

**ARTICLES OF ASSOCIATION
THE COMPANIES ACT 2006
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
ARTICLES OF ASSOCIATION OF
CALICO HOMES LIMITED**

1 NAME

The name of the Company is Calico Homes Limited (the “**Company**”).

2 INTERPRETATION

For the purposes of these Articles:

“the Act”	means the Companies Act 2006 including any statutory modification or re-enactment thereof currently in force.
“the Articles”	means these Articles of Association as they may be amended from time to time.
“Board”	means the Board of management of the Company.
“Board Directors”	means the directors of the Company and (save where expressly excluded) includes co-optees to the Board.
“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.
“Company”	means the company intended to be regulated by these Articles.
“Co-opted Board Director”	means a person co-opted to the Board for such period as the Board determines.
“Corporation”	means any body corporate.
“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.
“disposal of any shared ownership terms”	means disposed of on a lease (a) granted on a payment of a premium calculated by reference to a percentage of the value of the house or of the cost of providing it; or (b) under which the tenant (or his personal representatives) will or may be entitled to a sum calculated by reference directly or indirectly to the value of the house.
“executed”	includes any mode of execution.
“group member”	means the Company, each subsidiary of the Company, any body corporate of which the Company is a subsidiary and any subsidiary of such body corporate and for this purpose “subsidiary” has the meaning given within the Housing and Regeneration Act 2008 and/or the Companies Act 2006.

“Local Authority Member”		means Burnley Borough Council or any successor body.
“Person Specification”		means the criteria as specified by the Board from time to time for assessment of suitability of prospective Board Directors.
“Member”		means any person, body corporate or unincorporated body admitted to membership of the Company in accordance with these Articles.
“Office”		means the Company’s registered office.
“Officer”		means the Chair and secretary of the Company and any Director for the time being;
“Ordinary Director”	Board	means a Board Director who is not a Tenant Board Director.
“Ordinary Member”		means a Member who is not the Local Authority Member, or a Tenant Member.
“Parent”		means The Calico Grp Limited of Centenary Court, Croft Street, Burnley company registration number 08747100
“Parental Appointee”		means a person appointed as a Board Director by the Parent under Article 28
“Person Specification and Skills”	and	means the person specification and skills required of Board Directors set by the Board and approved by the Parent from time to time.
“Regulator”		means the body defined as the Office for Tenants and Social Landlords operating as the Homes and Communities Agency (acting through its Regulation Committee at the time of adopting these Articles) or any statutory successor to or assignee of any or all of their relevant functions from time to time.
“Relevant Authority”	Local	means any local authority (as defined in Section 67(3) of the Local Government and Housing Act 1989, with which the Company has a business relationship (as defined in Section 69(3) of that Act).
“the Seal”		means the common seal of the Company.
“secretary”		means the Company secretary or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary.
“social housing”		means low cost rental accommodation and low cost home ownership accommodation as defined in section 68 and social housing as defined in section 77 of the Housing and Regeneration Act 2008;
“Tenant”		means an individual who holds a license or tenancy from and occupies the Company’s premises for residential purposes or the premises of anybody whose accounts must be consolidated with the Company or any other group member.
“Tenant Director”	Board	means a Board Director who is a Tenant.
“Tenant Member”		means a Member who is a Tenant.
“Trust”		means a body constituted by a trust deed.
“Unincorporated Association”		means a body or group (such as an association or club) which acts as a unified organisation but is not a Corporation or a Trust.
“the Kingdom”	United	means the United Kingdom of Great Britain and Northern Ireland.

In these Articles a reference to a person shall, unless the context requires otherwise, include a body corporate or an unincorporated association, a reference to the singular shall include the plural, and a reference to the masculine shall include the feminine and vice versa.

3 REGISTERED OFFICE

The Company's registered office is to be situated in England.

4 OBJECTS

The Company's objects shall be the business of:

- 4.1 providing and managing housing and social housing and providing assistance to help house people and associated facilities and amenities or services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people;
- 4.2 providing recreation or other leisure facilities in the interest of social welfare with the object of improving the conditions of life for the residents of areas in which the Company owns or manages housing stock;
- 4.3 relieving financial hardship amongst the residents of the local authority area in which the Company or another group member undertakes its activities;
- 4.4 advancing education, training or re-training particularly amongst unemployed people and providing unemployed people with work experience;
- 4.5 advancing education through the provision of student welfare or student accommodation;
- 4.6 maintaining, improving or providing public amenities for the public benefit in the interest of regeneration in areas of social and economic deprivation in which the Company owns or manages housing stock;
- 4.7 promoting public safety and prevent crime;
- 4.8 relieving the charitable need of people with disabilities (whether physically or mentally), ill health or in necessitous circumstances by the provision of support services to enable them to live in the community;
- 4.9 relieving the charitable need of people with disabilities (whether physically or mentally), ill health or in necessitous circumstances by the provision of accommodation and/or the provision of associated services, facilities or amenities;
- 4.10 relieving the unemployment of people who are unemployed, underemployed, low paid, low skilled or have no skills;
- 4.11 to provide services, advice or assistance upon terms appropriate to their means to aged, disabled or chronically sick persons in need thereof and provide any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
- 4.12 the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular in areas in which the Company owns or manages housing stock) by all or any of the following means:
 - 4.12.1 the provision of financial assistance, technical assistance or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
 - (a) in setting up their own business, or
 - (b) to existing businesses,
 - 4.12.2 the creation of training and employment opportunities by the provision of workspace, buildings, and/or land for use on favourable terms,
 - 4.12.3 the maintenance, improvement or provision of public amenities,

- 4.12.4 the preservation of buildings or sites of historic or architectural importance,
 - 4.12.5 the protection or conservation of the environment,
 - 4.12.6 the provision of public health facilities and childcare,
 - 4.12.7 the promotion of public safety and prevention of crime,
 - 4.12.8 such other means as may from time to time be determined subject to the prior written consent of the Charity Commission for England and Wales; and
- 4.13 carrying out any other charitable object that can be carried out from time to time by a company limited by guarantee registered as a provider of social housing with the Regulator.

5 POWERS

The Company shall have power to do anything lawful which is necessary or desirable to achieve any of its objectives including (without limitation):

- 5.1 acquire commercial premises or businesses as an incidental part of a project or series of projects undertaken for the aforementioned purposes or objects;
- 5.2 repair, improve or convert any commercial premises acquired and to carry on any business so acquired;
- 5.3 repair or improve houses, or buildings in which houses are situated after the tenants have exercised, or claimed to exercise, statutory acquisition rights including under Part V of the Housing Act 1985;
- 5.4 repair or improve houses or buildings in which houses are situated, after a disposal of the houses by the Company by way of sale or lease or disposal on shared ownership terms;
- 5.5 exercise any other power permitted under the Housing and Regeneration Act 2008 (as amended or re-enacted from time to time);
- 5.6 providing and managing:
 - 5.6.1 halls of residence, flats, apartments, houses, hostels or any other residential accommodation;
 - 5.6.2 any associated facilities, amenities, services, advice or assistance, for students;
- 5.7 subject to Article 6 hereof to employ and pay such employees, consultants, managers, agents, advisers or others as are necessary for the furtherance of the objects of the Company;
- 5.8 recruit and assist in the recruitment of voluntary workers for the promotion of the objects of the Company;
- 5.9 make all reasonable and necessary provisions for the payment of pensions and Superannuation to or on behalf of employees and their widows and other dependants;
- 5.10 insure its property and assets and arrange insurance cover for and to indemnify its Board Directors, servants and voluntary workers from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any premiums;
- 5.11 acquire, manage, dispose of, deal in, or hold as an investment any property or assets wherever situate and to demolish, construct, improve, alter, furnish and maintain the same (including procuring such works);
- 5.12 make regulations for the management of any property from time to time held by the Company, which shall not be inconsistent with the Articles;

- 5.13 invest (including borrowed funds) any of the Company's funds in any investment from time to time not prohibited by law and to secure the repayment of any money lent or borrowed;
- 5.14 promote and support in any way the establishment of a subsidiary and to acquire shares in any subsidiary;
- 5.15 borrow money in such manner as the Company shall think fit;
- 5.16 secure and guarantee the Company's performance of any obligation or liability it may undertake or which may become binding on it;
- 5.17 receive any money on deposit or loan upon such terms as the Company may approve and to guarantee the obligations and contracts of any third party;
- 5.18 cooperate with and enter into any contracts or arrangements with any persons or bodies;
- 5.19 subscribe to become a member of or amalgamate or co-operate with any other non-profit organisation whose objects are similar to the Company's and whose constitution prohibits the distribution of its income and property amongst its members and to acquire and undertake all such parts of the property assets liabilities and engagements as may be acquired or undertaken by the Company of any such organisation;
- 5.20 accept grants, donations, bequests and gifts for any or all of the objects of the Company and deal with them in accordance with Article 4;
- 5.21 take all necessary steps for procuring contributions to the company's funds;
- 5.22 subject to such consents as may be required by law sell, transfer, lease, license, mortgage, charge by way of fixed or floating charge, dispose of or turn to account all or any of the Company's assets;
- 5.23 accept, draw, discount, endorse, execute, negotiate and issue bills of exchange, promissory notes and other negotiable or transferable instruments and to operate bank accounts;
- 5.24 undertake and execute or manage any trusts. If the Company acquires any property which is subject to any trusts, it shall only deal with or invest in as allowed by such trusts;
- 5.25 make donations, grants and loans to third parties on such terms as the Company thinks fit;
- 5.26 promote research which is relevant to the Company's objects and to publish the results;
- 5.27 pay the costs, charges and expenses of the Company's formation and registration;
- 5.28 enter into and perform any Derivative Transaction on such terms as the Company thinks fit for the purpose of hedging or otherwise managing any treasury risk or other financial exposure of the Company; and
- 5.29 pay any or all of the Company's net surplus to one or more non-profit making providers of social housing registered with the Regulator or other bodies having rules or objects similar to the Company provided that either:
 - 5.29.1 the Company has effective control over such body or other bodies: or
 - 5.29.2 if the rules or objects are not the same any sum so paid is held or applied by such body or other bodies on trusts prescribed by the Company.

6 APPLICATION OF INCOME AND PROPERTY

- 6.1 The Company's income and property shall be applied solely towards the promotion of its objects and otherwise than permitted by these Articles or under any determination, standard, code or guidance by the Regulator or any code of governance and/or governance adopted by the Board.

- 6.2 If the Company is registered as a provider of social housing with the Regulator any transfer or gift must be in compliance with the Housing and Regeneration Act 2008 (including section 122 of the Housing and Regeneration Act 2008) or any other relevant legal and regulatory provisions which exist from time to time.
- 6.3 Without limiting the foregoing and/or restricting the Company's ability to do so under any of the sub-clauses (which shall be read as conferring separate powers to do so) or otherwise, the Company may:
- 6.3.1 pay properly authorised expenses to Board Directors, co-optees and members of committees when actually incurred on the Company's business;
 - 6.3.2 pay insurance premiums in respect of insurance taken out to insure officers and employees;
 - 6.3.3 pay remuneration (including pensions, termination, grants and gratuities), fees, allowances or recompense for loss of earnings to Board Directors, co-optees and members of committees;
 - 6.3.4 grant benefits to Board Directors, co-optees and members of committees; provided that any such payment or benefit is in accordance with any code of conduct and/or governance adopted by the Board from time to time;
 - 6.3.5 pay reasonable and proper remuneration to the local authority member or employees thereof (not being a Board Director) in return for any services rendered to the Company;
 - 6.3.6 pay reasonable and proper rent for premises leased or licensed by the local authority member to the Company;
 - 6.3.7 pay fees, remuneration or other benefit in money or money's worth to a company of which a Board Director may be a member holding not more than 1/100th part of the capital of the Company;

AND PROVIDED FURTHER THAT nothing shall prevent a disposal by the Company of a property whether by way of lease, tenancy or license to any person in good faith and in pursuance of the Company's objects even though such person may be a member and/or Board Director and nothing shall prevent the Company from managing a property in accordance with its objects even though the tenant, lessee or licensee of such property may be a member or Board Director.

7 LIMITED LIABILITY

The liability of the members is limited.

8 MEMBERS GUARANTEE

Every member undertakes to contribute to the assets of the Company, in the event of the same being wound up while he/she is a member, or within one year after he/she ceases to be a member, for payment of the debts and liabilities of the Company contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

9 WINDING UP

If, upon winding up or dissolution of the Company, there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed amongst the members, but shall be given or transferred to some other institution or institutions having charitable objects similar to the objects of the Company, and which shall restrict the distribution of its or their income and property to its or their directors, members and/or officers in a manner similar to Article 6 hereof. The decision as to which such institution or institutions is to be determined by the members at or before the time of dissolution, and in so far as effect cannot be given to such provision then to some other similar object. If the Company is registered as a provider of social housing with the Regulator

any gift or transfer must be in compliance with the Housing and Regeneration Act 2008 or any other relevant legal and regulatory processes which exist from time to time.

10 ADMISSION OF MEMBERS

- 10.1 The members of the Company shall be the Parent and other such persons as are admitted to membership in accordance with this Article 10. Prior to being admitted each applicant shall be considered by the Board. The Board shall have the power in its absolute discretion to accept or reject an application.
- 10.2 Every person who wishes to become a Member shall deliver to the Company an application for membership, in such form as the Board requires.
- 10.3 Every Member (other than the Local Authority Member and the Parent) shall, on admittance, be designated by the Board as a Tenant Member or an Ordinary Member and such status shall be stated in the register of Members. The decision of the Board as to the designation of a Member shall be final.

11 UNINCORPORATED ASSOCIATIONS

- 11.1 An unincorporated association may nominate a member or official to act as its representative. That person shall apply for membership and sign the application as the representative of the unincorporated association and exercise the rights of membership on its behalf. The unincorporated association shall deposit with the secretary the name of such representative and shall give all information that may be reasonably required by the Board regarding itself.
- 11.2 An unincorporated association may from time to time revoke the nomination of its representative and nominate another representative in his/her place. Nominations and revocations shall be in writing and signed by an authorised representative and shall take effect upon receipt by the Secretary.

12 CORPORATIONS

A corporation being a Member may nominate a person to act as its representative in the manner provided in Section 323 of the Act. Such representative shall have the right on behalf of the corporation to attend general 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 and take effect upon receipt by the secretary.

13 CESSATION OF MEMBERSHIP

- 13.1 A Member may resign from the Company by giving written notice to the Secretary and shall cease to be a Member from the date of receipt of such notice.
- 13.2 A Member other than the Parent, which may not be expelled or removed as a Member, may be removed from the Company by a resolution passed by a majority of at least three-quarters of the votes cast at a general meeting of which not less than fourteen clear days' notice has been sent to the Member concerned and to all other Members. The notice shall specify the intention to propose such resolution and include the grounds on which it is proposed. The Member whose removal is proposed or their representative shall be entitled to attend and be heard by the meeting.
- 13.3 Member's rights are personal, may not be transferred and shall automatically cease if the Member becomes insolvent, bankrupt, incapable, dies or is wound up.
- 13.4 A Tenant Member who ceases to be a Tenant shall automatically cease to be a Member.
- 13.5 An Ordinary Member who becomes a Tenant shall automatically cease to be an Ordinary Member but may apply to become a Tenant Member.

13.6 The cessations referred to in Articles 13.1, 13.3, 13.4, and 13.5 shall take place upon the occurrence of the events set out herein and without any notice being given to the Member concerned.

14 **GENERAL MEETINGS**

All general meetings other than annual general meetings shall be called extraordinary general meetings.

15 **CONVENING GENERAL MEETINGS**

15.1 The Board may call general meetings and, on the requisition of Members pursuant to the Act or from the Parent in writing, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Board Directors to call a general meeting, any Board Director or Member may call a general meeting.

15.2 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a Board Director shall be called by at least twenty one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if:

15.2.1 in the case of an annual general meeting, all the Members entitled to attend and vote thereat agree; or

15.2.2 in the case of any other general meeting a majority in number of the Members having a right to attend and vote holding (subject to the provisions of any elective resolution of the Company for the time being in force) not less than ninety-five per cent of the total voting rights at the meeting of all Members agree.

15.3 The notice shall specify the time and place of the meeting and in the case of an annual general meeting shall specify the meeting as such. Notice shall be given to all the Members, Board Directors and the Auditors.

15.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person shall not invalidate the proceedings at that meeting.

16 **ATTENDANCE AT GENERAL MEETINGS**

16.1 Any Member entitled to attend at a general meeting shall be entitled to appoint another person (whether a Member or not) as their proxy to attend instead of him and any proxy so appointed shall have the same right as the Member to speak and vote at the meeting.

16.2 A Board Director shall, even if (s)he is not a Member, be entitled to attend and speak at any general meeting.

17 **QUORUM FOR GENERAL MEETINGS**

17.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Seven members present in person or by proxy shall be a quorum, which must include at least two Ordinary Members and the Parent.

17.2 If a quorum is not present within half an hour from the time appointed for a general meeting it shall stand adjourned to the same day in the next week at the same time and place or to such later day and time and/or other place as the members present decide. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall constitute a quorum.

18 **CHAIR**

The chair of the Board or in his/her absence some other Board Director who is present and nominated by the Members shall chair the meeting. If neither the chair or such Board Director

is present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the Members present shall elect another Board Director who is present to be the chair and, if there is only one Board Director present and willing to act, (s)he shall be the chair. If no Board Director is present within fifteen minutes after the time appointed for holding or is willing to act as chair the Members present shall elect one of their number to be the chair.

19 ADJOURNMENTS

- 19.1 The chair may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the original meeting. It shall not be necessary to give notice of the adjourned meeting unless it is adjourned for fourteen days or more when at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted.
- 19.2 The chair may also, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or is quorate) either indefinitely or to such other time and place as (s)he may decide if the unruly conduct of persons attending the meeting is preventing the orderly holding or continuance of the meeting.
- 19.3 When a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the Board. It shall not be necessary to give any notice of the adjourned meeting unless it is adjourned for fourteen days or more when at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted.

20 PROCEEDINGS AT GENERAL MEETINGS

If the chair considers that the meeting place specified in the notice convening the meeting is inadequate to accommodate all those entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the chair is satisfied that adequate facilities are available to ensure that Members who cannot be accommodated are able to participate in the business of the meeting and to see and hear all persons present who speak (whether by the use of microphones, loud speakers, audio visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be seen and heard by all other persons in the same manner.

21 VOTES OF MEMBERS

- 21.1 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- 21.1.1 by the chair;
 - 21.1.2 by at least two Members having the right to vote at the meeting;
 - 21.1.3 by the Local Authority Member; or
 - 21.1.4 by the Parent.
- and a demand by a person as proxy for a Member shall be the same as a demand by a Member.
- 21.2 Subject to Article 21.4 on a show of hands, every Member present in person shall have one vote.
- 21.3
- 21.3.1 Subject to Article 21.4 on a poll the Members present in person or by proxy shall carry the following percentages of votes cast:
 - 21.3.1.1 The Local Authority Member: 33⅓%.

- 21.3.1.2 The Tenant Members: 33⅓% apportioned equally between them.
- 21.3.1.3 The Ordinary Members: 33⅓% apportioned equally between them.
- 21.3.2 The Local Authority Member shall be required to exercise all of its votes in the same way whether in favour of the resolution or against.
- 21.3.3 Prior written approval of the Parent is required on a resolution to amend the Articles of Association, a resolution to wind up the Company or on a resolution under section 168 of the Act.
- 21.4 In the case of an equality of votes, whether on a show of hands or on a poll, the Chair shall not have a casting vote in addition to his/her ordinary vote.
- 21.5 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 shall be final 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.
- 21.6 A demand for a poll may be withdrawn before the poll is taken but only with the consent of the Chair. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 21.7 A poll shall be taken immediately. The results of the poll shall be the resolution of the meeting at which the poll was demanded.
- 21.8 No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chair whose decision shall be final.

22 WRITTEN RESOLUTIONS

A written resolution signed by or on behalf of each Member shall be deemed to have been passed at a general meeting duly convened and held and may consist of several documents each signed by or on behalf of one or more Members.

23 APPOINTMENT OF PROXIES

- 23.1 An appointment of a proxy shall be in writing, signed by or on behalf of the appointor and shall be in the following form (or in any other form which the Board may approve):

Limited

I/We,

being a Member/Members of the above-named company, hereby appoint

of _____ or, failing him,

of _____, as my/our proxy to vote in my/our name/s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on, and at any adjournment thereof.

Signed

Date

- 23.2 Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the document appointing a proxy shall be in the following form (or any other form which the Board Directors may approve):

I/We

being a Member/Members of the above-named company, hereby appoint

of

,or failing him,

of , as my/our proxy to vote in my/our name(s) and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1 *for *against

Resolution No.2 *for *against

*strike out whichever is not desired

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed

Date

23.3 The document appointing a proxy and any authority under which it is signed or a copy of such authority certified notarially or in some other way approved by the Board shall be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. An instrument of proxy which is not deposited or delivered in this manner shall be invalid.

23.4 A vote given or poll demanded by proxy or by the duly authorised representative of a Member shall be valid unless the termination of the proxy's representative's authority is received by the Company at the office or the place at which the meeting is held before the meeting begins.

24 SIZE AND COMPOSITION OF THE BOARD AND CO-OPTEEES

24.1 Subject to Article 27 and unless otherwise determined by the Parent in writing the number of Board Directors (excluding co-optees) shall be a minimum of 6 and a maximum of 12. If the number of Board Directors shall fall below the minimum number, the remaining Board Directors may continue to act but only to appoint other Directors to the Board. Within the number of Board Directors (excluding co-optees) there shall be a maximum limit of three Board Directors who are either paid Chief Executives or paid employee Directors of other providers of social housing registered with the Regulator.

24.2 The number of Tenant Board Directors shall not exceed 50% of the total number of Board Directors at any time. If at any time that percentage is exceeded then the remaining Board Directors shall have the power to remove from office sufficient Tenant Board Directors to achieve compliance with this Article beginning with those most recently appointed to the Board.

24.3 The Board may from time to time co-opt up to a maximum of three persons to the Board, two of whom may be executive officers of the Company and may at any time

revoke such co-option. Co-opted Board Directors shall not have a vote at Board meetings.

25 **APPOINTMENT AND RETIREMENT OF TENANT BOARD DIRECTORS**

- 25.1 Elections shall be held for any vacancies for Tenant Board Directors subject to Article 25.3. The Board shall decide the mode and manner of such elections which shall be open to all tenants of the Company. Any tenants wishing to put themselves forward for election should demonstrate that they meet the requirement of the Person Specification and Skills. The successful candidates shall be reported to the meeting by the secretary and admitted as Tenant Board Directors with effect from the end of the meeting.
- 25.2 At every AGM one third (rounded down to the nearest whole number) of Tenant Board Directors shall retire from office. The Tenant Board Directors retiring shall be the ones who have been longest in office. If the choice is between people who have equal length of service the person to retire shall be chosen by lot.
- 25.3 If a vacancy for a Tenant Board Director occurs, the Board shall appoint the Tenant who obtained the most votes at the last elections after those who were appointed to the Board at the last annual general meeting. If the Tenant is unwilling or unable to accept the office, the Tenant with the next most highest votes shall be invited to fill the vacancy. The Tenant Board Director will hold office for the remainder of the period of office of his/her predecessor. If there is no Tenant willing or able to accept the office, the Board may appoint any person who meets the requirement of the Person Specification and Skills who shall hold office until the next annual general meeting.

26 **APPOINTMENT AND RETIREMENT OF ORDINARY BOARD DIRECTOR**

- 26.1 At every AGM one third (rounded down to the nearest whole number) or such other number, as determined by the Board to allow Tenant Board Directors to be appointed up to a maximum of 50% of the total number of Board Directors, of Ordinary Board Directors shall retire from office. The Ordinary Board Directors retiring shall be the ones who have been longest in office. If the choice is between people who have equal length of service, the person to retire shall be chosen by lot.
- 26.2 If an Ordinary Board Director retires in accordance with Article 26.1 and the Company does not fill the vacancy at that meeting the retiring Board Director shall, if willing to act, be deemed to have been reappointed unless a resolution for his/her reappointment is put to the meeting and lost.
- 26.3 The Board may appoint a person to be an Ordinary Board Director to fill a vacancy. (S)he shall hold office until the next annual general meeting.
- 26.4 A person standing for election as an Ordinary Board Director must be recommended by the Board or be proposed by a Member. The candidate must confirm their willingness to serve on the Board in writing to the Secretary and must demonstrate that they meet the requirements of the Person Specification and Skills. If the proposer is a Member, (s)he must give forty-two clear days written notice to the Secretary prior to the relevant annual general meeting of the intention to propose that person. The secretary shall give notice to all Members of the intention to propose the person at the meeting for appointment to the Board. The notice shall state the name of the proposer and give the particulars of the person which would if (s)he were so appointed or reappointed, be required to be included in the Company's register of Board Directors.
- 26.5 The Local Authority Member shall have the power to agree to the nomination of four Ordinary Board Directors who meet the requirements of the Person Specification and Skills for Board Directors as adopted by the Board. Such agreement should not be reasonably refused by the Local Authority Member.

27 APPOINTMENT AND REMOVAL OF BOARD DIRECTORS BY THE PARENT

- 27.1 Notwithstanding any other provision in these Articles, the Parent shall be entitled to appoint from time to time all Board Directors and any Board Director appointed by the Parent shall be a Parental Appointee for the purposes of these Articles.
- 27.2 Notwithstanding any other provision in these Articles, the Parent may remove all or any Board Directors at any time (whether they are Parental Appointees or not).
- 27.3 Any such appointment or removal shall be made by the Parent giving written notice to the Secretary of the Company, which notice shall be effective on the later of receipt by the secretary or the date specified in the notice.
- 27.4 The Parent shall give written notice to the Regulator of its intention to appoint or remove any or all Board Directors under this Article 28.
- 27.5 In appointing Board Directors, the Parent shall use its reasonable endeavours to ensure the Board possesses the quality, skills and experience which the Company has from time to time determined it requires.
- 27.6 Parental Appointees shall hold office until such time as they are removed by the Parent or retire.
- 27.7 Those persons or bodies with appointment rights under these Articles shall only be entitled to elect or appoint Board Directors to fill vacancies on the Board to the extent that the Parent has not exercised any rights of appointment it may have at any time pursuant to this Article 28 in respect of such vacancies.
- 27.8 Nothing within this Article 28 is intended or purports to restrict or replace any power of the Regulator to appoint or remove Board Directors pursuant to sections 259 to 269 of the Housing and Regeneration Act 2008.

28 DISQUALIFICATION AND REMOVAL OF BOARD DIRECTORS

Board Directors shall immediately cease to hold office if:

- 28.1 they cease to be a Board Director by virtue of any provision of the Act or become prohibited by law from being a director;
- 28.2 they become insolvent, bankrupt or make any arrangements or composition with their creditors generally;
- 28.3 they are suffering from mental disorder and either:
- 28.3.1 they are 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 (Scotland) Act 1960; or
- 28.3.2 an order is made by a court having jurisdiction in matters concerning mental disorder for their detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to their property or affairs;
- 28.4 they resign their office by written notice to the Company;
- 28.5 they have been absent for more than six months from Board meetings without permission of the Board;
- 28.6 the Board resolves by at least three-quarters of all the other Board Directors present at the relevant meeting that a Board Director other than a Parental Appointee cease to be a Board Director **PROVIDED THAT** all Board Directors shall have been sent notification of the proposed Resolution at least twenty-eight days before the relevant meeting and **PROVIDED FURTHER THAT** the Board Director in question shall have had opportunity to circulate his/her proposal to all Board Directors.
- 28.7 they are an Ordinary Board Director and they become a Tenant;
- 28.8 they are a Tenant Board Director and cease to be a Tenant;
- 28.9 they have been co-opted to the Board and their co-option is revoked;

- 28.10 they are removed from office by the Parent pursuant to Article 27;
- 28.11 a Board Director who ceases to hold office by virtue of Articles 28.1, 28.2 or 28.6 may not be re-appointed as a Board Director (or co-opted to the Board) for a period of two years commencing with the date of cessation of office.

29 **POWERS OF THE BOARD**

- 29.1 Subject to the provisions of the Act, the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the Board. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.
- 29.2 The Board may appoint any person to be the agent of the Company for such purposes and on such conditions as it determines including authority for the agent to delegate all or any of their powers.

30 **BORROWING POWERS**

The Board may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as it thinks fit, and to grant any mortgage, fixed or floating charge or other security over its present and future undertaking and property, or any part thereof, and to issue any debenture, whether outright or as security for any debt, liability or obligation of the Company or any third party.

31 **DELEGATION OF BOARD'S POWERS**

The Board may delegate any of their powers to any committee consisting of one or more Board Directors and other persons or to any committee of the Parent. They may also delegate to any Board Director holding any executive office such of their powers as they consider desirable to be exercised by him/her. Any such delegation may be made subject to such conditions as the Board may impose and may be revoked or altered. Subject to any such conditions, the proceedings of such committees shall be governed by these Articles regulating the proceedings of the Board so far as they are capable of applying.

32 **ALTERNATE BOARD DIRECTORS**

Board Directors shall not be entitled to appoint alternate Board Directors.

33 **BOARD DIRECTORS' EXPENSES**

Notwithstanding any other provisions within these Articles, subject to Article 6, the Directors may be paid reasonable travelling, hotel, child minding and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or general meetings or otherwise in connection with the discharge of their duties subject to the production of satisfactory receipts.

34 **BOARD DIRECTORS' INTERESTS**

- 34.1 Subject to the provisions of the Act, Article 6 and to this Article and provided that he has disclosed to the Board the nature and extent of his interest, a Board Director may:
- 34.1.1 be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; or
 - 34.1.2 be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; or

34.1.3 be a member of or officer or other representative of the Local Authority Member; or

34.1.4 be a Tenant; and

and remain, speak and vote at the meeting and be counted in the quorum, **BUT** a Tenant Board Director may not remain, speak or vote in any Board meeting whilst matters relating specifically to his/her tenancy are being dealt with.

34.2 An interest may be notified by way of a general notice given to the Board.

34.3 An interest of which a Board Director has no knowledge of which it is unreasonable to expect him/her to have knowledge shall not be treated as an interest.

35 **PROCEEDINGS OF THE BOARD**

35.1 The Board may regulate their proceedings as they think fit and the quorum for the transaction of business shall be 50% of appointed Board Directors, of which at least two must be Ordinary Board Directors. If there are any Parental Appointees on the Board the quorum must include at least one Parental Appointee.

35.2 The Board shall meet at least four times a year and Board Meetings may be called by at least three Board Directors, comprising at least one Tenant and one Ordinary Board Director, giving written notice to the Secretary or by the Parent.

35.3 It shall not be necessary to give notice of a meeting to a Board Director who is absent from the United Kingdom.

35.4 Subject to the other provisions of these articles, Board Directors participate (“**Participate**”) in a Board meeting, or part of a Board meeting, when they can each communicate to the others any information or opinions they have on any particular item of the business of that meeting (and for these purposes it is irrelevant where any Board Director is or how they communicate with each other).

35.5 If all the Board Directors Participating in a Directors’ meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

36 **VOTING AT BOARD MEETINGS**

36.1 Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chair shall not have a second or casting vote.

36.2 If a question arises at a meeting of the Board or of a committee of the Board over the right of a person to vote, the question may, before the conclusion of the meeting, be referred to the chair of the meeting and his/her ruling in relation to anyone other than himself/herself shall be final and conclusive.

37 **CHAIR AND VICE CHAIR**

37.1 At the first Board meeting following each annual general meeting the Board shall appoint one of their number to chair the Board and one to be vice chair. The chair and vice chair shall each hold office until the next annual general meeting. The Board may at any time remove the chair and/or vice chair from office and appoint a replacement.

37.2 Unless (s)he is unwilling to do so, the chair (or in his/her absence the vice chair) shall preside at every meeting of the Board at which (s)he is present. But if there is no chair or vice chair, or if they are unwilling to proceed or are not present within 5 minutes after the time appointed for the meeting, the Board Directors present may appoint one of their number to chair the meeting.

38 **DEFECT IN APPOINTMENT OR DISQUALIFICATION**

All acts done by a meeting of the Board or of a committee of the Board or by a person acting as a Board Director shall, notwithstanding that it is later discovered that there was a defect in their appointment or that they were disqualified from holding office, or had vacated office, or

were 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 Director and had been entitled to vote.

39 **WRITTEN RESOLUTIONS**

A resolution in writing signed by all the Board Directors entitled to receive notice of a meeting of the Board or of all the persons forming a committee of the Board shall be as valid and effective as if it had been passed as a meeting of the Board (or as the case may be a committee of the Board) duly convened and held and may consist of several documents in the like form each signed by one or more persons.

40 **SECRETARY**

Subject to the provisions of the Act, the secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they think fit, and may be removed and/or replaced by the Board at any time with the written approval of the Parent.

41 **MINUTES**

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

- 41.1 of all appointments of officers made by the Board; and
- 41.2 of all proceedings at meetings of the Company and of the Board, and of committees of the Board and of any class or type of Member, including the names of the persons present at each such meeting.

42 **NOTICES**

- 42.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Board need not be in writing.
- 42.2 The Company may give notice to a Member either personally or by sending it by post in a pre-paid envelope addressed to the Member at his/her registered address or by leaving it at that address. A Member whose registered address is not within the United Kingdom and who gives the Company an address within the United Kingdom at which notices may be given to him/her shall be entitled to have notices given to him/her at that address, but not otherwise.
- 42.3 A Member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and of the purpose for which it was called.
- 42.4 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.

43 **INDEMNITY**

- 43.1 Every Board Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which (s)he may sustain or incur in or about the execution of their duties of office or otherwise in relation thereto, including any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application under Section 1157 of the Act in which relief is granted to them shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of their office or in relation thereto PROVIDED THAT this Article shall only have effect in so far as its provisions are not avoided by Section 532 of the Act.
- 43.2 Article 43.1 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

44 **RULES OR BYE LAWS**

The Board may from time to time make such rules and bye-laws as they deem necessary, or expedient or convenient for the proper conduct and management of the Company and without prejudice to the generality of the foregoing these shall include:

- 44.1 the admission of Members, and their rights and privileges;
- 44.2 the conduct of Members in relation to one another and to the Company's employees;
- 44.3 the procedure at general meetings and Board meetings and committees of the Company in so far as such procedure is not regulated by these Articles; and
- 44.4 generally all such matters which are commonly the subject matter of Company rules.

PROVIDED THAT nothing in such rules or bye-laws shall be inconsistent with the Company's Articles. The Company in general meetings shall have the power to alter or repeal the rules and bye-laws and to make additions thereto and the secretary shall notify all Members of all such rules and bye-laws, which so long as they shall be in force, shall be binding on all Members and Board Directors save for the Parent and Parental Appointees.

45 **ACCOUNTS**

If the Company is registered as a provider of social housing with the Regulator, the Company shall submit to the Regulator a copy of its accounts within the period required by the Housing and Regeneration Act 2008 or such successor legislation.

46 **ALTERATION**

Subject to Article 21.3.3, the Articles may be amended in accordance with the Act, the Housing and Regeneration Act 2008 (including statutory modification or re-enactment) and these Articles but not so as to stop the Company being a charity.