

THURSDAY

CITY SOUTH MANCHESTER HOUSING TRUST LIMITED

COMPANY NUMBER 6395296

("the Company")



A06 *A7A0UTCU* #212
12/07/2018
COMPANIES HOUSE

MEMBERS WRITTEN SPECIAL RESOLUTION

4 June 2018

Resolved by the Members of the Company pursuant to section 296 of the Companies Act 2006 that the following resolution be passed as a written special resolution (the "**Resolution**"):-

Resolution

That the existing Articles of Association be rescinded and replaced by the Articles of Association appended hereto in the Appendix and marked 'X' for the purpose of identification (the "**New Articles**").

SUBJECT TO:

- a. the documented consent of (or on behalf of) the Company's funders (so far as such consent is required).

Agreement

Please read the notes at the end of this notice before signing your agreement to the Resolution.

The undersigned, being a person entitled to vote on the Resolution on 4 June 2018, hereby irrevocably agrees to the Resolution:

Signed by

.....

Date

.....

NOTES

1. If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By hand:** delivering the signed copy to the Company Secretary at the Company's Registered Office, Lovell House, Archway 6, Hulme, Manchester M15 5RN.
- **Post:** returning the signed copy by post to the Company Secretary at the Company's Registered Office.
- **E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to victor.hassan@onemanchester.co.uk. Please enter "Proposed written resolution dated 4 June 2018" in the e-mail subject box.

If you do not agree to the Resolution, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.

3. Unless, by 2 July 2018 sufficient agreement has been received for the Resolution to be passed, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us by this date.

4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

REGISTERED NO. 6395296

**Articles of Association
of
City South Manchester Housing Trust Limited**

X

**COMPANY LIMITED BY GUARANTEE
COMPANIES ACT 2006**

Anthony Collins
solicitors

134 Edmund Street
Birmingham
B3 2ES

Ref: SKT/43276.0026



CITY SOUTH MANCHESTER HOUSING TRUST LIMITED

CONTENTS

Article		Page no.
1	DEFINED TERMS AND INTERPRETATIONS	4
2	LIABILITY OF MEMBERS	7
3	OBJECTS OF THE COMPANY	7
4	POWERS	8
5	EQUALITY AND DIVERSITY	9
6	APPLICATION OF INCOME AND PROFIT	9
7	WINDING UP	11
8	ADMISSION OF MEMBERS	11
9	CESSATION OF MEMBERSHIP	12
10	ANNUAL GENERAL MEETING	13
11	ATTENDANCE AND SPEAKING AT GENERAL MEETINGS	14
12	CALLING A GENERAL MEETING	14
13	QUORUM FOR GENERAL MEETINGS	15
14	CHAIRING GENERAL MEETINGS	15
15	ATTENDANCE AND SPEAKING BY BOARD MEMBERS AND NON-MEMBERS	15
16	ADJOURNMENT	15
17	VOTING: GENERAL	16
18	ERRORS AND DISPUTES	17
19	CONTENT OF PROXY NOTICES	17
20	DELIVERY OF PROXY NOTICES	18
21	AMENDMENTS TO RESOLUTIONS	18
22	BOARD MEMBERS' GENERAL AUTHORITY	19
23	COMPOSITION OF THE BOARD	19
24	MEMBERS' RESERVE POWER	19
25	BOARD MEMBERS MAY DELEGATE	20
26	COMMITTEES	20
27	BOARD MEMBERS TO TAKE DECISIONS COLLECTIVELY	20
28	RESOLUTIONS IN WRITING	21
29	CALLING A BOARD MEETING	21
30	PARTICIPATION IN BOARD MEETINGS	21
31	QUORUM FOR BOARD MEMBERS' MEETINGS	21
32	CHAIRING OF BOARD MEETINGS	22
33	CASTING VOTE	22
34	CONFLICTS OF INTEREST	22
35	RECORDS OF DECISIONS TO BE KEPT	25

36	BOARD MEMBERS' DISCRETION TO MAKE FURTHER RULES	25
37	METHODS OF APPOINTING BOARD MEMBERS	25
38	APPOINTMENT OF THE COUNCIL BOARD MEMBER	25
39	TERMS OF OFFICE, APPOINTMENT TO AND RETIREMENT FROM THE BOARD	26
40	TERMINATION OF BOARD MEMBER'S OR CO-OPTEE'S APPOINTMENT	26
41	ALTERNATE BOARD MEMBERS	28
42	BOARD MEMBERS' EXPENSES	28
43	MEANS OF COMMUNICATION TO BE USED	29
44	COMPANY SEALS	29
45	NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS	29
46	PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS	29
47	INDEMNITY	30
48	INSURANCE	30
49	RECORDS, ACCOUNTS AND RETURNS	30
50	AMENDMENT OF ARTICLES	31

The Companies Acts
A Private Company Limited by Guarantee and not having a Share Capital
Articles of Association
of
City South Manchester Housing Trust Limited

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1 Defined terms and Interpretations

1.1 In the Articles, unless the context requires otherwise:

2008 Act	means the Housing and Regeneration Act 2008;
Articles	means the Company's Articles of Association;
bankruptcy	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
Board	means, collectively, the Board Members of the Company from time to time;
Board Member	means a Board Member of the Company and any person occupying the position of Board Member, by whatever name called from time to time. The Board Members of the Company shall be directors of the Company and charity trustees as defined by section 177 of the Charities Act 2011;
chair	has the meaning given in Article 32;
chair of the meeting	has the meaning given in Article 14;
Committee	shall have the meaning given to it in Article 26;
Companies Acts	means the Companies Acts (as defined in section 2 of the Companies Act 2006), insofar as they apply to the Company;
Company	means City South Manchester Housing Trust Limited which is a company limited by guarantee incorporated in England and Wales (with company no. 6395296) and a registered charity;
Conflict	means a situation in which a Board Member has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company;
Council Board Member	means a Board Member nominated by the Council from time to time and appointed by the Board pursuant to Article 38;

Council	means Manchester City Council or its statutory successor in title to its functions from time to time;
document	includes, unless otherwise specified, any document sent or supplied in electronic form;
derivative transaction	means any transaction which is a forward, swap, future option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, or any combination of these transactions, and includes, without limitation, any contract for differences as defined in the glossary in the Full Handbook as published by the Financial Conduct Authority from time to time;
electronic form	has the meaning given in section 1168 of the Companies Act 2006;
Executive Officer	means a person who is a senior employee of the Company or any Group Organisation;
Group	means all entities which are Group Organisations from time to time;
Group Organisation	means the Company, the Parent, each subsidiary of the Company and each subsidiary of the Parent, any associate of the Company, any body corporate of which the Company may be a subsidiary and any subsidiary or associate of such body corporate and "Group Organisations" shall be construed accordingly;
Independent Board Member	means a Board Member that is not: (i) a Resident; or (ii) a Local Authority Person; or (iii) an Executive Officer of the Company or any Group Organisation; or (iv) a Council Board Member;
Independent Member	means any Member designated as such by the Board pursuant to Article 8.5 but, for the avoidance of doubt, shall exclude any Resident;
Local Authority Person	<p>means any person</p> <p>(a) who is or has been a member of the Council or the spouse, partner or close relative of such a person in the preceding four years, or</p> <p>(b) who is an officer of the Council or the spouse, partner or close relative of such person which for these purposes shall not include employees with non-managerial posts apart from housing employees, or</p> <p>(c) who is both an employee and either a Board Member, manager, company secretary or other similar officer of a</p>

company which is under the control of the Council,

- (d) who is associated with a local authority by virtue of an order made by the Secretary of State pursuant to or in accordance with section 69 of the Local Government and Housing Act 1989.

Member	<i>means a member of the Company and here "member" has the meaning given to it in section 112 of the Companies Act 2006;</i>
Objects	has the meaning give to it in Article 3;
ordinary resolution	has the meaning given in section 282 of the Companies Act 2006;
Parent	<i>means One Manchester Limited (or such other name as it may be known from time to time) a registered society with CBS number 7018, or its successor in title from time to time;</i>
participate	in relation to a meeting of the Board, has the meaning given in Article 30;
proxy notice	has the meaning given in Article 19;
Regulator	<i>means the Regulator of Social Housing as established pursuant to the 2008 Act, or any statutory successor to or any similar or future authority or authorities which carry on substantially the same regulatory and/or supervisory function;</i>
Resident	<i>means a person who alone or jointly with others holds a tenancy, lease or licence to occupy for residential use premises owned and/or managed by a Group Organisation;</i>
Resident Board Member	means a Board Member who is a Resident;
Resident Member	means a Member who is a Resident and is designated as such pursuant to Article 8.5;
social housing	has the meaning given to it in sections 68 and 77 of the 2008 Act;
special resolution	has the meaning given in section 283 of the Companies Act 2006;
subsidiary	together with "associate" have the meanings given to them in section 1159 of the Companies Act 2006; and
writing	<i>means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.</i>

- 1.2 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company.

- 1.3 The relevant model Articles (within the meaning of section 20 of the Companies Act 2006) are deemed to be fully excluded and replaced by the provisions of these Articles.
- 1.4 Except where the contrary is stated or the context otherwise requires, any reference in the Articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.
- 1.5 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

2 Liability of Members

- 2.1 The liability of each Member is limited to £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for:
- 2.1.1 payment of the Company's debts and liabilities contracted before he ceases to be a Member,
- 2.1.2 payment of the costs, charges and expenses of winding up, and
- 2.1.3 adjustment of the rights of the contributories among themselves.

3 Objects of the Company

- 3.1 The Company's objects (**Objects**) shall be to carry on for the benefit of the community the business of:-
- 3.1.1 providing, managing and maintaining housing and social housing and providing assistance to help house people and associated facilities and amenities or services in each case for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people;
- 3.1.2 the provision of recreational or other leisure time facilities in the interest of social welfare with the object of improving the conditions of life for persons in necessitous circumstances, the aged, disabled and chronically sick who are residents of the Company, or dependants of such residents living with such residents or residents within the communities in which the Company operates, provided that they have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances;
- 3.1.3 the relief of poverty and the advancement of education for the benefit of the community;
- 3.1.4 the relief of unemployment for the benefit of the public in such ways as may be thought fit, including assistance to find employment; and
- 3.1.5 any other charitable object that can be carried out from time to time by a Company registered as a provider of social housing with the Regulator.

4 Powers

- 4.1 The Company shall have the power to do anything that a natural or corporate person may lawfully do which is necessary or expedient in furtherance of its objects (and is within any relevant parameters set by the Regulator) unless expressly prohibited in these Articles.
- 4.2 Without limiting the scope of Article 4.1, the Company shall have power to:
- 4.2.1 borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds;
 - 4.2.2 purchase, acquire or dispose of, or take or grant or otherwise deal with any interest or security interest in land, including any mortgage, charge, floating charge, or any other security whatsoever;
 - 4.2.3 construct or carry out works to buildings;
 - 4.2.4 help any charity or other body not trading for profit in relation to housing and related services;
 - 4.2.5 establish and support or aid in the establishment and support of any other organisations and subscribe, lend or guarantee money or property;
 - 4.2.6 become a member, associate or affiliate of or act as trustee or appoint trustees of any other organisation;
 - 4.2.7 amalgamate or merge with or acquire or undertake all or any of the property, liabilities and engagements of any body having objects wholly or in part similar to those of the Company;
 - 4.2.8 co-operate with charities, voluntary bodies, statutory authorities and other bodies and exchange information and advice with them;
 - 4.2.9 lend or make grants or donations of money on such terms as its Board shall think fit;
 - 4.2.10 guarantee, enter into any contract of indemnity or suretyship or provide security for the borrowings or performance of the obligations of a third party on such terms as its Board shall think fit;
 - 4.2.11 set aside funds for special purposes or as reserves against future expenditure;
 - 4.2.12 invest the Company's money (including but not limited to money borrowed by the Company), not immediately required for its Objects in or upon any investments, securities, or property;
 - 4.2.13 arrange for investments or other property of the Company to be held in the name of a nominee or nominees (being a corporate body registered or having an established place of business in England and Wales) under the control of the Board or of a financial expert or experts acting under their instructions and pay any reasonable fee required;
 - 4.2.14 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;

- 4.2.15 enter into and perform any derivative transaction on such terms as its Board may think fit;
- 4.2.16 incorporate, set up, support, administer or acquire other corporate bodies for any purpose including trade;
- 4.2.17 accept (or disclaim) gifts of money and any other property;
- 4.2.18 trade in the course of carrying out the objects of the Company and carry on any other trade (provided that such trade is ancillary to its Objects);
- 4.2.19 engage and pay employees, consultants and professional or other advisers and reimburse Board and Committee Members (and all of the foregoing) for reasonable and proper out-of-pocket expenses which any of them may incur while carrying out duties and business on behalf of or for the Company;
- 4.2.20 make reasonable and proper provision for the payment of pensions and other retirement benefits to or on behalf of employees and their spouses and dependants;
- 4.2.21 insure the property of the Company against any foreseeable risk and take out other insurance policies as are considered necessary by the Board to protect the Company;
- 4.2.22 pay out of the funds of the Company the cost of any premium in respect of indemnity insurance to cover the liability of the Board (or any Board Member) which by virtue of any Article of law 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 relation to the Company PROVIDED THAT any such insurance shall not extend to any claim arising from any act or omission which the Board (or any Board Member) knew was a breach of trust or which was committed by those persons or person in reckless disregard of whether it was a breach of trust or not; and
- 4.2.23 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the Objects.

5 Equality and Diversity

The Company recognises the value of diversity. It will not tolerate unlawful discrimination on the grounds of age, gender, gender reassignment, marital or civil partnership status, race, nationality or ethnic origin, caste, religion or similar philosophical belief, sexual orientation or disability and at all times will have due regard to its obligations under the Equality Act 2010.

6 Application of Income and Profit

- 6.1 The Company shall not trade for profit. The income and property of the Company shall be applied solely towards the promotion of its Objects.
- 6.2 No dividends or bonus may be paid or capital otherwise returned to the Members; and a Board Member (other than Executive Officers) may not directly or indirectly receive any payment of money or benefit from the Company, provided that nothing in these Articles shall prevent any payment in good faith by the Company:-
 - 6.2.1 of reasonable and proper remuneration, fees, allowances or recompense for lost earnings to any Board Member, co-optee or member of a Committee following

appropriate independent advice, in such amounts and on such terms as the Board may from time to time decide having regard to any relevant guidance issued by the National Housing Federation from time to time and provided that any such payment is in accordance with any code of conduct and/or governance adopted by the Board from time to time;

- 6.2.2 of reasonable and proper fees or payment for services provided by any Group Organisation in which a Board Member, co-optee or member of a Committee is a board member, co-optee or member;
- 6.2.3 of fees, remuneration or other benefit in money or money's worth to a company of which a Board Member, co-optee, Executive Officer or officer may be a member holding not more than 2% of share capital of that company;
- 6.2.4 to any Board Member, co-optee, Executive Officer or officer of reasonable and proper out-of-pocket expenses and in respect of an Executive Officer or officer of remuneration or other payments or benefits as approved by the Board to the extent that such is not prohibited by the Regulator or the Charity Commission;
- 6.2.5 of reasonable and proper rent for premises demised or let by the Council;
- 6.2.6 of reasonable and proper interest (at a rate which in any case shall not be more than two per cent (2%) less than the base rate of Barclays Bank from time to time) on money lent by any body corporate notwithstanding that such body corporate shall be a Member or Board Member, co-optee or officer;
- 6.2.7 of any premium in relation to indemnity insurance in respect of liabilities of its Board Members, co-optees, Executive Officers or officers or any of them in accordance with Article 4.2.22; or
- 6.2.8 of making any other payments or benefits (approved in writing in advance by the Charity Commission) in exceptional cases

and provided further that:

- (i) nothing shall prevent a disposal by the Company of a property, whether by sale, lease, tenancy, licence or otherwise to any person in good faith and in pursuance of the objects of the Company, notwithstanding the fact that such person may be a Member and/or Board Member and/or co-optee, and further nothing shall prevent the Company from managing a property in accordance with its objects notwithstanding that the tenant, licensee or lessee of such property may be a Member or Board Member or co-optee, **subject to** the proviso that any Board Member or co-optee who is a beneficiary of the Company shall not be entitled to speak in any debate or cast their vote in respect of any matter relating solely to the property of which they are lessee, tenant or licensee and shall absent themselves from such proceedings unless requested by the other Board Members to remain present during those discussions but such Board Member or co-optee shall be entitled to speak and vote in respect of matters which relate not only to such property but also to other properties owned or managed by the Company; and
- (ii) any payment made under this Article 6 shall be made in accordance with section 122 of the 2008 Act.

6.3 For the purpose of Article 6.2, a co-optee or any member of a Committee shall be an officer.

7 Winding Up

- 7.1 On the winding-up or dissolution of the Company, any assets or property that remains available to be distributed or paid to the Members shall not be paid or distributed to such Members but shall be transferred to another Group Organisation with objects similar to the objects of the Company.
- 7.2 If no such Group Organisation referred to in Article 7.1 exists, then any remaining property shall be transferred to another body (charitable or otherwise):
- 7.2.1 with objects similar to those of the Company; and
- 7.2.2 which shall prohibit the distribution of its or their income to its or their members, such body to be determined by the Members at the time of winding-up or dissolution.
- 7.3 If no such body as referred to in Article 7.2 exists, then the property shall be transferred to the Housing Associations Charitable Trust.
- 7.4 If the Company is registered as a provider of social housing with the Regulator, any transfer or gift is governed by the 2008 Act.

PART 2

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

8 Admission of Members

- 8.1 The Members of the Company shall be such persons or bodies as are admitted to membership in accordance with the Articles and whose name and address is entered in the Company's register of Members.
- 8.2 Subject to the provisions in these Articles, the Board may, with the consent of the Parent, set and review from time to time its policies and objectives for admitting new Members. The Board shall admit new Members only in accordance with such policies.
- 8.3 No person (other than the Parent) shall become a Member of the Company unless:
- 8.3.1 that person has completed an application for Membership in a form approved by the Board; and
- 8.3.2 the application has been approved by both the Board and the Parent in writing.
- The Board is entitled in its absolute discretion to grant or refuse any application for Membership.
- 8.4 Membership of the Company is to comprise only of:
- 8.4.1 the Parent; and

-
- 8.4.2 each Board Member (other than any Board Member that has been nominated by the Council pursuant to Article 38 or any other Board Member who is (or becomes) a Local Authority Person),

from time to time.

- 8.5 Every Member (other than the Parent) shall, on admittance, be designated by the Board as a Resident Member or an Independent Member and their status will be recorded in the register of Members. The decision of the Board as to the designation of the Members shall be final and binding.
- 8.6 A corporation which is a Member shall be invited to nominate a person to act as its representative in the manner provided for in the Companies Acts. Such representative shall have the right on behalf of the corporation (and to the extent only to which the corporation would if a person be entitled to do so) to attend meetings of the Company and vote thereat, and generally exercise all rights of Membership on behalf of the corporation. A corporation may from time to time revoke the nomination of such representative and nominate another representative in his place. All such nominations and revocations shall be in writing.

9 Cessation of Membership

- 9.1 A Member may withdraw from Membership of the Company by giving 7 days' notice to the Company in writing.
- 9.2 Membership is not transferable.
- 9.3 A person's membership terminates when that person dies or ceases to exist.
- 9.4 Except for the Parent, the following cannot be or become or remain a Member:
- 9.4.1 a minor;
 - 9.4.2 a person who has been expelled as a Member under Article 9.5;
 - 9.4.3 an employee of the Company or an employee of any other Group Organisation;
 - 9.4.4 a person on whom the Company serves notice at their last known address asking them to indicate within a period (not being less than one month) whether they wish to remain a Member and they fail to reply within such period that they do;
 - 9.4.5 a person who does not attend in person or appoint a proxy in respect of, nor deliver written apologies in advance for two consecutive annual general meetings of the Company;
 - 9.4.6 a person who has been removed as a Board Member by the Board or the Parent or by the Company in accordance with section 168 of the Companies Act 2006;
 - 9.4.7 a person who is bankrupt or the subject of any composition made with that person's creditors generally in satisfaction of that person's debts;
 - 9.4.8 a body corporate which ceases to be a body corporate;
 - 9.4.9 a person who has ceased to be a Board Member;

- 9.4.10 a person in respect of whom the Parent gives notice in writing that they are to be removed as a Member;
- 9.4.11 the Council or any other local authority, a Local Authority Person or any Board Member nominated by the Council pursuant to Article 38;
- 9.4.12 a person against whom the Company or any other Group Organisation has obtained an order from a competent court or tribunal for recovery of monies due from them to the Company or any other Group Organisation provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a Member upon failing to meet the terms of the order;
- 9.4.13 a person who has been convicted of an indictable offence which is not, or cannot be, spent, or who has been convicted of any other offence at any time which, in the opinion of the Board:
 - (a) brings the Company or any other Group Organisation into disrepute; or
 - (b) is incompatible with the role of Board Member, committee member or co-optee; and
 in respect of whom the Board resolves (by a majority of at least two-thirds) that they should be removed;

and any person who falls into any of the categories set out above will immediately cease to be a Member.

- 9.5 Except for the Parent who cannot be expelled, the Company may expel a Member by passing a special resolution at a general meeting called (with the prior consent of the Parent) by the Board. The process below must be followed:
 - 9.5.1 The Board must give the Member at least one month's notice in writing of the general meeting. The notice of general meeting must set out the particulars of the complaint of conduct detrimental to the Company or any other Group Organisation or the Group and must request the Member to attend the meeting to answer the complaint;
 - 9.5.2 At the general meeting called for this purpose the Members shall consider the evidence presented by the Board and by the Member (if any). The meeting may take place even if the Member does not attend;
 - 9.5.3 If the resolution to expel the Member is passed in accordance with this Article 9.5 the person concerned shall immediately cease to be a Member.

ORGANISATION OF GENERAL MEETINGS

10 Annual general meeting

- 10.1 The Company shall hold an annual general meeting each year within six calendar months after the close of each financial year or such later date as may be permitted by law.
- 10.2 The functions of the annual general meeting shall be to:

10.2.1 receive

- (a) the annual accounts for the Company's last accounting period;
- (b) the auditor's report on those accounts; and
- (c) the Board's report on the affairs of the Company; and

10.2.2 transact any other general business of the Company to which reference is made in the notice conveying the meeting including any business that requires a special resolution.

11 Attendance and speaking at general meetings

11.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

11.2 A person is able to exercise the right to vote at a general meeting and:-

11.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

11.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

11.3 The Board Members may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

11.4 In determining attendance at a general meeting, it is immaterial whether any two or more Members attending it are in the same place as one another.

11.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

12 Calling a general meeting

12.1 Subject to Article 12.3, all general meetings shall be convened by at least fourteen clear days' written notice posted or delivered or sent by fax or electronic communication to every Member at the address, fax number or electronic communication address given in the share register. The notice shall state whether the meeting is an annual general meeting or special general meeting, the time, date and place of the meeting, and the business for which it is convened.

12.2 Any accidental failure to get any notice to any Member shall not invalidate the proceedings at that general meeting. A notice or communication sent by post to a Member at their address shown in the register of Members shall be deemed to have arrived two days after being posted and any sent by fax or other electronic communication shall be deemed to have been served when received provided that in respect of a fax it is legible and in respect of an electronic communication, it is in a readable form.

- 12.3 Seventy-five per cent of Members may agree, by consenting in writing, or by electronic communication, to a general meeting being held with less notice than that required by Article 12.1.

13 Quorum for general meetings

- 13.1 Before any general meeting can start its business there must be a quorum present. A general meeting shall be quorate if at least five (5) Members are present in person or by proxy, provided that of those present at the meeting:

13.1.1 at least two are present in person; and

13.1.2 at least three are Independent Members; and

13.1.3 the Parent is present in person by an authorised representative (unless it has waived its right to be present prior to the general meeting).

14 Chairing general meetings

- 14.1 If the Board Members have appointed a chair, the chair shall chair general meetings if present and willing to do so.

- 14.2 If the chair is not present within 15 minutes from the time of the general meeting or is unwilling to act the vice chair must chair the general meeting.

- 14.3 If neither the chair or the vice chair is present or willing to act within 15 minutes from the time of the General Meeting then —

14.3.1 the Board Members present, or

14.3.2 (if no Board Members are present), the meeting,

must appoint a Board Member or Member to chair the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

- 14.4 The person chairing a meeting in accordance with this Article is referred to as “the chair of the meeting”.

15 Attendance and speaking by Board Members and non-members

- 15.1 The chair of the meeting may permit other persons who are not Members of the Company to attend and speak at a general meeting.

16 Adjournment

- 16.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chair of the meeting must adjourn it.

- 16.2 The chair of the meeting may adjourn a general meeting at which a quorum is present if—

16.2.1 the meeting consents to an adjournment, or

16.2.2 it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 16.3 The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 16.4 When adjourning a general meeting, the chair of the meeting must—
 - 16.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Board Members, and
 - 16.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 16.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is excluding the day of the adjourned meeting and the day on which the notice is given):
 - 16.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and
 - 16.5.2 containing the same information which such notice is required to contain.
- 16.6 If, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting then, notwithstanding Article 16.1 above, the Members present shall form a quorum.
- 16.7 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

17 Voting: general

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

- 17.1 A poll on a resolution may be demanded—
 - 17.1.1 in advance of the general meeting where it is to be put to the vote, or
 - 17.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 17.2 Subject to the provisions of the Companies Acts, a poll may be demanded by—
 - 17.2.1 the chair of the meeting; or
 - 17.2.2 the Parent;
 - 17.2.3 any two Board Members; or
 - 17.2.4 any person having the right to vote on the resolution,and a demand by a person as proxy for a Member shall be the same as a demand by a Member.
- 17.3 A demand for a poll may be withdrawn if—

17.3.1 the poll has not yet been taken, and

17.3.2 the chair of the meeting consents to the withdrawal.

17.4 Polls may be taken immediately or at any time set by the chair which is within thirty days of the demand for the poll and in such manner as the chair of the meeting directs. The chair may appoint scrutineers (who need not be Members) and fix a time and a place for declaring the results of the poll.

17.5 On a show of hands, every Member present in person (or represented in accordance with Article 8.6) shall have one vote except that the Parent shall have a vote equal to the sum of all the other votes cast plus one.

17.6 On a poll, the Members present in person or by proxy shall be entitled to vote in accordance with the following percentages of the total votes cast:

17.6.1 the Parent: 75%;

17.6.2 the Resident Members: 12.5%, apportioned equally among them;

17.6.3 the Independent Members: 12.5%, apportioned equally among them.

17.7 Unless a poll is duly demanded, a declaration by the chair that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

18 Errors and disputes

18.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

18.2 Any such objection must be referred to the chair of the meeting whose decision is final.

19 Content of proxy notices

19.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

19.1.1 states the name and address of the Member appointing the proxy;

19.1.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

19.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Board Members may determine; and

19.1.4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

19.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

19.3 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.

- 19.4 Unless a proxy notice indicates otherwise, it must be treated as—
- 19.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - 19.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

20 Delivery of proxy notices

- 20.1 The proxy notice shall be delivered and may be delivered in electronic form to the Company's registered office, or such other place as may be selected by the Board and stated in the meeting notice, at least two days before the date of the meeting at which the proxy is authorised to vote. Any proxy form delivered late shall be invalid.
- 20.2 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 meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 20.3 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 20.4 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 20.5 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.

21 Amendments to resolutions

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

PART 3
DIRECTORS
BOARD MEMBERS' POWERS AND RESPONSIBILITIES

22 Board Members' general authority

- 22.1 Subject to the Articles, the Board Members are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company. They shall direct the affairs of the Company in accordance with its Objects and Articles and ensure that the Board's functions are properly performed.
- 22.2 The Board may, with the prior approval of the Parent and in accordance with any Group policies and regulations, make any suitable arrangements for the management of the Company's affairs and adopt standing orders and pass bye-laws as may be necessary to enable it to carry out the business of managing the Company.

23 Composition of the Board

- 23.1 The Board shall consist of between 5 and 12 Board Members (including co-optees) and shall include:
- 23.1.1 no more than one Council Board Member and there shall be no more than two Local Authority Persons on the Board in total; and
- 23.1.2 no more than two Resident Board Members; and
- 23.1.3 at least half of the board shall be Independent Board Members.
- 23.2 In the event that fewer than half of the Board Members are Independent Board Members, either the Parent or the Board (acting with the prior consent of the Parent) shall use reasonable endeavours to appoint further Independent Board Members but the Board may act notwithstanding this Article.
- 23.3 The Board shall (with the prior consent of the Parent in writing) have the power to appoint any co-optee or co-optees to the Board on such terms and conditions as it sees fit.
- 23.4 No more than five co-optees can be appointed to the Board or to any Committee at any one time.
- 23.5 Except for co-optees, the Council Board Member, Local Authority Persons, appointees of the Parent and Executive Officers only Members can be Board Members.

24 Members' reserve power

- 24.1 The Members may, by special resolution, direct the Board Members to take, or refrain from taking, specified action.
- 24.2 No such special resolution invalidates anything which the Board Members have done before the passing of the resolution.

25 Board Members may delegate

25.1 Subject to the Articles, the Board Members may delegate any of the powers which are conferred on them under the Articles—

25.1.1 to the Parent; or

25.1.2 such person or committee;

25.1.3 by such means (including by power of attorney);

25.1.4 to such an extent;

25.1.5 in relation to such matters or territories; and

25.1.6 on such terms and conditions;

as they (with the prior consent of the Parent) think fit.

25.2 If the Board Members so specify, any such delegation may authorise further delegation of the Board Members' powers by any person to whom they are delegated.

25.3 The Board Members may revoke any delegation in whole or part, or alter its terms and conditions.

26 Committees

26.1 The Board may delegate any of its powers under written terms of reference to any committee or committees, any Executive Officer or officer(s) or any employee or employees of the Company or the Parent provided that the Parent has approved the terms of reference. Those powers shall be exercised in accordance with any written instructions given by the Board.

26.2 The membership of any committee shall be determined by the Board with the agreement of the Parent. Every committee shall include one Board Member or co-optee to the Board. The Parent will either appoint the chair of any committee or determine a procedure for the committee to appoint its own chair. The Parent will specify the quorum for the committee.

26.3 All acts and proceedings of any committee shall be reported to the Board.

26.4 No committee can incur expenditure on behalf of the Company unless at least one Board Member or co-optee of the Board on the committee has voted in favour of the resolution or the Board has previously approved a budget for the relevant expenditure.

26.5 For the purposes of the 2008 Act any member of a committee shall be an officer.

DECISION-MAKING BY BOARD MEMBERS

27 Board Members to take decisions collectively

27.1 The general Article about decision-making by Board Members is that any decision of the Board Members must be either a majority decision at a meeting or a decision taken in accordance with Article 28.

28 Resolutions in writing

A resolution sent to all Board Members or all members of a committee and signed, or confirmed electronically by three-quarters of the Board Members or three-quarters of the members of a committee (as the case may be) shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the Board or Committee and may consist of documents in the same form and signed or confirmed electronically by one or more persons.

29 Calling a Board meeting

29.1 The Board shall meet at least three times every calendar year. At least seven days' written notice (sent by post, or fax or other electronic communication) of the date and place of every Board meeting shall be given by the secretary to all Board Members and co-optees. The Board may meet on shorter notice where not less than seventy-five per cent of the Board Members so agree.

29.2 Meetings of the Board may be called by the secretary, or by the Chair, or by two Board Members, or by the Parent who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all Board Members and co-optees to the Board as soon as possible after receipt of such a request. Pursuant to the request, the secretary shall call a meeting on at least seven days' notice but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the Chair or two Board Members, whichever is the case, shall call such a meeting.

30 Participation in Board meetings

30.1 Subject to the Articles, Board Members participate in a Board meeting, or part of a Board meeting, when—

30.1.1 the meeting has been called and takes place in accordance with the Articles, and

30.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

30.2 In determining whether Board Members are participating in a Board meeting, it is irrelevant where any Board Member is or how they communicate with each other.

30.3 If all the Board Members participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them are.

31 Quorum for Board Members' meetings

31.1 The quorum for Board meetings may be fixed from time to time but shall not be less than 5 provided that this includes at least three Independent Board Members; and **provided further that** where a majority of Board Members are appointed by the Parent pursuant to Article 37.2, then two such appointees must be present to form a quorum.

31.2 If the total number and make-up of Board Members for the time being is less than the quorum required, the remaining Board Members may continue to act as the Board for a maximum period of six months and the quorum provisions will be suspended for that time. If a vacancy occurs in respect of a Board Member the Company secretary shall notify the Parent as soon as practicable and in any event within 14 days. If at the end of the six month period, not enough vacancies have been filled to enable a quorate Board meeting to be held, then the Board Members must not take any decision other than a decision:

31.2.1 to appoint further Board Members, or

31.2.2 to call a general meeting so as to enable the Members to appoint further Board Members.

32 Chairing of Board meetings

32.1 The Company shall have a chair who shall also chair board meetings and shall be appointed by the Parent. The Company may also have a vice chair who, in the chair's absence, shall act as the chair and have the chair's powers and duties and who shall be elected by the Parent. The arrangements for election and removal of any vice chair shall be determined by the Parent.

32.2 The chair on appointment shall be subject to the provisions of Article 39. The chair shall hold office for such period (not exceeding three years) as the Parent determines at the time of appointment (or until the chair resigns from that position).

32.3 The first item of business for any Board meeting when there is no chair (or vice chair) or the chair (or vice chair) is not present shall be to elect the chair of that meeting. The chair shall at all times be a Member and a Board Member and, for the avoidance of doubt, may not be an executive officer.

32.4 The chair of the Company may be removed by the Parent by notice in writing to the Company's secretary.

33 Casting vote

If the numbers of votes for and against a proposal are equal, the chair shall have a casting vote.

34 Conflicts of interest

34.1 A Board Member, co-optee or member of any Committee must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared. Unless it is expressly permitted by the Articles a Board Member, co-optee or member of a Committee must absent himself or herself from any discussions in which it is possible that a Conflict will arise between his or her duty to act solely in the interests of the Company and any personal interest (including but not limited to any personal financial interest).

34.2 A Board Member, co-optee or member of any Committee shall not have an interest for the purpose of Article 34.1 as a Board Member, director or officer of any other Group Organisation.

34.3 Board Members, co-optees or members of any Committee who are Residents shall be deemed not to have an interest for the purpose of Article 34.1 in any decision affecting all or a substantial group of Residents.

34.4 Notwithstanding Article 34.1, the Company may (in accordance with Article 6.2):

34.4.1 pay reasonable and proper authorised expenses to Board Members, co-optees and members of Committees when actually incurred on the Company's business;

34.4.2 pay insurance premiums in respect of insurance taken out to insure officers and employees; and

34.4.3 pay reasonable and proper remuneration and grant benefits to Board Members, co-optees and members of Committees

and a Board Member, co-optee or member of a Committee may remain present during the discussion and may vote on the matter under discussion where the interest arises in relation to the establishment of a policy in respect of a Board Member expenses and remuneration or a fee or payment pursuant to a services agreement entered into between Group Organisations.

34.5 The Board may, in accordance with the requirements set out in this Article, authorise any Conflict proposed to them by any Board Member or co-optee which would, if not authorised, create, perpetuate or involve a situation where a Board Member's or co-optee's (an **Interested Board Member**) duties to a third party may conflict with that Board Member's or co-optee's duties to the Company.

34.6 Any authorisation under this Article 34 shall be effective only if:

34.6.1 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Board Member; and

34.6.2 the matter was agreed to without the Interested Board Member voting or would have been agreed to if the Interested Board Member's vote had not been counted.

34.7 Any authorisation of a Conflict under this Article 34 may (whether at the time of giving the authorisation or subsequently):

34.7.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

34.7.2 provide that the Interested Board Member be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Board Members or otherwise) related to the Conflict;

34.7.3 provide that the Interested Board Member shall or shall not be an entitled to vote in respect of any future decision of the Board Members in relation to any resolution related to the Conflict;

34.7.4 impose upon the Interested Board Member such other terms for the purposes of dealing with the Conflict as the Board Members think fit;

34.7.5 permit the Interested Board Member to absent himself from the discussion of matters relating to the Conflict at any meeting of the Board Members and be excused from reviewing papers prepared by, or for, the Board Members to the extent they relate to such matters.

34.8 Where the Board Members authorise a Conflict, the Interested Board Member shall be obliged to conduct himself in accordance with any terms and conditions imposed by the Board Members in relation to the Conflict.

34.9 The Board Members may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Board Member prior to such revocation or variation in accordance with the terms of such authorisation.

34.10 A Board Member, notwithstanding his office, may be a Board Member or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any Group

Organisation and no further authorisation under Article 34.7 shall be necessary in respect of any such interest.

- 34.11 Subject to Article 34.12, if a question arises at a meeting of the Board or of a Committee of the Company as to the right of a particular Board Member or co-optee to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chair whose ruling in relation to any Board Member other than the chair is to be final and conclusive.
- 34.12 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chair, the question is to be decided by a decision of the Board Members at that meeting, for which purpose the chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 34.13 Any decision of the Board or of a Committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 34.14 A Board Member or a co-optee may make full disclosure of any information relating to the Company to any other Group Organisation or any other person acting on behalf of any other Group Organisation, including their advisers). In addition, a Board Member or a co-optee may make full disclosure of any information relating to any other Group Organisation to the Company or any other person acting on the Company's behalf (including their advisers).
- 34.15 Notwithstanding Article 34.14, if a Board Member or a co-optee obtains information which:
- 34.15.1 is confidential to another Group Organisation, or
 - 34.15.2 in respect of which they owe a duty of confidentiality to another Group Organisation, or
 - 34.15.3 the disclosure of which would amount to a breach of a law or regulation,
- the Board Member or co-optee is entitled not to disclose it to the Company or use it in relation to the Company's affairs.
- 34.16 Every Board Member, co-optee and member of a committee shall ensure that the secretary at all times has a list of:
- 34.16.1 all other bodies in which they have an interest as:
- (a) a Board Member or officer of
 - (b) a member of a firm or
 - (c) an official or elected member of any statutory body or
 - (d) the owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company;
- 34.16.2 any property owned or managed by the Company or any other Group Organisation which they occupy; or
- 34.16.3 any other significant or material interest.

- 34.17 If requested by a majority of the Board or members of a Committee at a meeting convened specially for the purpose, a Board Member, co-optee or member of a Committee failing to disclose an interest as required by these Articles shall vacate their office either permanently or for a period of time as the Board directs.

35 Records of decisions to be kept

The Board Members must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Board Members.

36 Board Members' discretion to make further rules

Subject to the Articles and with the prior approval of the Parent, the Board Members may make any rules which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Board Members.

APPOINTMENT OF BOARD MEMBERS

37 Methods of appointing Board Members

Any person who is willing to act as a Board Member, and is permitted by law to do so, may be appointed to be a Board Member:

- 37.1 by ordinary resolution, or
- 37.2 by a decision of the Parent; or
- 37.3 by a decision of the Board (acting with the consent of the Parent).

38 Appointment of the Council Board Member

- 38.1 The Council shall have the power from time to time and at any time to nominate one person to the Board as a Council Board Member and to remove from office any such Council Board Member. Any nomination under this Article shall:-

38.1.1 be given by notice in writing and addressed to the Company;

38.1.2 specify the full name and address service for notice for the nominee; and

38.1.3 be countersigned by the nominee to indicate his/her acceptance of such nomination.

- 38.2 For the avoidance of doubt, the Council Board Members shall at no point form more than 24% of the Board. In the event that over 24% of the Board Members are Council Board Members, the Board Member who has most recently become a Council Board Member shall cease to be a Board Member

- 38.3 The Board shall give due and careful consideration (taking account of its obligations under Article 39.5) to any nomination received under Article 38.1 and, thereafter, shall, determine whether to approve a nominee as a Board member.

- 38.4 If the Board do not approve a nominee under Article 38.2 then the Council may make further nominations until a nominee has been approved and appointed by the Board.

39 Terms of office, appointment to and retirement from the Board

- 39.1 The Parent shall have the right, at any time to appoint, remove and replace any or all of the Board Members by notice in writing to the secretary.
- 39.2 Each Board Member appointed or elected under Article 37 (except for an Executive Officer) shall be appointed or elected for a fixed term of office (each a "fixed term"). The fixed term shall be for a term up to three years. No fixed term shall be set which would cause any Board Member to serve more than nine consecutive years.
- 39.3 A Board Member (other than an Executive Officer) shall cease to hold office on completion of nine years' continuous service on the Board. Any Board Member ceasing to hold office under this Article 39.3 shall not be eligible for re-appointment to the Board for at least one year after completion of such service.
- 39.4 Board Members (other than the Council Board Member) will be selected in accordance with such appointment and/or election procedure set from time to time by the Board with the consent of the Parent provided always that such procedure shall prescribe that at least one Board Member is a Resident of the Company.
- 39.5 The Board and the Parent shall endeavour to ensure that the Board possesses the quality, skills, competencies and experience which the Board has from time to time determined that it requires.

40 Termination of Board Member's or Co-optee's appointment

- 40.1 A person cannot be or become or remain a Board Member if:
- 40.1.1 they cease to be a Board Member by virtue of any provision of the Companies Act 2006 or are prohibited from being a director or charity trustee by law;
- 40.1.2 a bankruptcy order is made against that person;
- 40.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 40.1.4 they have been convicted of an indictable offence which is not, or cannot be, spent;
- 40.1.5 they cease to be a Member of the Company (unless they are (i) an employee of the Company or any other Group Organisation, or (ii) an appointee of the Parent);
- 40.1.6 being a non-executive Board Member, their terms of appointment, agreement for services or similar agreement (howsoever titled) with the Company or any other Group Organisation is terminated;
- 40.1.7 being an employee or member of staff of the Company or any other Group Organisation, their contract of employment is terminated;
- 40.1.8 they are a Resident and they are in material or serious breach of their tenancy agreement, licence or lease and fail to rectify the breach within a reasonable timeframe as agreed with the Company or any other Group Organisation,
- 40.1.9 they are subject to any of the following types of court order; anti-social behaviour order, anti-social behaviour injunction, demoted tenancy, or closure order or any other equivalent judicial order, however named;

- 40.1.10 they are (or become) a Resident and their appointment to (or their remaining on) the Board would give rise to a breach of the provisions of Article 23.1.2; or
- 40.1.11 they are a Resident Board Member and they cease to be a Resident; or
- 40.1.12 they are (or become) a Local Authority Person and the number of Board Members that are Local Authority Persons, were that Board Member to remain on the Board would exceed two; or
- 40.1.13 they are (or become) an Executive Officer of the Company or any Group Organisation and their appointment to (or their remaining on) the Board would give rise to a breach of the provisions of Article 23.1.3; or
- 40.1.14 notification is received by the Company from the Board Member or co-optee that the Board Member or co-optee is resigning from office, and such resignation takes effect in accordance with its terms; or
- 40.1.15 they have been convicted of any other offence at any time which, in the opinion of the Board:
- (a) brings the Company or any Group Organisation into disrepute; or
 - (b) is incompatible with the role of Board Member, committee member or co-optee; and
- the Board resolves (by a two thirds majority) that they should be removed; or
- 40.1.16 unless they are an appointee of the Parent, they have absented themselves from three consecutive meetings of the Board or committee (as the case may be) in one rolling twelve-month period without special leave of absence from the Board; or
- 40.1.17 the Company has obtained an order of a competent court or tribunal against them for recovery of monies due from them to the Company provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a Board Member or co-optee upon failing to meet the terms of the order; or
- 40.1.18 they were nominated to the Board by the Council and the Council revokes their appointment by written notice to the Company; or
- 40.1.19 they are removed by the Parent by notice in writing to the Company secretary,
- and any person and any Board Member, who at any time falls into one of the categories listed above, shall immediately cease to be a Board Member or co-optee.
- 40.2 Any Board Member (other than an appointee of the Parent) may be removed from the Board:
- 40.2.1 by a special resolution at a general meeting; or
 - 40.2.2 by a resolution passed by two-thirds of the Board Members, excluding the Board Member who is the subject of the proposed removal and excluding co-optees and employees, provided the following conditions are satisfied:
 - (a) at least fourteen days' notice of the proposed resolution has been given to all Board Members; and

- (b) the notice sets out in writing the alleged breach(es) of the Board Member's obligations to the Company;
- (c) the Board is satisfied that the allegation(s) is or are true; and
- (d) the Parent has given its prior written consent to the Board calling and holding the special meeting.

41 Alternate Board Members

No Board Member may appoint an alternate Board Member or Board Members.

42 Board Members' expenses

- 42.1 The Company may pay any reasonable expenses which the Board Members properly incur in connection with their attendance at:

42.1.1 meetings of Board Members or Committees of Board Members,

42.1.2 general meetings, or

42.1.3 separate meetings of the holders of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

PART 4

ADMINISTRATIVE ARRANGEMENTS

43 Means of communication to be used

- 43.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 43.2 Subject to the Articles, any notice or document to be sent or supplied to a Board Member in connection with the taking of decisions by Board Members may also be sent or supplied by the means by which that Board Member has asked to be sent or supplied with such notices or documents for the time being.
- 43.3 A Board Member may agree with the Company that notices or documents sent to that Board 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.

44 Company seals

- 44.1 Any common seal may only be used by the authority of the Board Members.
- 44.2 The Board Members may decide by what means and in what form any common seal is to be used.
- 44.3 Unless otherwise decided by the Board Members, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 44.4 For the purposes of this Article, an authorised person is—
- 44.4.1 any Board Member;
 - 44.4.2 the secretary; or
 - 44.4.3 any person authorised by the Board Members for the purpose of signing documents to which the common seal is applied.

45 No right to inspect accounts and other records

Except as provided by law or authorised by the Board Members or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Member.

46 Provision for employees on cessation of business

The Board Members may decide to make provision for the benefit of persons employed or formerly employed by the Company or any Group Organisation (other than a Board Member or former Board Member) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Group Organisation.

DIRECTORS' INDEMNITY AND INSURANCE

47 Indemnity

- 47.1 A relevant Board Member of the Company or an associated company may be indemnified out of the Company's assets in accordance with and subject to the section 189 of the Charities Act 2011.
- 47.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 47.3 In this Article:
- 47.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - 47.3.2 a "relevant Board Member" means any Board Member or former Board Member (including any Board Member or former Board Member) of the Company or an associated company.

48 Insurance

- 48.1 The Board Members may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Board Member in respect of any relevant loss.
- 48.2 In this Article:
- 48.2.1 a "relevant Board Member" means any Board Member or former Board Member (including any Board Member or former Board Member) of the Company or an associated company,
 - 48.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant Board Member in connection with that Board Member's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
 - 48.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

49 Records, Accounts and Returns

- 49.1 The Company shall comply with the provisions of Part 15 of the Companies Act 2006 in respect of:
- 49.1.1 the keeping and auditing of accounting records;
 - 49.1.2 the provision of accounts and annual reports of the Board Members; and
 - 49.1.3 in making annual returns.
- 49.2 The Company shall send a copy of its accounts to the Regulator each year in accordance with section 128 of the 2008 Act.

50 Amendment of Articles

The Articles of Association may (with the prior written approval of the Parent) be amended by a special resolution of the Company at a general meeting but may not be amended so as to stop the Company from being a charity.