or becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 40.4 is or may be suffering from mental disorder and either:
- 40.4.1 is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or in Scotland an application for admission under the Mental Health (Care and Treatment) (Scotland) Act 2003; or
- 40.4.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver curator bonis or other person to exercise powers with respect to his property or affairs; or
- 40.5 resigns his office by written notice to the Organisation; or
- 40.6 is removed from office by a resolution of or written notice signed by not less than three quarters of all the other Board Members from time to time; or
- 40.7 shall for more than six consecutive months have been absent without permission of the Board from all meetings of the Board (including meetings of any committee of which that Board Member is a member) held during that period and the Board resolves that his office be vacated; or
- 40.8 shall in any period of 12 consecutive months have been absent without the permission of the Board from not less than 60% of the meetings of the Board (including meetings of any

committee of which that Board Member is a member) held during that period and the Board resolves that his office be vacated; or

- 40.9 in the case of a Tenant Board Member he ceases to be a Tenant **provided that** this Article 40.9 shall not apply in respect of a Tenant Board Member ceasing to be a Tenant for a period of not more than six months as a result of the demolition of or works carried out to that Tenant Board Member's home; or
- 40.10 is a Tenant Board Member and is in the opinion of the Board in serious breach of his obligations as a Tenant; or
- 40.11 is or becomes a Tenant leading to a breach of the limit in Article 22.5; or
- 40.12 is a Tenant and is or becomes a Local Authority Person; or
- 40.13 is or becomes a Local Authority Person leading to a breach of the limit in Article 22.6; or
- 40.14 is an Independent Board Member and is or becomes a Tenant, a Local Authority Person or an employee of the Organisation; or
- 40.15 is a Staff Board Member and ceases to be an employee of the Organisation;
- 40.16 is removed by resolution of the Council pursuant to Article 24; or
- 40.17 has completed nine years' service on the Board as a Board Member.

#### **Powers of the Board**

- 41 Subject to:
- 41.1 the provisions of the Companies Acts;
- 41.2 any resolution from time to time of the Council in accordance with these Articles; and
- 41.3 these Articles;

the business of the Organisation shall be managed by the Board who may exercise all the powers of the Organisation. No alteration of these Articles and no resolution of the Council shall invalidate any prior act of the Board which would have been valid if that alteration or resolution had not been made. The powers given by this Article 41 shall not be limited by any special power given to the Board by these Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

- 42 The Board may by power of attorney or otherwise appoint any person to be the agent of the Organisation for such purposes and on such conditions as the Board may determine including authority for the agent to delegate all or any of his powers.

#### **Borrowing powers**

- 43 Subject to Article 7.3 the Board may exercise all the powers of the Organisation to borrow money without limit as to amount and upon such terms and in such manner as the Board considers fit and to grant any mortgage charge or other security over the undertaking and

property of the Organisation or any part thereof and to issue any debenture whether outright or as security for any debt liability or obligation of the Organisation or of any third party.

#### **Delegation of Board Members' powers**

44 The Board may delegate in writing any of its powers to any committee consisting of two or more Board Members together with such other persons as the Board sees fit but so that Board Members shall constitute a majority.

45 The Board may delegate in writing to the Chair or to any vice or deputy chair or to any officer such of their powers as they consider desirable to be exercised by such person. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions the proceedings of any committee shall be governed by the provision of these Articles insofar as they apply to proceedings of the Board.

#### **Alternate Board Members**

46 The First Board Member(s) shall be entitled to appoint alternate Board Members who shall, once appointed, have power to exercise all rights and powers of the First Board Member(s) under these Articles. No other Board Member shall be entitled to appoint any person as an alternate Board Member.

#### **Board Members' expenses**

47 Board Members may be paid all travelling hotel and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings of the Organisation or otherwise in connection with the discharge of their duties and such other sums as may be determined by the Council **provided that** no sum shall be paid to a Board Member who is an elected member of the Council.

#### **Board Members' appointments and interests**

48 A Board Member may not have any financial interest personally or as a member of a firm or as a director or senior employee (being an employee with managerial status) or in any contract or other transaction of the Organisation unless it is permitted by these Articles and is not prohibited by Articles 8.2 to 8.4 inclusive.

49 Each Board Member shall ensure that the Secretary has at all times an up to date list of:

49.1 all bodies trading in which he has an interest as:

49.1.1 a director or senior employee, or

49.1.2 a member of a firm, or

49.1.3 the owner or controller of more than 2% of the issued share capital in a body corporate having a share capital, or

- 49.1.4 the holder or controller of more than 2% of the voting rights in general meeting of any body corporate
- 49.2 all interests as an official or elected member of any statutory body;
- 49.3 all interests as the occupier of any property owned or managed by the Organisation;
- 49.4 any other significant or material interest.

#### **Proceedings of Board Members**

- 50 Subject to
- 50.1 these Articles;
- 50.2 any regulations established from time to time by the Organisation; and
- 50.3 compliance with all relevant statutory requirements
- the Board may regulate its proceedings as it determines.
- 51 The Board shall meet at least four times in each calendar year and shall use all reasonable endeavours to convene a Board meeting on or as soon as reasonably practicable after each Anniversary.
- 52 A Board meeting or a meeting of a committee of the Board may consist of a conference between Board Members or committee members through the medium of conference telephone or any form of electronic communication or similar form of communications equipment or combination of such methods provided that each Board Member or committee member participating in the meeting is able to hear and speak to each other participating Board Member or committee member throughout the meeting. A Board Member or committee member so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Companies Acts, all business transacted in such manner by the Board Members or by a committee of the Board shall for the purposes of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or of a committee notwithstanding that fewer than two Board Members or committee members are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no such group where the chair of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.
- 53 The quorum for the transaction of the business of the Board at the time when any Board meeting proceeds to business shall be six comprising no fewer than one Tenant Board Member one Independent Board Member and one Council Board Member **provided that** if there are no Board Members in one or more category of Board Member then the quorum requirement shall be reduced to none in respect of such category or categories and **provided further that** notwithstanding any other provision of these Articles for so long as at least one First Board Member (as defined in Article 22.8) is a Board Member one First Board Member shall constitute a quorum.

- 54 A meeting of the Board may be called by not less than one third of the total number of Board Members. It shall not be necessary to give notice of a meeting to a Board Member who is outside the United Kingdom at the time at which the meeting is called.
- 55 If a quorum is not present within half an hour from the time appointed for a Board meeting the Board meeting shall if requested by a majority of those Board Members present be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board Members present may determine.
- 56 If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the adjourned meeting then notwithstanding Article 53 the Board Members present shall constitute a quorum.
- 57 Save as expressly provided in these Articles questions arising at a Board meeting shall be decided by a majority of votes and each Board Member present in person shall be entitled to one vote. In the case of an equality of votes at any Board meeting the Chair shall have a second or casting vote.

#### **Conflicts of interest**

- 58 Any Board Member having an interest in any arrangement between the Organisation and another person or body shall before the matter is discussed by the Board or any committee of which they are a member disclose that interest to the meeting.
- 59 Unless the interest is of the type specified in Articles 60 or 61 the Board Member concerned shall not remain present during the discussion of that item unless requested to do so by the remaining members of the Board or committee of the Board. Unless permitted by Articles 60 or 61 the Board Member concerned may not vote on the matter in question but no decision of the Board or any committee of the Board shall be invalidated by the subsequent discovery of an interest which should have been declared.
- 60 Provided the interest has been properly disclosed pursuant to Article 58 a Board Member may with the authorisation of the remaining Board or Committee Members at the meeting remain present during the discussion and may vote on the matter under discussion where the interest arises only by virtue of the fact that:
- 60.1 the Board Member is a Tenant and the matter in question affects all or a substantial group of Tenants; or
- 60.2 the Board Member is a director or other officer of a company or body which is a subsidiary undertaking of the Organisation as such term is defined in Section 1162 of the 2006 Act; or
- 60.3 the Board Member is a director or other officer of a company or body which is a subsidiary undertaking of the Council as such term is defined in Section 1162 of the 2006 Act other than the Organisation; or
- 60.4 the Staff Board Member is an employee of the Organisation; or
- 60.5 the Board Member is an official or elected member of any statutory body.

- 61 A Board Member shall not be treated as having an interest:
- 61.1 of which the Board Member has no knowledge and of which it is unreasonable to expect him to have knowledge;
- 61.2 in the establishment of a policy in respect of Board Member expenses payable pursuant to Article 47 or in any resolution relating to the remuneration of Board Members.
- 62 If a question arises at a meeting of the Board as to the right of a Board Member to vote the question may before the conclusion of the meeting be referred to the Chair or in his absence the chair of the meeting and his ruling shall be final and conclusive.

### **Chair**

- 63 At the first Board Meeting of the Organisation and at each annual general meeting the Board shall appoint one of their number to be the chair of the Board to hold office until he is either reappointed or until another chair of the Board is appointed or removed by resolution of the Board and may remove him from that office at any time.
- 64 Unless he is unwilling to do so the Board Member so appointed shall preside at every meeting of the Board at which he is present. If there is no Board Member holding that office or if the Board Member holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting the Board Members present may appoint one of their number to be chair of the meeting.
- 65 The Board may appoint a vice or deputy chair to act in the absence of the chair on such terms as the Board shall think fit.

### **Validity of Board actions**

- 66 All acts done by the Board or by a committee of the Board or by a person acting as a Board Member shall notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Board Member or that any Board Member was disqualified from holding office or had vacated office or was not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Board Member and had been entitled to vote.

### **Written resolutions of the Board**

- 67 A resolution in writing signed by not less than three quarters of all the Board Members entitled to receive notice of a meeting of the Board including sufficient Board Members to satisfy the quorum requirements in Article 53 shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Board Members.

### **Co-options**

- 68 The Board may co-opt a person who is willing to act as a co-optee to the Board on such terms and subject to such conditions as the Board may resolve. Any person co-opted to the Board shall be known for the purposes of these Articles as a co-optee. Any provision



of these articles which applies to Board members shall apply equally to co-optees, save that:

68.1 no co-optee may vote on any matter discussed by the Board; and

68.2 no co-optee may be appointed as chair of the Board.

69 No co-optee may be appointed if such appointment would cause the number of co-optees to exceed three. If for any reason the number of co-optees exceeds this number at any time, the number of co-optees shall be reduced until this limit is satisfied. The identities of the co-optees to be removed shall be determined in the absolute discretion of the Board.

### **Secretary**

70 The Organisation may have a Secretary who shall be appointed by the Board for such term at such remuneration and upon such conditions as they may determine and any Secretary so appointed may be removed by them.

### **Minutes**

71 The Board shall cause minutes to be made in books kept for the purpose:

71.1 of all appointments of officers made by the Board Members; and

71.2 of all proceedings at meetings of the Organisation and of the Board and of committees of the Board and of the Council in its capacity as the sole member of the Organisation including the names of the Board Members present at any such meeting.

### **Records accounts and returns**

72 The Organisation shall comply with the provisions of the Companies Acts in respect of:

72.1 the keeping and auditing of accounting records;

72.2 the provision of accounts and annual reports of the directors; and

72.3 the making of an annual return.

### **The seal**

73 If the Organisation has a seal it shall only be used with the specific or general authority of the Board or of a duly authorised committee of the Board. The Board may determine who may sign any instrument to which the seal is affixed and unless otherwise so determined any such instrument shall be signed either by a Board Member and by the Secretary or by two Board Members or by a Board Member and by a witness who signs to attest the signature of such Board Member.

74 The Organisation may exercise the powers conferred by Section 49 of the 2006 Act with regard to having an official seal for use abroad and such powers shall be vested in the Board Members.

### **Notices**

- 75 Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Board or of a committee of the Board need not be in writing.
- 76 The Organisation may give any notice to the Council either personally or by sending it by post in a prepaid envelope addressed to the Council at their registered address or by leaving it at that address.
- 77 The Council present by duly authorised representative at any meeting of the Organisation shall be deemed to have received notice of the meeting and where requisite of the purposes for which it was called.
- 78 Proof that an envelope containing a notice was properly addressed prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- 79 Subject to these Articles anything sent or supplied by or to the Organisation under these Articles may be sent or supplied in any way in which the 2006 Act provides for documents or information which are authorised or required by any provision of the 2006 Act to be sent or supplied by or to the Organisation.

#### **Indemnity**

- 80 Every Board Member or other officer of the Organisation shall be indemnified out of the assets of the Organisation against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 1157 of the 2006 Act in which relief is granted to him and no Board Member or other officer shall be liable for any loss damage or misfortune which may happen to or be incurred by the Organisation in the execution of the duties of his office or in relation thereto provided that this Article 80 shall only have effect in so far as its provisions are not avoided by Section 232 of the 2006 Act.
- 81 The Board shall have power to purchase and maintain for any Board Member or officer of the Organisation insurance against any such liability as is referred to in Section 232 of the 2006 Act.