

THE COMPANIES ACTS 1985 to 1989

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

OF

NATIONAL HOUSE BUILDING COUNCIL

As amended by Special Resolutions passed  
up to 23 September 2004



1. The name of the Company (hereinafter called "the Council") is "NATIONAL HOUSE-BUILDING COUNCIL".
2. The registered office of the Council will be situate in England.
- 3(A) The object for which the Council is established is the improvement of the building industry which term shall for the avoidance of doubt include the building industry overseas (including in such industry the building or alteration or extension of all forms of building) and the provision of ancillary services to the industry and to purchasers of new and existing buildings.
- (B) The Council shall have the following powers, all of which shall be ancillary to the object set forth in sub-clause (A) hereof and exercisable in the furtherance of such object but for no other purpose whatsoever, that is to say:-
  - (1) To establish and maintain in such manner as the Council may from time to time think fit, Registers containing the names of builders and developers who in the opinion of the Council observe and maintain sufficiently high standards of building.
  - (2) To make, and from time to time in the discretion of the Council to add to, amend and revoke, and to operate, enforce, observe and comply with, such conditions or rules as the Council may think fit for regulating the establishment and maintenance of the above mentioned Registers and for prescribing the rights and obligations of the Council against and to such builders and developers, and for any other purposes in any way connected with or referable to such Registers, or with or to buildings erected by such builders and developers, as the Council may think desirable.
  - (3) To prescribe or otherwise provide for the manner in which and the terms upon which applications should or may be made by builders and developers for entry of the names on the above-mentioned Registers, the manner in which such applications should or may be considered and determined upon by the Council, and the pre-requisites which should be or may be required to be satisfied before acceptance by the Council of such applications.

- (4) To promote, enter into and carry on schemes under which the Council may or will accept responsibility, to purchasers and lessees of buildings from builders and developers whose names are entered on the above-mentioned Registers, for defects in the buildings so purchased or leased, or for loss or damage suffered otherwise howsoever by such purchasers and lessees in consequence of any defaults by such builders and developers.
- (5) To promote, encourage and in any way finance research into and interest in matters affecting standards in the design of buildings and in the workmanship and materials used in buildings, and any technical, scientific or other problems associated therewith, and for such purposes as aforesaid, but without prejudice to the generality of the foregoing, to provide and assist in the provision of scholarships, fellowship, study groups, lectures and seminars.
- (6) To conduct and hold, and to sponsor, encourage and assist in the conducting and holding of surveys, investigations and inquiries on a local national or international scale of and into matters affecting the standard of design and of the workmanship and materials employed in buildings and any technical, scientific or other problems associated therewith.
- (7) To print, publish, issue, circulate, and sell or otherwise dispose of papers, periodicals, books, circulars and other literature, and generally to undertake programmes of publicity, with a view to promoting understanding of the work of the Council, or to providing information and guidance to builders and developers and others as to the nature of, and as to the desirability of adopting observing and maintaining, proper standards in building, or otherwise with a view to promoting the object of the Council.
- (8) To hold, associate with, sponsor and promote periodical and other congresses, conferences and public meetings for ventilation and discussion of, or otherwise relating to , the adoption observance and maintenance of higher standards of building.
- (9) To promote support and encourage any policies which will or may affect or tend to affect standards of building, and for this purpose, or otherwise with a view to promoting the object of the Council, to advise or co-operate with any Government Department or public or private authority, society, association, body or individual.
- (10) To provide, and to assist, promote and encourage in the provision of, facilities for the education and training, in subjects involving the study of or research into the standards of design of buildings and of the standards of workmanship and materials employed or employable in building, of persons engaged in or associated with, or likely to be engaged in or associated with the building industry.
- (11) To insure the Council against or in respect of any liabilities or contingent or potential liabilities of or in any way undertaken by the Council and in particular, but without prejudice to the generality of the foregoing, against or in respect of any liabilities incurred or undertaken by the Council pursuant to any of the powers of the Council under this sub-clause (B).

- (12) To establish and maintain or procure the establishment and maintenance of any pension or superannuated funds (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, and to make payments for or towards the insurance of, any employees or ex-employees of Council and relations, connections and dependants of any such employees or ex-employees.
- (13) To establish, maintain, control and manage branches of the Council and from time to time to determine the constitutions, rights, privileges and obligations of such branches, and when thought fit, to dissolve such branches or to modify such constitutions, privileges and obligations.
- (14) To apply for, collect, organise the collection of, and receive, from private individuals, corporations and from any other source or courses, donations, grants, subscriptions and other financial assistance, and generally to raise funds for the purposes of the Council in such ways as the Council may think fit.
- (15) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges, and to construct, maintain and alter any buildings or erections necessary or convenient for the work of the Council.
- (16) To sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Council.
- (17) To undertake and execute any charitable trust which may lawfully be undertaken by the Council.
- (18) To borrow or raise money on such terms and on such security as may be thought fit.
- (19) To invest the money of the Council not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.
- (20) To insure and re-insure and to provide loans, bonds, sureties, warranties, guarantees, and indemnities whether secured or not and other financial services for the benefit of any person or company, organisation undertaking or authority (whether private or public) for the purposes of or in connection with the funding, insuring or guaranteeing of any business operation or programme being conducted for purposes similar to those set out in paragraph 3(A) herein or for assisting with the completion or repair of any such buildings or of services or facilities connected therewith, whether or not any such work is carried out at the instigation of the Council or any third party.
- (21) To establish and support or aid in the establishment and support of any charitable associations or institutions and to subscribe or guarantee money for charitable purposes.

- (22) To incorporate under the laws of any country a company or companies and to hold and dispose of all or part of the share capital of such company or companies; to acquire hold and dispose of all or part of the share capital of any company or companies whether or not such company or companies are or are deemed to be a subsidiary of the Council; to enter into partnerships, joint ventures or co-operative arrangements with any third party or parties whether such party or parties are individuals or incorporated bodies; to fund in whole or in part any such company partnership joint venture or co-operative arrangement on such terms as appear expedient.
- (23) To do all such other things as are incidental or conducive to the attainment of the object of the Council.

PROVIDED ALWAYS THAT notwithstanding anything hereinbefore in this Clause 3 contained:-

- I) In case the Council shall take or hold any property which may be subject to any trusts, the Council shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
  - II) The Council shall not support with its funds any object, or endeavour to impose on or procure to be observed by its members or others any regulation, restriction or condition which if an object of the Council would make it a Trade Union.
  - III) In case the Council shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales or of the Secretary of State for Education and Science, the Council shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any such property the Board of Directors of the Council shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such Board of Directors have been if no incorporation had been effected and the incorporation of the Council shall not diminish or impair any control or authority exercisable by the Chancery Division, the Charity Commissioners or the Secretary of State for Education and Science over such Board of Directors but they shall as regards any such property be subject jointly and separately to such control or authority as if the Council were not incorporated.
4. The income and property of the Council howsoever derived shall be applied solely towards the promotion of the object of the Council as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred to the Members of the Council.

Provided that nothing herein contained shall prevent the Council from paying a Member of the Council:-

- (a) reasonable expenses (including the expenses of attending any meeting of the Council, its committees or Sub-Committees, and travelling and other out-of-pocket expenses) incurred in the performance of his duties as such Member;
  - (b) a reasonable remuneration for services rendered to the Council by such Member whether or not related to his position as a Member;
  - (c) interest at a rate not exceeding the Clearing Bank rate for lending on money lent to the Council, or a reasonable rent for premises let to the Council, by such Member.
- 5. Clause 4 of this Memorandum contains conditions the fulfilment of which enables the Council to omit the word "limited" from its name pursuant to Section 30 of the Companies Act 1985.
- 6. The liability of the Members is limited.
- 7. Every member of the Council undertakes to contribute to the assets of the Council in the event of the same being wound up during the time that he is a Member, or within one year afterwards, for payment of the debts and liabilities of the Council, contracted before the time at which he ceases to be a Member and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves, such amount as may be required not exceeding £1.
- 8. If upon the winding up or dissolution of the Council there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Council, but shall be given or transferred to some other institution or institutions having charitable objects similar to the object of the Council, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Council under or by virtue of Clause 4 hereof, such institution or institutions to be determined by the Members of the Council at or before the time of dissolution, and if and so far as effect cannot be given to such provisions, then to some charitable object.

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

-OF-

NATIONAL HOUSE BUILDING COUNCIL

(Adopted by Special Resolution  
on 23 March 1992 and amended by  
Special Resolutions on 21 November 1994, 30 November 1995,  
3 December 1997, 1 December 1998, 30 November 1999  
13 September 2002, and 23 September 2004)

PRELIMINARY

1. DEFINITIONS AND INTERPRETATION

(A) In these Articles, unless inconsistent with the subject or context:-

"Act"	means the Companies Act 1985 as amended
"Articles"	means the Articles of Association of the Council and in force from time to time and "Article" shall be construed accordingly
"Audit Committee"	means the Audit Committee for the time being of the Board
"Board"	means the Board of Directors of the Council
"Builder"	means a director of a company or an individual (whether as a sole trader or a partner in a partnership) who or which carries on a business, which consists wholly or mainly of house-building or house development.
"Committee"	means any of the Scottish Committee, the Northern Ireland Committee, the Audit Committee, the Finance Committee, or the Standards Committee and any other committee established as a sub-committee of the Board
"Category (A)" "Category (B)" "Category (C)"	means Category (A), Category (B) and Category (C) in paragraph (E) of Article 9 and reference to persons

	nominated for membership in any such category shall be construed accordingly.
"Chairman"	means the Chairman for the time being of the Council
"Consumer Committee"	means the Consumer Committee for the time being of the Board
"Council"	means National House-Building Council
"Effective Day"	means the date of adoption of these Articles
"English Register"	means the Register of builders and developers operating as such in England and Wales (or any part thereof), maintained by the Council pursuant to Article 5
"Finance Committee"	means the Finance Committee for the time being of the Board
"General Meeting"	means a general meeting of the Council
"Housing Minister"	means the Secretary of State for the Environment for the time being (or such other Minister (if any) as may for the time being be performing, in the opinion of the Board, the appropriate functions of the Secretary of State)
"in writing"	means written, printed or lithographed or partly one and partly another, and other modes of representing or reproducing words in visible form
"Lender"	means a director or senior executive of a company or building society which lends money on the security of mortgages over residential property.
"Members' Registers"	means the Registers of the members of the Council
the "Ministers"	means and includes the Housing Minister, the Scottish Minister and the Northern Ireland Minister
"Nominating Bodies"	means the persons and bodies who from time to time are specified as Nominating Bodies by or pursuant to Article 9 and

	"Nominating Body" shall be construed accordingly
"Northern Ireland Committee"	means the Northern Ireland Committee for the time being of the Board
"Northern Ireland Minister"	means the Secretary of State for Northern Ireland (or such other Minister (if any) as may for the time being be performing, in the opinion of the Northern Ireland Committee, the appropriate functions of that Minister)
"Northern Ireland Register"	means the Register of builders and developers operating as such in Northern Ireland (or any part thereof), maintained by the Council pursuant to Article 5.
"Office"	means the registered office for the time being of the Council
"Regulations"	means the Regulations made by the Board under Article 93 as amended and in force from time to time
"Scottish Committee"	means the Scottish Committee for time being of the Board
the "Scottish Minister"	means the Secretary of State for Scotland for the time being (or such other Minister (if any) as may for the time being be performing, in the opinion of the Scottish Committee, the appropriate functions of that Secretary of State)
"Scottish Register"	means the Register of builders and developers operating as such in Scotland (or any part thereof), maintained by the Council pursuant to Article 5
"Seal"	means the common seal of the Council
"Secretary"	includes any assistant or deputy Secretary or other person for the time being authorised to perform any of the duties of the Secretary of the Council and, where two or more persons have been appointed to act as Joint Secretaries, includes any one or more of such persons



"Standards Committee"	means the Standards Committee for the time being of the Board
"Standing Committee"	means any or all of the Audit, Finance, Standards, Scottish, Northern Ireland and Consumer committees of the Board.
"Special Majority"	means the affirmative vote of two-thirds of the persons for the time being entitled to vote on the relevant resolution
"United Kingdom"	means the United Kingdom of Great Britain and Northern Ireland

(B) In these Articles, unless inconsistent with the subject or context:-

- (a) words importing the singular include the plural and vice-versa;
- (b) words importing the masculine gender include the feminine gender;
- (c) "person" excludes a body corporate, and words importing persons shall be construed accordingly.

(C) Subject to paragraph (A) of this Article, any words or expressions defined in the Act shall, unless inconsistent with the subject or context, bear the same meaning in these Articles.

## 2. EXCLUSION OF TABLE A AND TABLE C

The Regulations in Table A and Table C (as prescribed by regulations made under Section 8 of the Act) shall not apply to the Council but these Articles shall (to the exclusion of such Regulations and any previous Articles of Association) constitute the Articles of Association of the Council.

## 3. OFFICE

The Office shall be in such place within England and Wales as the Board may from time to time appoint.

## 4. MEMBERS' REGISTER

The Council shall keep and the Secretary shall maintain a register of the Members of the Council in accordance with Section 352 of the Act.

## 5. REGISTERS OF BUILDERS

Pursuant to the Memorandum of Association of the Council, the Board shall make provision by Regulation for the maintenance of Registers containing the names of builders and developers who in the opinion of the Council observe and maintain sufficiently high standards of building.

## MEMBERS

### 6. NUMBER AND CLASSES OF MEMBERS

- (A) There shall be two main classes of member of the Council, voting and non-voting. Within each class, certain members are accorded different rights and powers (and are sometimes in these Articles treated as different categories) but such classes, categories, rights and powers may be varied or abrogated by any special resolution which amends the Articles whether or not such amendment was sanctioned or approved by the classes or categories of members affected thereby.
- (B) Admission to membership shall be governed by these Articles and subject to these Articles there shall be no maximum number of members in any class.
- (C) Only individuals are eligible for admission to membership of the Council and two or more persons may not hold membership jointly. Bodies corporate may not be members.
- (D) Membership of the Council shall not be transferable or transmissible.

### 7. ADMISSION TO MEMBERSHIP

- (A) Admission to membership shall only be by entry in the Members' Register upon written application made or deemed made in accordance with the Regulations following:-
  - i) nomination by a Nominating Body (Article 9);
  - ii) appointment as Chief Executive of the Council (Article 10);
  - iii) resolution of the Council (Article 11);
  - iv) resolution of the Board (Article 12);
  - v) resolution by a special majority of the Scottish Committee or appointment as Chairman of the Scottish Committee (Article 13); or
  - vi) resolution by a special majority of the Northern Ireland Committee or appointment as Chairman of the Northern Ireland Committee (Article 13),

in accordance with these Articles.

- (B) The Board shall cause the Secretary to enter in the Members' Register the names of applicants for membership who have satisfied the Secretary or the Board that the conditions for membership under these Articles have been met.

### 8. EXISTING MEMBERS

- (A) Every person who is a member of the Council at the dates of adoption of these Articles shall be deemed to have been admitted under whichever of sub-paragraphs (i) to (vi) of Article 7 ("Admission to Membership") is

appropriate to the member concerned and whether the member is deemed admitted under sub-paragraph (i) he shall be deemed nominated by that Nominating Body which did in fact nominate the member under former Articles of Association of the Council. The class and category of membership of existing members shall be determined accordingly for all purposes of these Articles.

- (B) In case of doubt, the decision of the Board shall be conclusive as to class and category of membership of an existing member.

## 9. NOMINATING BODIES

- (A) Subject to this Article 9, the persons and organisations named in Categories (A), (B) and (C) of paragraph (E) shall be Nominating Bodies for the purposes of these Articles wherein Category A comprises the general list of Nominating Bodies to the Council; Category B comprises the list of Nominating Bodies of Members to the Council for Scotland and Members of the Scottish Committee; and Category C comprises the list of Nominating Bodies of Members to the Council for Northern Ireland and Members of the Northern Ireland Committee and the Board shall extend to them on behalf of the Council a standing invitation to put forward nominations in the categories concerned of persons for membership of the Council. The Council may by special resolution add any person or organisation as a Nominating Body to one or more of Categories (A) or (B) or (C) of paragraph (E) but must by such resolution fix the maximum number of persons who may at any one time hold membership of the Council by virtue of nominations made by that Nominating Body in each such category.
- (B) Any such nomination shall be made in writing in accordance with the procedure laid down in the Regulations and if made by a Nominating Body which is named in more than one category of paragraph (E) must specify the category in which that nomination is made.
- (C) The maximum number of persons who may at any one time hold membership of the Council by virtue of nominations made by any one Nominating Body in any one category shall be the number set opposite the name of that Nominating Body in the category concerned.
- (D) The Board may:-
  - (a) for the furtherance of the interests of the Council, designate any person or organisation as a Nominating Body in one or more of the categories specified in paragraph (E) and extend to such person or organisation a standing invitation to nominate one person for membership of the Council in the relevant category;
  - (b) if there shall be any change in the name, constitution or composition of any Nominating Body or any change in or transfer of its functions (i) recognise the Nominating Body as changed, or a transferee of its functions, as being the relevant Nominating Body for the purposes of these Articles in place of the original Nominating Body as previously constituted and/or, (ii) take the steps referred to in sub-paragraphs (c) and (d);
  - (c) withdraw the invitation to any Nominating Body to put forward nominations in one or more categories (so that the relevant person or

organisation shall cease for the purpose of these Articles to be treated as a Nominating Body to the extent of such withdrawal) or reduce the maximum number of persons who may hold membership of the Council by virtue of nominations made by such Nominating Body in one or more categories;

- (d) make recommendations to the Council in general meeting for alteration by special resolution of the list of Nominating Bodies in one or more categories.

- (E) The Nominating Bodies and the maximum number of persons they may nominate to membership in each category are as follows:

<u>Nominating Body</u>	<u>Maximum Number</u>
The Royal Institute of British Architects	3
The Royal Institution of Chartered Surveyors	4
The House Builders Federation	14
The Council of Mortgage Lenders	5
Union of Construction Allied Trades and Technicians	3
The Local Government Association	3
The Society of Public Health	1
The Housing Corporation	1
The Institution of Civil Engineers	1
The National Council of Women of Great Britain	1
Consumer Policy Committee of British Standards Institution	1
The Chartered Institute of Building	1
The Consumers' Association	1
The Federation of Master Builders	3
The Royal Town Planning Institute	1
The National Council of Building Material Producers	1
The Law Society	1

### CATEGORY (B)

<u>Nominating Body (or Joint Nominating Bodies)</u>		<u>Maximum Number</u>
The Royal Incorporation of Architects in Scotland	)	
	)	
<u>and</u>	)	
	)	
The Royal Institute of British Architects	)	
	)	
The Scottish Branch of The Royal Institution of Chartered Surveyors		1
Trade bodies representing builder and developers who Operate in Scotland, the proportion of the nominees to be decided By NHBC on the basis of the volume of operation and advice from the Scottish Committee		
		6
The Council of Mortgage Lenders		3
The Scottish Branch of the Chartered Institute of Building		1
The Law Society of Scotland		1
The Association of Consulting Engineers		1
Communities Scotland		1
Consumer Council for Scotland		1

### CATEGORY (C)

<u>Nominating Body</u>	<u>Maximum Number</u>
The Construction Employers Federation Limited	3
The Council of Mortgage Lenders	1
The Royal Institution of Chartered Surveyors	1
The Royal Society of Ulster Architects	1

- (F) Where Nominating Bodies are named jointly, they shall with respect to the relevant nominations act jointly for all purposes of this Article 9.
- (G) The Council may by special resolution:-
  - (a) vary at any time from time to time the maximum numbers in each category in paragraph (E);
  - (b) remove a Nominating Body from one or more categories in paragraph (E).
- (H) A Nominating Body may at any time nominate persons for membership of the Council in accordance with the Board's standing invitation, including for the purpose of filling vacancies, however caused, subject to the maximum fixed for that Nominating Body in each category. Upon delivery at the Office in accordance with the Regulations of a form of such nomination and of the written application of the person so nominated, the person so nominated shall be admitted to membership.
- (I) If at any time a Nominating Body which has nominated a person for membership of the Council delivers at the Office a written notice in the form required by the Regulations withdrawing such nomination, the person so nominated shall if already admitted to membership thereupon cease to be a member, unless entitled to membership under some other provision of these Articles in which case he shall be deemed to continue as a member pursuant to that other provision and not by virtue of the nomination which has been withdrawn.
- (J) If the Board is satisfied that the functions of an organisation which is a Nominating Body have been substantially transferred to a successor organisation (including but not limited to a transfer upon reconstruction or amalgamation) it may direct that the successor is to be treated as the Nominating Body in place of the original organisation.
- (K) Subject to paragraph (J), a Nominating Body shall cease to be such if the Council passes a special resolution to that effect of if the Nominating Body gives written notice to the Council disclaiming the privilege of making nominations for the purposes of the Articles or if it shall be wound up, dissolved or cease to exist.
- (L) The Board may in accordance with the Regulations extend the invitation to the Housing Minister, the Scottish Minister and the Northern Ireland Minister to nominate observers to attend and speak at but not to vote at General Meetings of the Council.

#### 10. CHIEF EXECUTIVE

As from and after the Effective Day, the Chief Executive of the Council for the time being shall be a Member of the Council and acceptance of such office shall be deemed application for membership in accordance with the Regulations.

#### 11. RESOLUTIONS OF THE COUNCIL

The Council in General Meeting may from time to time and at any time in its absolute discretion resolve to admit any person to membership of the Council

including but not limited to persons chosen to represent the interests of the consumers and any such person shall be admitted to membership upon the delivery at the Office of a membership application by that person in accordance with the Regulations.

12. ADMISSION BY THE BOARD

The Board may from time to time and at any time in its absolute discretion resolve to admit to membership of the Council any person who, it considers, in the interests of the Council, should be so admitted and any such person shall be admitted to membership upon the delivery at the Office of a membership application by that person in accordance with the Regulations.

13. SCOTTISH COMMITTEE AND NORTHERN IRELAND COMMITTEE

- (A) Each of the Scottish Committee and the Northern Ireland Committee may from time to time and at any time in their absolute discretion resolve to admit to membership of the Council not more than two persons whom they respectively consider should be so admitted and upon the delivery at the Office of a membership application by any such person in accordance with the Regulations such person shall be admitted to membership provided that no such resolution shall be effective for the purposes of this paragraph (A) unless not less than two-thirds of the members of the appropriate Committee for the time being vote in favour of such resolution.
- (B) Where the Scottish Committee has resolved in accordance with paragraphs (A) and (D) of Article 62, to appoint with the approval of the Board as the Chairman of the Scottish Committee a person who is not already a member of the Scottish Committee, then, when such person takes office (and provided that he or she is the only person then holding that office), or, if later, upon the delivery at the Office of a membership application by that person in accordance with the Regulations, such person shall be admitted to membership.
- (C) Where the Northern Ireland Committee has resolved, in accordance with paragraphs (A) and (D) of Articles 69, to appoint with the approval of the Board as the Chairman of the Northern Ireland Committee a person who is not already a member of the Northern Ireland Committee, then, when such person takes office (and provided that he or she is the only person then holding that office), or, if later, upon the delivery at the office of a membership application by that person in accordance with the Regulations, such person shall be admitted to membership.

14. CESSATION OF MEMBERSHIP

- (A) A person who is for the time being a member of the Council shall ipso facto cease to be such a member:-
  - i) if he dies, or is adjudicated bankrupt, or he is admitted to hospital pursuant to 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 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to administer or manage his property or affairs;

- ii) if he shall deliver at the Office a notice in writing, signed by him and addressed to the Council or the Secretary of the Board, resigning his membership;
  - iii) if, being a member pursuant to a nomination made under Article 9 ("Nominating Bodies"), such nomination is withdrawn in accordance with paragraph (I) of Article 9;
  - iv) if, being a member by virtue of Article 10 ("Chief Executive"), he ceases for any reason to be the Chief Executive;
  - v) if, being a member pursuant to Article 11 ("Resolution of the Council"), the Council in General Meeting in its absolute discretion shall resolve that such person should cease to be a member of the Council;
  - vi) if, being a member pursuant to Article 12, the Board in its absolute discretion shall resolve that such person should cease to be a member of the Council;
  - vii) if, being a member by virtue of a nomination made in Category (B) under Article 9 ("Nominating Bodies") or pursuant to a resolution by a special majority of the Scottish Committee under paragraph (A) of Article 13 ("Scottish Committee and Northern Ireland Committee") or under paragraph (B) of Article 13 (by virtue of appointment as Chairman of the Scottish Committee), such person ceases to be a member of the Scottish Committee;
  - viii) if, being a member by virtue of a nomination made in Category (C) of Article 9 ("Nominating Bodies") or pursuant to a resolution by a special majority of the Northern Ireland Committee under paragraph (A) of Article 13 ("Scottish Committee and Northern Ireland Committee") or under paragraph (C) of Article 13 (by virtue of appointment as Chairman of the Northern Ireland Committee), such person ceases to be a member of the Northern Ireland Committee;
  - ix) if, being a member pursuant to a resolution by a special majority of the Scottish Committee or the Northern Ireland Committee under paragraph (A) of Article 13, (and not being the sole Chairman for the time being of the relevant Committee), the Committee concerned shall in its absolute discretion resolve that such person shall ceased to be a member of the Council.
- (B) The Secretary shall forthwith remove from the Members' Register the name of any person who cease to be a member of the Council pursuant to any of the provisions of this Article 14.

#### GENERAL MEETINGS

#### 15. ANNUAL GENERAL MEETING

The Council shall hold a General Meeting in every calendar year as its Annual General Meeting at such time and place as may be determined by the Board, and shall specify the meeting as such in the notice calling it, provided that every Annual General Meeting shall be held not more than fifteen months after the holding of the last preceding Annual General Meeting.



16. DESIGNATION

All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.

17. CONVENING MEETINGS

The Board may whenever it thinks fit convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on members' requisition, or in default may be convened by requisitionists, in accordance with the provisions of the Act.

18. NOTICE OF GENERAL MEETINGS

Twenty-one days' notice in writing at the least of every Annual General Meeting and of every General Meeting convened to pass a Special Resolution, and fourteen days' notice in writing at least of every other General Meeting (exclusive in every case both of the day on which it is served or deemed to be served and of the day for which it is given), specifying the place, the day and the hour of the meeting, and in the case of special business the general nature of that business, shall be given to such persons (including the Auditors and the Ministers) as are under these Articles or under the Act entitled to receive such notices from the Council; but with the consent of all the members having the right to attend and vote thereat, or of such proportion of them as is prescribed by the Act in the case of General Meetings other than Annual General Meetings, a General Meeting may be convened by such shorter notice as those members may think fit.

19. OMISSION TO GIVE NOTICE

The accidental omission to give notice of a General Meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any proceedings or any resolution passed at any General Meeting.

PROCEEDINGS AT GENERAL MEETINGS AND VOTES OF MEMBERS

20. NATURE OF BUSINESS

All business that is transacted at a General Meeting shall be deemed special except that at an Annual General Meeting:

- the consideration of the revenue account and balance sheet;
- the reports of the Board and of the Auditors;
- the appointment of, and the fixing of the remuneration of the Auditors;
- the ratification of the appointment of the Chairman, the chairmen of the standing committees of the Board and members of the Board; and
- altering the maximum number of directors shall be deemed to be ordinary business of a General Meeting.

21. QUORUM

No business shall be transacted at any General Meeting unless a quorum is present when the Meeting proceeds to business. Subject to the other provisions of these Articles, eight members personally present and entitled to vote shall be a quorum.

22. WANT OF QUORUM AT GENERAL MEETINGS

If a quorum is not present, within half an hour from the time appointed for a General Meeting, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other place as the Board may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the members personally present (provided not less than four of them are entitled to vote thereat) shall be a quorum.

23. ATTENDANCE AT MEETINGS

Every member of the Council, whether or not he is entitled to vote thereat, shall be entitled to attend and (save as otherwise expressly provided by these Articles) generally take part in the proceedings at every General Meeting.

24. CHAIRMAN OF MEETING

The Chairman of the Council shall preside as chairman at every General Meeting, but if there be no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, the members of the Council present shall choose some member of the Board to preside as chairman of the meeting, or if no such member be present, or if all the members of the Board present decline to take the chair the members of the Council present shall choose one of their number (being a person entitled to vote thereat) to preside as chairman of the meeting.

25. ADJOURNMENT

The chairman of any General Meeting at which a quorum is present may, with the consent of such meeting (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 any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting, and to the same persons. Save as aforesaid, no person shall be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

VOTING

26. SHOW OF HANDS: DEMAND FOR POLL

At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (subject to Article 29) a poll is, before or

upon the declaration of the result of the show of hands, demanded by the chairman of the meeting or by at least three members present and entitled to vote at the meeting, or by a number of members present and representing one-tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is duly demanded a declaration by the chairman of the meeting 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 minute book of the Council, shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against that resolution.

27. WITHDRAWAL OF DEMAND FOR POLL

The demand for a poll may be withdrawn and in such case shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

28. TAKING OF POLL

Subject to the provisions of the next Article, 29, if a poll be properly demanded, it shall be taken at the General Meeting in such manner as the chairman of the General Meeting shall direct.

29. WHERE NO POLL MAY BE DEMANDED

No poll shall be demanded on the election of a chairman of any General Meeting, or on any question of adjournment of any General Meeting.

30. CHAIRMAN'S CASTING VOTE

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the General Meeting shall be entitled to a second or casting vote.

31. CONTINUANCE OF OTHER BUSINESS

The demand for a poll shall not prevent the continuance of a General Meeting for the transaction of any business other than the question on which a poll has been demanded.

32. VOTING RIGHTS OF CERTAIN MEMBERS (SCOTLAND)

- (A) Save as provided by paragraphs (B) and (C) of this Article, and by Article 34, no person who for the time being holds membership of the Council by virtue of any nomination in Category (B) of Article 9 ("Nominating Bodies"), or who for the time being holds membership of the Council by virtue of a resolution by a special majority of the Scottish Committee pursuant to paragraph (A) of Article 13, shall be entitled to vote at any General Meeting.
- (B) The Scottish Committee may at any time and from time to time in its absolute discretion resolve thereby to confer upon not more than one of the members referred to in paragraph (A) the entitlement to vote at all General Meetings, and may at any time and from time to time in the like discretion by resolution revoke any entitlement so conferred, and any such resolution (whether of entitlement or of revocation) shall take effect if and when (but not otherwise) a

copy of such resolution, certified in such manner as the Board may from time to time prescribe or permit, is delivered at the Office.

- (C) The Scottish Committee may at any time and from time to time in its absolute discretion by resolution appoint as alternate for any member specified in the resolution and entitled to vote at General Meetings pursuant to paragraph (B) any other member, (being such a member as is referred to in paragraph (A) but who is not for the time being himself entitled to vote at General Meetings pursuant to paragraph (B)) and such alternate may vote at General Meetings at which the member for whom he acts as alternate is not present, and may at any time and from time to time in the like discretion by resolution revoke any such appointment, and any such resolution (whether of appointment or of revocation) shall take effect if and when (but not otherwise) a copy of such resolution, certified in such manner as the Board may from time to time prescribe or permit, is delivered at the Office. Provided that:-
- i) no member entitled to vote at General Meetings pursuant to paragraph (B) of this Article shall have more than one alternate;
  - ii) no member may at any time be appointed to act as an alternate for more than one member under this paragraph (C); and
  - iii) the entitlement of a member to vote pursuant to this paragraph (C) as an alternate shall ipso facto be revoked if such member should himself become entitled to vote at General Meetings pursuant to paragraph (B) of this Article or should become the Chairman of the Scottish Committee, or if the member for whom he was entitled to vote as alternate should cease for any reason to be a member or should cease to be entitled to vote at General Meetings pursuant to paragraph (B) of this Article or should become the Chairman of the Scottish Committee.

### 33. VOTING RIGHTS OF CERTAIN MEMBER (NORTHERN IRELAND)

- (A) Save as provided by paragraphs (B) and (C) of this Article and by Article 34, no person who for the time being holds membership of the Council by virtue of any nomination in Category (C) of Article 9 ("Nominating Bodies"), or who for the time being holds membership of the Council by virtue of a resolution by a special majority of the Northern Ireland Committee pursuant to paragraph (A) of Article 13, shall be entitled to vote at any General Meeting.
- (B) The Northern Ireland Committee may at any time and from time to time in its absolute discretion resolve thereby to confer upon not more than one of the members referred to in paragraph (A), the entitlement to vote at all General Meetings, and may at any time and from time to time in the like discretion resolve to revoke any entitlement so conferred, and any such resolution (whether of entitlement or of revocation) shall take effect if and when (but not otherwise) a copy of such resolution, certified in such manner as the Board may from time to time prescribe or permit, is delivered at the Office.
- (C) The Northern Ireland Committee may at any time and from time to time in its absolute discretion by resolution appoint to act as alternate for the member who is for the time being entitled to vote at General Meetings pursuant to paragraph (B) one other member to whom paragraph (A) applies and as such alternate to vote at General Meetings at which the member for whom he acts as alternate is not present, and may at any time and from time to time in the

like discretion by resolution revoke any appointment so conferred, and any such resolution (whether of appointment or of revocation) shall take effect if and when (but not otherwise) a copy of such resolution, certified in such manner as the Board may from time to time prescribe or permit, is delivered at the Office. Provided that:-

- i) no member entitled to vote at General Meetings pursuant to paragraph (B) of this Article shall have more than one alternate;
- ii) no member may at any time be appointed to act as alternate for more than one member under this paragraph (C); and
- iii) the entitlement of a member to vote pursuant to this paragraph (C) as an alternate shall ipso facto be revoked if such member should himself become entitled to vote at General Meetings pursuant to paragraph (B) of this Article or should become the Chairman of the Northern Ireland Committee, or if the member for whom he was entitled to vote as an alternate should cease for any reason to be a member or should cease to be entitled to vote at General Meetings pursuant to paragraph (B) of this Article or should become the Chairman of the Northern Ireland Committee.

34. VOTING MEMBERS

Every person who for the time being holds membership of the Council by virtue of any nomination made in Category (A) of Article 9 ("Nominating Bodies"), or pursuant to Articles 11 or 12, or who is for the time being the Chairman of the Scottish Committee or the Chairman of the Northern Ireland Committee, shall be entitled to vote at all General Meetings.

35. CALCULATION OF VOTES

Subject to Article 30 ("Chairman's Casting Vote"), every member of the Council who is entitled to vote at such a General Meeting shall have one vote, whether on a show of hands or on a poll, on any question or resolution arising at any General Meeting at which such member is present.

36. NO ATTENDANCE BY PROXY

Alternate members may vote in accordance with Articles 32 and 33 but no member shall be allowed or entitled to attend or vote at any General Meeting by proxy.

THE BOARD OF DIRECTORS

37. MEMBERSHIP OF THE BOARD AT 1st DECEMBER 1998

Every member of the Board in office immediately prior 1st December 1998 shall remain in office until the period of office expires or, in the case of a member of the Board being such by virtue of his office, he ceases to hold that office.

38. MAXIMUM NUMBER OF DIRECTORS

The number of directors shall not exceed fifteen and may be such lesser number as the Board may from time to time determine.

39. MEMBERSHIP OF BOARD

- (A) (a) The following shall be members of the Board by virtue of their office:

- i) The Chairman of the Council
- ii) The Chief Executive
- iii) The Chairman of the Scottish Committee
- iv) The Chairman of the Northern Ireland Committee

The members listed in this sub-paragraph shall cease to be members of the Board when they cease to hold the office by virtue of which they are members of the Board.

- (b) The Board may appoint up to eleven other persons as members of the Board. Provided that of the persons appointed under this sub-paragraph and those identified in paragraphs (A)(a) not less than one quarter and not more than one third (rounded up or down to the nearest whole figure) of the Directors shall be Builders and not more than one sixth up to a maximum of two shall be Lenders.

- (B) Subject to paragraphs (C) and (D) of this Article 39 the period of office of Members of the Board appointed under sub-paragraph (b) of paragraph (A) of this Article 39 shall in the first instance be three years but any such member may be re-appointed by and at the discretion of the Board for any period not exceeding three years subject to further re-appointments under this paragraph.

- (C) (a) If a member of the Board referred to in paragraph (B) of this Article 39 is appointed (or re-appointed) for a period at the end of which he shall have been a member of the Board for a period or periods in excess of six years (whether continuous or in the aggregate) the said appointment shall be subject to ratification by the Council at the next General Meeting following the date of that appointment. If the Council does not ratify the said appointment at such Meeting the member shall thereupon vacate his office.

- (b) Provided that if a member of the Board is appointed to any of the offices referred to in sub-paragraph (a) of paragraph (A) of this Article 39, paragraph (B) and sub-paragraph (a) of paragraph (C) of this Article 39 shall not apply and any such member shall remain as a member of the Board until he ceases to hold such office.

- (c) Provided that if a member of the Board is appointed as Chairman of a Standing Committee, for the purposes of paragraph (B) and sub-paragraph (a) of paragraph (C) of this Article 39, his appointment to the Board shall be deemed to have commenced on the date of his appointment as such Chairman which shall be deemed to be his first appointment to the Board.

- (D) Paragraph (C) of this Article 39 shall not apply to a member of the Board who is for the time being employed by the Council under a contract of service.

Such member shall vacate office forthwith upon ceasing to be employed by the Council.

40. REMOVAL OF A DIRECTOR

Without prejudice to the effect of Article 51 (Disqualification) the Board may request that a member of the Board resign his office as a member of the Board. If such resignation is not received in writing at the Office within fourteen days of receipt by the member of that request the Board may by affirmative resolution of four fifths of all its members (including the member who has received that request) resolve that the office of such member is terminated and thereupon that member shall cease to hold office.

THE CHAIRMAN

41. APPOINTMENT

Subject to any directions of the Council in General Meeting, the Chairman of the Council shall be appointed from among the members of the Council by those members of the Board who are in office when the vacancy occurs.

42. TERM OF CHAIRMAN'S OFFICE

- (A) Subject to paragraph (C) of this Article 42 the Chairman shall hold office for such term not exceeding three calendar years as the Board may, subject to the directions of the Council in General Meeting, determine but the office of Chairman shall be vacated if the person for the time being holding such office shall cease for any reason to be eligible to be a director of the Council.
- (B) An outgoing Chairman or former Chairman shall be eligible for reappointment to that office for such further period or periods not exceeding three years as the Board may determine.
- (C) If the Chairman is appointed for a period at the end of which he shall have been Chairman for a period or periods in excess of six years (whether continuous or in the aggregate) the said appointment as Chairman shall be subject to ratification by the Council at the next General Meeting following the date of that appointment. If the Council does not ratify the said appointment at such Meeting the Chairman shall cease to hold office forthwith at the conclusion of that General Meeting.

43. CHAIRMAN AT EFFECTIVE DAY

The Chairman as at the Effective Day shall for all the purposes of these Articles be deemed to have been appointed the Chairman under Article 41 at the date when he in fact became the Chairman and he shall subject to Article 42 continue in office until the third anniversary of the appointment as such.

HONORARY PRESIDENT AND VICE-PRESIDENT OF THE COUNCIL

44. APPOINTMENT

- (A) The Council in General Meeting may at any time and from time to time elect any person, whether or not he is a member of the Council or of the Board, to be an Honorary President or an Honorary Vice-President of the Council for such period of office as the Council in General Meeting may from time to time

in its absolute discretion determine. The Honorary President and the Honorary Vice-President as at the Effective Day shall for all the purposes of these Articles be deemed to have been appointed as such under this Article 44 at the date when they were in fact appointed and shall continue in office subject to the remaining provisions of this Article.

- (B) At any one time there shall not be more than one person holding office as Honorary President of the Council or more than six persons under the age of 75 holding office as Honorary Vice-Presidents of the Council.
- (C) No person shall be capable of being appointed an Honorary Vice-President of the Council if at the time of his appointment he has attained the age of seventy-five.
- (D) An Honorary Vice-President of the Council appointed after the Effective Day shall vacate his office upon attaining the age of seventy-five.
- (E) The Council in General Meeting may at any time and without ascribing any reason remove the Honorary President or any Honorary Vice-President before expiration of his period of office.
- (F) An Honorary President or an Honorary Vice-President may at any time resign such office by notice in writing to the Board or the Council.

45. ATTENDANCE AT MEETINGS

The Honorary President and any Honorary Vice-President whether or not (in either case) he is a member of the Council or of the Board, shall be entitled to attend and to speak at any General Meeting of the Council but shall not by virtue of holding the office of Honorary President or Honorary Vice-President (as the case may be) be entitled to vote at any such General Meeting.

46. OFFICE NOT THAT OF DIRECTOR

The offices of the Honorary President and of an Honorary Vice-President shall not of themselves confer or impose upon the respective holders of such offices any powers, discretions or duties in relation to the affairs of the Council, and no holder of either such office shall, by virtue of holding the same, for any of the purposes of these Articles or of the Act be or be deemed to be a director.

POWERS OF THE BOARD OF DIRECTORS

47. Subject to the provisions of the Act and these Articles and to any direction given by special resolution of the Council the business of the Council shall be managed by the Board of Directors, which, in addition to exercising the powers and authorities expressly conferred upon the Board by these Articles, may exercise all such powers and discretions of the Council, and do all such acts and things, as may be exercised and done by the Council, and as are not by these Articles or by statute directed or required to be exercised by the Council in General Meeting.

48. FORMATION AND SUPERVISION OF BOARD COMMITTEES

- (A) The Board in its absolute discretion may form and dissolve any committee consisting of such persons as it shall appoint (which committee may consist



of one person) and may delegate its powers to any such committee or to the Chief Executive on such terms as it shall think fit. The powers, duties, functions and terms of reference of any such committee may be the subject of Regulations.

- (B) Where by virtue of these Articles or the Regulations, any power or function is to be exercised or performed by any Committee, such powers or functions, other than those relating to the election to an office which entitles the holder to act as director, shall be deemed exercisable through delegation by the Board and the provisions of this Article 48 shall apply.
- (C) Any power or function delegated by the Board may be made subject to such general or special conditions the directors may impose and may be exercised or performed collaterally with or to the exclusion of the powers of the directors themselves but shall in any event be subject to alteration or revocation by the Board (by way of amendment to the Regulations if applicable).

#### 49. CASUAL VACANCY

Provided that there shall be not less than five directors in office, the members for the time being of the Board may act notwithstanding any vacancy or vacancies for the time being existing in the Board.

### COMMITTEES

#### 50. STANDING COMMITTEES

- (A) The period of office of a chairman of a Standing Committee appointed under these Articles (which period shall commence on the date specified in accordance with these Articles) shall in the first instance be three years but such period of office may, subject to paragraph (B) of this Article 50 any such chairman may be re-appointed for any period not exceeding three years subject to any further re-appointment(s) under this paragraph and subject always to continuing eligibility to hold such office under these Articles.
- (B) If a chairman of a Standing Committee of the Board is appointed (or re-appointed) for a period at the end of which he shall have been chairman of such committee for a period or periods in excess of six years (whether continuous or in the aggregate) the said appointment shall be subject to ratification by the Council at the next General Meeting following the date of that appointment. If the Council does not ratify the said appointment at such Meeting thereupon the chairman shall cease to hold office.

### DISQUALIFICATION FROM AND CESSATION OF MEMBERSHIP OF THE BOARD AND/OR THE COMMITTEES

#### 51. DISQUALIFICATION

A person who is a member of the Board or of any Committee shall ipso facto cease to hold such office:-

- (a) if for any reason he ceases to be a member of the Council;
- (b) if he shall deliver at the office a notice in writing, signed by him and addressed to the Council, the Secretary, the Board or the relevant Committee, resigning such office;

- (c) if by virtue of any provision of the Act or any other law he becomes disqualified from holding the office of director of the Council or becomes prohibited from being a director of any company;
- (d) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (e) if he is, or may be, suffering from mental disorder and either:-
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (f) if, holding such office by virtue of any other office, (such as Chairman or Chief Executive) he shall cease to hold the latter office;
- (g) if being a member by virtue of co-option under these Articles:-
  - (i) his period or co-option shall expire without renewal; or
  - (ii) if co-opted as a member of any other Committee, he shall cease to be a member of such other Committee.

#### PROCEEDINGS OF THE BOARD OF DIRECTORS

##### 52. CONVENING MEETINGS

Any member of the Board may at any time, and on the request of any such member at any time the Secretary forthwith shall, summon a meeting of the Board.

##### 53. NOTICE OF MEETINGS

Not less than two clear days' notice in writing of every meeting of the Board shall be given to all members and alternate members of the Board, other than to members and alternate members who are for the time being absent from the United Kingdom.

##### 54. QUORUM

The quorum necessary for the transaction of the business of the Board shall be three or such other number as the Board may from time to time determine. Any meeting of the Board at which such a quorum is present shall be competent to exercise all the authorities, powers and discretions for the time being vested in the Board.

55. VOTING

Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

56. CHAIRMAN

At every meeting of the Board the Chairman shall be the chairman thereof, but if at any such meeting there be no such Chairman, or if the Chairman is not present, the members of the Board present at such meeting shall elect one of their number to be a chairman of such meeting.

57. REGULATE OWN PROCEEDINGS

Subject to the provisions of these Articles, the Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it from time to time thinks fit.

58. DEFECTS IN APPOINTMENT

All acts bona fide done by any meeting of the Board, or by any person acting as a member (or alternate member) of the Board, shall, notwithstanding that it afterwards be discovered that there was some defect in the appointment or continuance in office of any such person acting as aforesaid, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member (or as the case may be alternate member) of the Board.

59. MINUTES

The Board shall cause proper minutes to be made of the proceedings of, and of the business transacted at, all General Meetings of the Council and all meetings of the Board or of any sub-committee thereof, and any minutes of any such General Meeting or meeting, if purported to be signed by the chairman thereof, or by the chairman of the next succeeding such General Meeting or (as the case may be) meeting, shall be sufficient evidence without any further proof of the facts therein stated.

60. WRITTEN RESOLUTIONS

A resolution in writing signed by all the directors (or their respective alternates) of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and constituted. Such resolution may consist of more than one document in like form each signed by one or more directors or their alternates and shall be deemed passed upon notification of all such signatories to the Chairman or the Secretary or the Chief Executive.

THE SCOTTISH COMMITTEE

61. MEMBERSHIP AT EFFECTIVE DAY

- (A) As from and after the Effective Day the Scottish Committee shall continue as a Standing Committee.

- (B) Every member of the Scottish Committee as at the Effective Day, who became such a member pursuant to any provision or provisions of the Articles of Association of the Council in force at any time prior to the Effective Day, shall for the purposes of these Articles be deemed to have become such a member pursuant to the corresponding provision or provisions of these Articles and shall continue as such a member from and after the Effective Day, subject to these Articles.

62. COMPOSITION

The Scottish Committee shall consist of:-

- (a) every person who is for the time being a member of the Council by virtue of any nomination in Category (B) of Article 9 ("Nominating Bodies");
- (b) every person who is for the time being a member of the Council pursuant to a resolution of a special majority of the Scottish Committee under paragraph (A) of Article 13 ("Scottish Committee and Northern Ireland Committee");
- (c) the person (if any) who is for the time being both a member of the Council pursuant to paragraph (B) of Article 13 and the Chairman of the Scottish Committee by virtue of paragraph (C) of Article 63 ("Appointment and Term").
- (d) the Chief Executive.

THE CHAIRMAN OF THE SCOTTISH COMMITTEE

63. APPOINTMENT AND TERM

- (A) The Scottish Committee may from time to time resolve subject to the provisions of this Article 63, to appoint any person to be its Chairman.
- (B) The appointment of the Chairman of the Scottish Committee pursuant to paragraph (A) of this Article 63 shall not take effect unless and until the said appointment has been approved by the Board.
- (C) Where a person, whose appointment as the Chairman of the Scottish Committee is so resolved upon, is already a member of the Scottish Committee, such appointment shall take effect subject to the approval of the Board under paragraph (B) of this Article 63 at the date of such resolution or such later date (if any) as may be specified by such resolution.
- (D) Where a person, whose appointment as the Chairman of the Scottish Committee is so resolved upon, is not already a member of the Scottish Committee, such appointment shall take effect only if and when (and not otherwise) the name of that person is entered in the Members' Register pursuant to Articles 7 ("Admission to Membership") and 13 ("Scottish Committee and Northern Ireland Committee").
- (E) The Chairman of the Scottish Committee as at the Effective Day shall for all the purposes of these Articles be deemed to have been appointed as such Chairman under the preceding paragraphs of this Article at the date when he

in fact became such Chairman; and he shall continue in office as such Chairman from and after the Effective Day, subject to the provisions of this Article and of Article 64 ("Vacating Office").

64. VACATING OFFICE

Without prejudice to Article 51, the office of the Chairman of the Scottish Committee shall ipso facto be vacated by the person for the time being holding the office if that person shall for any reason cease to be a member of the Scottish Committee.

65. CHAIRMAN VACATES OFFICE

The office of a member of the Scottish Committee shall ipso facto be vacated, if, holding the office of Chairman of the Scottish Committee pursuant to an appointment effected in accordance with paragraph (A) of Article 63 ("Appointment and Term"), his period of office (or extended period of office) as such Chairman expires (without extension or further extension thereof) of is terminated for any reason.

POWERS OF THE SCOTTISH COMMITTEE

66. THE SCOTTISH REGISTER

The Scottish Committee, in addition to exercising the other powers and authorities expressly conferred upon the Scottish Committee by these Articles or by delegation from the Board, shall, as the Regulations may from time to time specify, be responsible on behalf of the Board for the maintenance of the Scottish Register, and for the exercise of all powers which are vested in the Council in relation to the Scottish Register by paragraphs (2), (3) and (4) of Clause 3(B) of the Memorandum of Association of the Council, or which, being in any way incidental to the maintenance of the Scottish Register or to any of the powers aforesaid, may be exercised by the Board provided always that nothing in this Article contained shall enable the Scottish Committee to exercise any of the powers and authorities which are by these Articles expressly authorised, directed or required to be exercised or done by the Board or any other Committee of the Board save as the Board from time to time specify by Regulations.

67. CASUAL VACANCIES

Subject to the provisions of these Articles relating to the quorum for meetings of Committees, the members for the time being of the Scottish Committee may act notwithstanding any vacancy or vacancies for the time being existing in the Scottish Committee.

THE NORTHERN IRELAND COMMITTEE

68. MEMBERSHIP AT EFFECTIVE DAY

- (A) As from the Effective Day the Northern Ireland Committee shall continue as a Standing Committee.
- (B) Every member of the Northern Ireland Committee as at the Effective Day, who became such a member pursuant to any provision or provisions of the Articles of Association of the Council in force at any time prior to the Effective

Day, shall for all the purposes of these Articles be deemed to have become such a member pursuant to the corresponding provision or provisions of these Articles, and shall continue as such a member from and after the Effective Day, subject to these Articles.

69. COMPOSITION

The Northern Ireland Committee shall consist of:-

- (a) every person who is for the time being a member of the Council by virtue of any nomination in Category (C) of Article 9 ("Nominating Bodies");
- (b) every person who is for the time being a member of the Council pursuant to a resolution of a special majority of the Northern Ireland Committee under paragraph (A) of Article 13 ("Scottish Committee and Northern Ireland Committee");
- (c) the person (if any) who is for the time being both a member of the Council pursuant to paragraph (C) of the said Article 13 and the Chairman of the Northern Ireland Committee by virtue of Article 70 ("Appointment and Term");
- (d) the Chief Executive.

THE CHAIRMAN OF THE NORTHERN IRELAND COMMITTEE

70. APPOINTMENT AND TERM

- (A) The Northern Ireland Committee may from time to time resolve, subject to the provisions of this Article, to appoint any person to be its Chairman.
- (B) The appointment of the Chairman of the Northern Ireland Committee pursuant to paragraph (A) of this Article 70 shall not take effect unless and until the said appointment has been approved by the Board.
- (C) Where a person, whose appointment as the Chairman of the Northern Ireland Committee is so resolved upon, is already a member of the Northern Ireland Committee, such appointment shall take effect subject to the approval of the Board under paragraph (B) of this Article 70 at the date of such resolution or such later date (if any) as may be specified by such resolution.
- (D) Where a person, whose appointment as the Chairman of the Northern Ireland Committee is so resolved upon, is not already a member of the Northern Ireland Committee, such appointment shall take effect only if and when (and not otherwise) the name of that person is entered in the Members' Register pursuant to Articles 7 ("Admission to Membership") and 13 ("Scottish Committee and Northern Ireland Committee").
- (E) The Chairman of the Northern Ireland Committee as at the Effective Day shall for all the purposes of these Articles be deemed to have been appointed as such Chairman under the preceding paragraphs of this Article at the date when he in fact became such Chairman; and he shall continue in office as such Chairman from and after the Effective Day, subject to the provisions of this Article and of Article 71 ("Vacating Office").

71. VACATING OFFICE

Without prejudice to Article 51 ("Disqualification etc."), the office of the Chairman of the Northern Ireland Committee shall ipso facto be vacated by the person for the time being holding such office if that person shall for any reason cease to be a member of the Northern Ireland Committee.

72. CHAIRMAN VACATES OFFICE

The office of a member of the Northern Ireland Committee shall ipso facto be vacated, if, holding the office of Chairman of the Northern Ireland Committee pursuant to an appointment effected in accordance with paragraph (A) of Article 70 ("Appointment and Term") his period of office (or extended period of office), as such Chairman expires (without extension or further extension thereof), or is terminated for any reason.

POWERS OF THE NORTHERN IRELAND COMMITTEE

73. THE NORTHERN IRELAND REGISTER

The Northern Ireland Committee, in addition to exercising the other powers and authorities expressly conferred upon the Northern Ireland Committee by these Articles or by delegation from the Board, shall, as the Regulations may from time to time specify, be responsible on behalf of the Board for the maintenance of the Northern Ireland Register, and for the exercise of all powers which are vested in the Council in relation to the Northern Ireland Register by paragraphs (2), (3) and (4) of Clause 3(B) of the Memorandum of Association of the Council or which, being in any way incidental to the maintenance of the Northern Ireland Register, or to any of the powers aforesaid, may be exercised by the Board Provided always that nothing in this Article contained shall enable the Northern Ireland Committee to exercise any of the powers and authorities which are by these Articles expressly authorised, directed or required to be exercised or done by the Board or any other Committee of the Board save as the Board may from time to time specify by Regulations.

74. CASUAL VACANCIES

Subject to the provisions of these Articles relating to the quorum for meetings of Committees, the members for the time being of the Northern Ireland Committee may act notwithstanding any vacancy or vacancies for the time being existing in the Northern Ireland Committee.

THE FINANCE COMMITTEE

75. MEMBERSHIP AT EFFECTIVE DAY

- (A) As from 1st January 2005 the Finance and Audit Committee shall be renamed The Finance Committee and shall continue as a Standing Committee of the Board.
- (B) Members of the Finance Committee will be appointed in accordance with the Regulations and subject to these Articles.

76. THE COMMITTEE

The composition, powers, membership and appointment of members of the Finance Committee shall be specified by the Board by Regulation.

77. THE CHAIRMAN OF THE FINANCE COMMITTEE

- (A) The Chairman of the Finance Committee shall be appointed by the Board from amongst the members of the Board.
- (B) The Chairman of the Finance Committee shall for all the purposes of these Articles be deemed to have been appointed as Chairman of the Finance Committee under the preceding paragraph of this Article at the date when he in fact became Chairman of the Finance and Audit Committee; and he shall continue in office as such Chairman subject to the provisions of these Articles.
- (C) Without prejudice to Article 51 ("Disqualification"), the office of the Chairman of the Finance Committee shall be vacated by the person for the time being holding that office if that person shall for any reason cease to be a member of the Finance Committee.

THE AUDIT COMMITTEE

78. MEMBERSHIP AT EFFECTIVE DAY

- (A) As from 1 January 2005 the Audit Committee shall be constituted as a Standing Committee of the Board
- (B) Members of the Audit Committee will be appointed in accordance with the Regulations and subject to these Articles.

79. THE COMMITTEE

The composition, powers, membership and appointment of members of the Audit Committee shall be specified by the Board by Regulation.

80. THE CHAIRMAN OF THE AUDIT COMMITTEE

- (A) The Chairman of the Audit Committee shall be appointed by the Board from amongst the members of the Board.
- (B) Without prejudice to Article 51 (Disqualification) the office of the Chairman of the Audit Committee shall be vacated by the person for the time being holding that office if that person shall for any reason cease to be a member of the Audit Committee.

THE STANDARDS COMMITTEE

81. MEMBERSHIP AT EFFECTIVE DAY

- (A) As from the Effective Day the Standards Committee shall continue as a Standing Committee.



- (B) Every member of the Standards Committee as at the Effective Day, who became such a member pursuant to any provision of the Articles of Association of the Council in force at any time prior to the Effective Day, shall for all the purposes of these Articles be deemed to have become such a member pursuant to the corresponding provision or provisions of these Articles and shall continue as such a member from and after the Effective Day, subject to these Articles.

82. COMPOSITION

The Standards Committee shall consist of:-

- (a) the Chairman of the Council;
- (b) the Chief Executive;
- (c) one person nominated by each of the Scottish and Northern Ireland Committees;
- (d) one person nominated by the Consumer Committee;
- (e) not more than nine other persons appointed in accordance with the Regulations, (subject to there being a greater number at the Effective Day which number shall be reduced to not more than nine in accordance with the Regulations).

83. APPOINTMENT AND TERM OF MEMBERS

- (A) The Board shall from time to time after consultation with the Standards Committee choose in accordance with the Regulations the members of the Standards Committee referred to in paragraph (e) of Article 82 ("Composition"), and may at any time terminate the tenure of office of any such member.
- (B) Subject to Article 51 ("Disqualification from and cessation of Membership of the Board and/or the Committees") the office of a member of the Standards Committee shall be vacated:
- (a) if, holding office by appointment of the Board, such member shall cease to be a member of the Board;
  - (b) if nominated by the Scottish, Northern Ireland or Consumer Committees, such nomination shall at any time be withdrawn by the relevant Committee.
- (C) The term of office of members of the Standards Committee (including those who are members at the Effective Day) shall be as the Board may by Regulation specify.

84. THE CHAIRMAN OF THE STANDARDS COMMITTEE

- (A) The Chairman of the Standards Committee shall be appointed by the Board from amongst the members of the Board who are builders.
- (B) The Chairman of the Standards Committee as at the Effective Day shall for all the purposes of these Articles be deemed to have been appointed as such

Chairman under the preceding paragraph of this Article at the date when he in fact became such Chairman; and he shall continue in office as such Chairman from and after the Effective Day, subject to the provisions of this Article.

- (C) Without prejudice to Article 51 ("Disqualification"), the office of the Chairman of the Standards Committee shall be vacated by the person for the time being holding that office if that person shall for any reason cease to be a member of the Standards Committee.

#### POWERS OF THE STANDARDS COMMITTEE

##### 85. REGULATIONS TO SPECIFY

The Standards Committee shall have such responsibilities and powers as the Board may by Regulation specify.

##### 86. CASUAL VACANCIES

Subject to the provisions of these Articles relating to the quorum for meetings of Committees, the members for the time being of the Standards Committee may act notwithstanding any vacancy or vacancies for the time being existing in the Standards Committee.

#### THE CONSUMER COMMITTEE

##### 87. MEMBERSHIP AT EFFECTIVE DAY

- (A) As from 1st December 1998 the existing Consumer Committee formed by the Board under Article 48 shall become a Standing Committee of the Board.
- (B) Every member of the Consumer Committee at 1st December 1998 shall continue as such a member from and after 1st December 1998 in accordance with the Regulations and subject to these Articles.

##### 88. THE COMMITTEE

The composition, powers, membership and appointment of members of the Consumer Committee shall be specified by the Board by Regulation.

##### 89. CHAIRMAN OF THE CONSUMER COMMITTEE

- (A) The Chairman of the Consumer Committee shall be appointed by the Board from amongst the members of the Board who are not Builders.
- (B) The Chairman of the Consumer Committee as at 1st December 1998 shall for all the purposes of these Articles be deemed to have been appointed as such Chairman under the preceding paragraph of this Article at the date when he in fact became such Chairman: and he shall continue in office as such Chairman from and after 1 December 1998, subject to the provisions of this Article.
- (C) Without prejudice to Article 51 ("Disqualification") the office of the Chairman of the Consumer Committee shall be vacated by the person for the time being holding that office if that person shall for any reason cease to be a member of the Board.

## PROCEEDINGS OF COMMITTEES

### 90. APPOINTMENT OF FURTHER SUB-COMMITTEES

Any Committee or other sub-committee established by the Board may itself from time to time constitute further sub-committees of each such sub-committee, consisting in each case of such member or members of the Council (none of whom need necessarily be a member of the appointing or any other sub-committee), as the appointing sub-committee may think fit; to dissolve any sub-committee so constituted; to delegate to any such sub-committee all or any of the powers and discretions for the time being vested in that sub-committee pursuant to these Articles, to reconstitute any such sub-committee; and to revoke any such delegation as aforesaid.

### 91. CO-OPTION

Any Committee or sub-committee shall subject to the Regulations have power from time to time to co-opt any person for such period as the relevant committee shall think fit to assist in their deliberations.

### 92. APPLICATION OF ARTICLES 52 TO 60 INCLUSIVE

The provisions of Articles 52 to 60 inclusive ("Proceedings of the Board of Directors") shall apply mutatis mutandis to all proceedings of any Committee and any other sub-committee referred to in these Articles.

## THE REGULATIONS

### 93. POWER TO MAKE REGULATIONS

The Board may subject to any direction of the Council in General Meeting make Regulations binding on all members and Committees and other sub-committees referred to in these Articles for the following purposes:-

- (a) prescribing the forms for application for membership and for nomination, election or removal of a member of the Council;
- (b) delegating any functions of the Council to and fixing the power and responsibilities of any Committee;
- (c) giving effect to any provision of these Articles including without limitation provisions expressly requiring matters to be conducted in accordance with the Regulations;
- (d) promulgation of the Regulations themselves.

### 94. REGULATIONS IN CONFLICT WITH ARTICLES

If there shall be any conflict between these Articles and the Regulations, the provisions of the Articles shall prevail and any ambiguity or dispute shall be resolved by the Board.

## THE SEAL

### 95. USE OF SEAL

Unless otherwise resolved by the Board, two members of the Board and the Secretary shall sign every instrument to which the Seal is affixed or which is executed as a deed.

## EXECUTIVE OFFICERS OF THE COUNCIL

### 96. THE CHIEF EXECUTIVE

- (A) The senior executive officer of the Council shall be known as the Chief Executive.
- (B) Save as otherwise expressly provided by or pursuant to these Articles, the Board, and any committee or sub-committee thereof, may entrust to the Chief Executive any of the powers and discretions for the time being vested in or delegated to such Board or committee or sub-committee (as the case may be) upon such terms and conditions and subject to such restrictions as the Board Committee or sub-committee (as the case may be) may think fit.
- (C) The Chief Executive shall be such person as shall from time to time be appointed in that behalf by, and his appointment shall be decided by, the Board which may at any time revoke any such appointment, but without prejudice to any rights of compensation which the appointee may have in respect of such revocation under any agreement between himself and the Council.
- (D) The person holding office of Chief Executive as at the Effective Day shall be deemed to have been appointed as Chief Executive pursuant to paragraph (C) of this Article upon the terms regulating his appointment as such Chief Executive at the Effective Day.

### 97. THE SECRETARY

The provisions of Sections 283 and 290 of the Act, relating to the Secretary, shall be observed.

## OBSERVERS AT GENERAL MEETINGS

### 98. REGULATIONS

The Board shall by the Regulations provide as they shall think appropriate for attendance at such Meetings by observers on behalf of one or more of the Ministers or other persons whose attendance may be considered advantageous to the Council.

## ACCOUNTS

### 99. STATUTORY PROVISIONS

The Board shall ensure that books of account are kept in accordance with the Act. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Council except as conferred by

statute or authorised by the directors by the Regulations or by ordinary resolution of the Council.

### NOTICES

100. IN WRITING

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 directors need not be in writing.

101. NOTICES

The Council may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. A member whose registered address is not within the United Kingdom and who gives to the Council an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Council.

102. MEMBERS PRESENT

A member present at any meeting of the Council shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.

103. SERVICE BY POST

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.

104. NOTICE OF GENERAL MEETING

Notice of every General Meeting shall be given to:-

- (a) every member of the Council except those members who (having no registered address within the United Kingdom) have not supplied to the Council an address within the United Kingdom for the giving of notices to them; and
- (b) the Auditors for the time being of the Council.

Subject to the Regulations, no other person shall be entitled to receive notices of General Meetings.

### GENERAL

105. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer of the Council shall be indemnified out of the assets of the Council against losses or liabilities which he may sustain or incur in or about or in connection with the execution of the duties in his office, including any liability incurred by him in defending any proceedings (whether civil or criminal), in which

judgement is given in his favour or in which he is acquitted, or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court. No director or other officer of the Council shall be liable for any loss, damage or liability which may accrue to or be incurred by the Council in the execution of or in relation to the duties of his office. This Article shall only have effect insofar as its provisions are not rendered void by Section 310 of the Act.

106. WINDING UP AND DISSOLUTION

Clause 8 of the Memorandum of Association of the Council, relating to the winding up and dissolution of the Council, shall have effect as if the same were repeated in these Articles.

Adopted 23 September 2004

**THE COMPANIES ACTS 1985 TO 1989**

**COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL**

MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
NATIONAL HOUSE BUILDING COUNCIL

Company number 320784

Incorporated on 17 November 1936  
As amended by Special Resolutions passed  
up to 23 September 2004