

There were minor amendments to the Articles approved by resolution at the January 2013 AGM reducing the membership of the Board from 15 to 12.

There were further amendments passed by resolution at the AGM on 19 January 2015 regarding allowing commercial activity.

Amendments requested at the April 2016 AGM to change the method of appointing Tenant Board Members and to set a maximum time limit on service as a Board member, together with transitional arrangements covering the period from the AGM in 2016 to the AGM in 2018.

Amendments made at the SMBC Cabinet Meeting on 15 February 2018 to permit remuneration of Board Members with the consent of the Council and amend the provisions in relation to the appointment and retirement of the Board Members and the Chair.

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**ARTICLES OF ASSOCIATION OF  
SOLIHULL COMMUNITY HOUSING LIMITED  
REGISTRATION NUMBER: 04462630**

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28/04/2018

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COMPANIES HOUSE

Company No:- 4462630

**THE COMPANIES ACT 2006**

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

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**ARTICLES OF ASSOCIATION  
of**

**SOLIHULL COMMUNITY HOUSING LIMITED**

**Objects, Powers and General Provisions**

**Name**

- 1 The name of the Company is Solihull Community Housing Limited (the "**Company**").

**Registered office**

- 2 The Company's Registered Office is to be situated in England.

**Definitions and Interpretations** In these Articles unless the context otherwise requires:-

"the 1989 Act"	means the Local Government and Housing Act 1989 as amended or re-enacted from time to time
"the 2006 Act"	means the Companies Act 2006 as amended and restated from time to time
"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 Members"	means the directors of the Company and (save where expressly excluded) includes co-optees to the Board
"Chair"	means a Board Member appointed by the Council as Chair of the Board pursuant to Article 57.1
"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 on which it is to take effect

<b>"Council"</b>	means Solihull Metropolitan Borough Council or any successor body
<b>"Council Board Member"</b>	means a Board Member appointed by the Council appointed pursuant to Article 30
<b>"Council Member"</b>	means Solihull Metropolitan Borough Council or any successor body thereto who shall be the sole member of the Company
<b>"executed"</b>	includes any method of execution
<b>"general meeting"</b>	means the annual general meeting or an extraordinary general meeting (including, for the avoidance of doubt, any special general meeting)
<b>"Independent Board Member"</b>	means a Board Member who is not a Local Authority Person a Tenant or a Leaseholder appointed pursuant to Article 35
<b>"Leaseholder"</b>	means an individual who is the owner of a residential lease granted by the Council in relation to a property managed by the Company for an initial term in excess of 21 years
<b>"Local Authority Person"</b>	means any person who is a member of the Council or who is an officer of the Council (which for these purposes shall not include employees with non-managerial posts apart from housing employees)
<b>"Office"</b>	means the Company's registered office
<b>"Order"</b>	means the Local Authorities (Companies) Order 1995 as amended or re-enacted from time to time
<b>"the Seal"</b>	means the common seal of the Company
<b>"Secretary"</b>	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
<b>"Solihull"</b>	means the Council's administrative area as the same may change from time to time
<b>"Tenant"</b>	means an individual who holds a tenancy from the Council and occupies a property managed by the Company
<b>"Tenant Board Member"</b>	means a Board Member who is a Tenant or

Leaseholder appointed pursuant to Article 32

**"Tenant Scrutiny Committee"**

means the body recognised by the Board from time to time as the representative body for all the Tenants

**"the United Kingdom"**

means the United Kingdom of Great Britain and Northern Ireland

2.1 Unless the context otherwise provides words or expressions contained in these Articles bear the same meaning as in the 2006 Act but excluding any statutory modifications therefore not in force when these Articles become binding on the company.

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

**Objects**

3 The Company's objects shall be to:-

3.1 provide, manage, maintain, improve, demolish or convert the housing stock owned or managed by the Council from time to time together with any other amenities or facilities for the benefit of residents of such housing stock either exclusively or together with persons who are not residents of such housing stock;

3.2 provide amenities and services of any description for residents of the housing stock owned or managed by the Council from time to time either exclusively or together with persons who are not residents of such housing stock;

3.3 provide advice and assistance to all Council tenants, leaseholders and licensees and applicants for housing and/or housing advice in Solihull;

3.4 build, provide or acquire residential housing stock (for commercial and market sale and or market rent) or commercial premises which is owned by the Company

3.5 carry out any activity which contributes to the regeneration or development of Solihull (within the meaning of Section 126 of the Housing Grants Construction and Regeneration Act 1996) including but not limited to:

3.5.1 securing that land and buildings are brought into effective use;

3.5.2 contributing to or encouraging economic development;

3.5.3 creating and maintaining an attractive and safe environment;

3.5.4 preventing crime and/or reducing the fear of crime;

- 3.5.5 providing or improving housing or social and recreational facilities for the purpose of encouraging people to live or work in Solihull or for the purpose of benefiting people who live there;
- 3.5.6 providing employment for local people;
- 3.5.7 providing or improving training, educational facilities or health services for local people;
- 3.5.8 assisting local people to make use of opportunities for education, training or employment;
- 3.5.9 meeting the special needs of local people which arise because of disability or because of their sex or the racial group to which they belong;
- 3.6 provide community cohesion in Solihull;
- 3.7 provide, construct, improve or manage:
  - 3.7.1 housing to be kept available for letting or hostels;
  - 3.7.2 housing to be sold on equity share arrangements;
  - 3.7.3 key worker accommodation;
  - 3.7.4 hostels or other temporary accommodation;
  - 3.7.5 housing to be sold PROVIDED THAT such housing is
    - (a) incidental to a wider scheme for the provision of housing at affordable rents and
    - (b) the profits of such sales are used to further the provision of affordable housing,
- 3.8 provide, manage, maintain or improve accommodation required from time to time for the benefit of persons who require temporary accommodation;
- 3.9 provide services of any description for the Council including, without limitation:
  - 3.9.1 assessing applicants for housing assistance and applicants claiming to be homeless;
  - 3.9.2 assessing applications to exercise the right to buy under Part V of the Housing Act 1985;
  - 3.9.3 enabling or assisting any residents of the Council's housing stock to acquire or to enter into occupation of houses.
- 3.10 provide such other services of any description as may be agreed by the Council from time to time.

- 3.11 provide services for other bodies such as but not limited to charities, third sector organisations, private landlords, registered Social Landlords, public bodies and companies or persons where Solihull Community Housing believe there is potential for commercial return provided that any such commercial activity permitted by this Article 3.11 or 3.12 does not exceed 20% of the Companies turnover.
- 3.12 carry out commercial activities within and outside the Borough of Solihull which generate income for Solihull Community Housing and Solihull Metropolitan Borough Council provided that any such commercial activity permitted by this Article 3.11 or 3.12 does not exceed 20% of the Companies turnover.

## **Powers**

- 4 Subject to the restrictions in Article 5 the Company shall have power to do anything lawful which is necessary or desirable to achieve any of its objects including (without limitation) the power to:-
- 4.1 carry out works to land, buildings or other property;
- 4.2 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);
- 4.3 acquire commercial premises or businesses as an incidental part of a project or series of projects undertaken for the aforementioned purposes or objects;
- 4.4 repair, improve or convert any commercial premises acquired and to carry on any business so acquired;
- 4.5 repair or improve houses, or buildings in which houses are situated after the tenants have exercised, or claimed to exercise, acquisition rights under Part V of the Housing Act 1985;
- 4.6 exercise any other power falling within Section 2 of the Housing Act 1996 (as amended or re-enacted from time to time);
- 4.7 subject to Article 7 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;
- 4.8 recruit and assist in the recruitment of voluntary workers for the promotion of the objects of the Company;
- 4.9 make all reasonable and necessary provisions for the payment of pensions and superannuation to or on behalf of employees and their widows, widowers and other dependants;
- 4.10 insure its property and assets and arrange insurance cover for and to indemnify its board members, officers, employees 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;

- 4.11 make regulations for the management of any property from time to time held by the Company which shall not be inconsistent with the Company's Articles;
- 4.12 invest any of the Company's funds in any investment from time to time authorised by law and to secure the repayment of any money lent;
- 4.13 promote and support in any way the establishment of a subsidiary and to acquire shares in any subsidiary;
- 4.14 subject to the prior written consent of the Council, borrow money in such manner as the Company shall think fit;
- 4.15 secure or guarantee the Company's performance of any obligation or liability it may undertake or which may become binding on it;
- 4.16 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;
- 4.17 co-operate with and enter into any contracts or arrangements with any persons or bodies;
- 4.18 subscribe to become a member of or co-operate with any other organisation;
- 4.19 accept grants, donations, bequests and gifts for any or all of the objects of the Company and deal with them in accordance with Article 5;
- 4.20 take all necessary steps for procuring contributions to the Company's funds;
- 4.21 sell, transfer, lease, license, mortgage, charge by way of fixed or floating charge, grant other security over, dispose of or turn to account all or any of the Company's assets;
- 4.22 operate bank accounts;
- 4.23 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 such property as allowed by such trusts;
- 4.24 make donations, grants and loans to third parties on such terms as the Company *thinks fit*;
- 4.25 promote research which is relevant to the Company's objects and publish the results;
- 4.26 pay the costs, charges and expenses of the Company's formation and registration.

### **Restrictions on Powers**

- 5 The Company shall not, without the prior written consent of the Council, have the power to:
- 5.1 *receive a sum which, if it were a local authority, would be a capital receipt;*
  - 5.2 receive consideration to which, if it were a local authority, Section 61 of the 1989 Act would apply;
  - 5.3 receive a sum by way of grant from a European Union institution to which, if it were a local authority, Section 63(4) of the 1989 Act would apply;
  - 5.4 enter into a credit transaction (as defined by Article 12(2) of the Order);
  - 5.5 with respect to a credit transaction agree to a variation of terms which, if it were a local authority, would be a variation within the meaning of Section 51(1) of the 1989 Act;
  - 5.6 incur additional liabilities within the meaning of Article 16 of the Order;
  - 5.7 reduce its liabilities within the meaning of Article 16 of the Order; or
  - 5.8 cause the same or similar effect under the provisions of the Local Government Act 2003 and regulations thereunder to the extent that the said Act replaces the provisions rehearsed in sub-articles 5 (1)-(7) and in particular the Company shall not do any act or thing which does or might reasonably cause the Council to be in breach of the Prudential Code for Capital Finance in Local Authorities.

#### **Application of Income and Property**

- 6 The Company's income and property shall be applied solely towards the promotion of its objects and except as set out below no part of the income or property whatsoever shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to the Council Member and no Board Member (other than a co-opted Board Member) shall be appointed to any other office of the Company PROVIDED THAT nothing shall prevent any payment in good faith by the Company:-
- 6.1 of reasonable and proper remuneration (including pensions, termination grants and gratuities) to any officer or employee of the Company in return for any services rendered to the Company;
  - 6.2 of reasonable and proper remuneration to the Council or any of its employees (not being Board Members) in return for any services rendered to the Company;
  - 6.3 of reasonable and proper interest on money lent by the Council;
  - 6.4 of reasonable and proper rent for premises leased or licensed by the Council to the Company;



- 6.5 of fees, proper remuneration or other benefit in money or money's worth to a company of which a Board Member may be a member holding not more than 2% of the capital of the company;
- 6.6 of reasonable and proper out of pocket expenses of any Board Member;
- 6.7 of reasonable and proper remuneration of the Chair where deemed necessary following appropriate independent advice and the approval of the Council;

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

### **Equal Opportunities**

- 7 The Company shall at all times take into consideration the principles of the Equalities Act 2010 (as amended) including but not limited to equality of opportunity irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability SCH will meet the requirements of the public sector duty within the Equality Act 2010.

### **Limited Liability**

- 8 The liability of the Council Member is limited.

### **Members' Guarantee**

- 9 The Council Member undertakes to contribute to the assets of the Company, in the event of the Company being wound up while it is a member, or within one year thereafter. The amount as may be required shall be for payment of the debts and liabilities of the Company contracted before it ceased to be a member; the costs, charges and expenses of winding up the Company and the adjustment of the rights of the contributories among themselves. The Council Member's contribution shall not exceed one pound.

### **Winding Up**

- 10 *If, on winding up or dissolution of the Company and after the satisfaction of all debts and liabilities there remains any property or assets whatsoever, they shall be paid or transferred to the Council.*

### **Admission of Members**

- 11 No person other than the Council shall be admitted to membership of the Company.

### **Council Member's Nomination**

- 12 The Council Member shall nominate a person to act as its representative in the manner provided in Section 323 of the 2006 Act. Such representative shall have the

right on behalf of the Council Member to attend general meetings of the Company and vote thereat, and generally exercise all rights of membership on behalf of the Council Member. The Council may from time to time revoke the nomination of its 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.

### **General Meetings**

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

### **Annual General Meeting**

- 14 The Company shall hold an annual general meeting each year in addition to any other meetings held that year and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and the next PROVIDED THAT as long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold an annual general meeting in the year of incorporation or in the following year.

The functions of the annual general meeting shall be:-

- 14.1 to receive the annual report which shall contain:-
- 14.1.1 the revenue accounts and balance sheets for the last accounting period
  - 14.1.2 the auditor's report on those accounts and balance sheets
  - 14.1.3 the Board's report on the affairs of the Company
- 14.2 to appoint the auditors
- 14.3 to appoint Independent and Tenant Board Members
- 14.4 to transact any other general business of the Company included in the notice convening the meeting.

### **Convening General Meetings**

- 15 The Board may call general meetings and, on the requisition of the Council as sole Member pursuant to the 2006 Act, shall forthwith proceed to convene a 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 Members to call a general meeting, any Board Member or the Council Member may call a general meeting.
- 16 An annual general meeting or general meeting called for the passing of a special resolution or a resolution appointing a person as a Board Member shall be called by giving at least twenty one clear days' notice. All other general meetings shall be called by giving at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by the Council Member.

In the case of an annual general meeting, all the Members entitled to attend and vote at the meeting agree; or

In the case of any other general meeting Members with not less than 95% of the total voting rights of those entitled to attend and vote at the meeting agree

- 17 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted, and in the case of an annual general meeting shall specify the meeting as such. Notice shall be given to the Council Member, Board Members and the Auditors.
- 18 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.

### **Attendance at General Meetings**

- 19 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.
- 20 *A Board Member shall be entitled to attend and speak at any general meeting.*

### **Quorum for General Meetings**

- 21 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The presence of the Council Member representative shall be a quorum. 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 Council Member decides.

### **Chair**

- 22 The Council Member's representative shall chair the meeting.

### **Adjournments**

- 23 The Chair may 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.

### **Written Resolutions and Proxies**

- 24
- 24.1 The Company may act by written resolution of the Council Member in lieu of holding a general meeting. A written resolution signed by the Council Member shall be as valid and effective as if it had been passed at a general meeting duly convened for the purpose any

decision taken by the Council Member pursuant to this Article 24.1 shall be recorded in writing and delivered by the Council Member to the Company for entry in the Company's minute book.

- 24.2 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 .....

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 Members 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.

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

Resolution Number 1 \*for \*against

Resolution Number 2 \*for \*against

\*strike out whichever is not desired

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

Signed .....

Date.....

- 24.3 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.
- 24.4 A vote given or poll demanded by proxy or by the duly authorised representative of a Member shall be valid unless termination of the proxy or representative's authority is received by the Company at its registered office or the place at which the meeting is due to be held before the meeting begins.

### **Size and Composition of the Board**

- 25 The number of Board Members (excluding co-optees) shall be 12, comprising 4 Council Board Members, 4 Tenant Board Members and 3 Independent Board Members and the Chair. If the number of Board Members shall fall below that number, the remaining Board Members may continue to act. However, if the number of Independent Board Members falls below 3, the remaining Board Members will use all reasonable endeavours to find replacements.
- 26 The first Board Members shall be those persons named in the statement delivered pursuant to Section 10(2) of the Companies Act 1985 as it applied at the time of incorporation who shall be deemed to have been appointed under these Articles. Future Board Members shall be appointed as set out in these Articles.

### **Terms of Office for Board Members**

- 27 Board Members shall serve a term of office of three years and may serve for up to a maximum of nine consecutive years (three terms of three years) without a break in service equivalent to a minimum of one full term of office. In relation to persons who are Board Members on the date of the registration of these Articles, a Board Member's fixed term of office shall be deemed to have started on the date they were last appointed to the Board.
- 28 If a Board Member who has served on the Board for nine consecutive years or more retires from the Board that person may at a future date be re-appointed to the board provided that a period of at least three years (one full term of office) elapses before re-joining the Board.
- 29 Notwithstanding any other provisions in the Articles the Council Member shall have power at any time by notice in writing to the Secretary to appoint and remove any Board Member.

### **Appointment and Removal of Council Board Members**

- 30 The Council shall have the power from time to time and at any time to appoint up to four persons as Council Board Members and to remove from office any such Council Board Member. Appointments and removals shall be made in writing, signed by an authorised

officer and shall take effect upon receipt at the office or such later date as may be specified in the document.

- 31 If the Council Member shall have failed within one month of a written request by the Company to make the appropriate appointments to the Board pursuant to Article 30, the remaining Board Members may appoint a person who is willing to act to be a Board Member for each vacancy. They shall be deemed to be Council Board Members and shall hold office until the next annual general meeting. The Council Member's right to appoint Council Board Members pursuant to Article 30 shall be suspended for that period in respect of any vacancy filled by the Board pursuant to this Article 31.

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

- 32 The Board shall have the power to appoint up to four persons as Tenant Board Members. Tenant Board Members will be selected following an open recruitment process which will be organised by an independent body which will make recommendations for appointments to the Board for approval. The Board shall decide the mode and manner of such selections. The successful candidates shall be reported to the meeting by the Secretary and admitted as Tenant Board Members with effect from the end of the meeting.
- 33 Tenant Board Members shall be appointed for a fixed term of three years unless the Board sets a shorter fixed term for the relevant Tenant Board Member on their appointment. No fixed term shall be set which would cause the relevant Tenant Board Member to serve beyond nine consecutive years in office. A Tenant Board Member shall cease to be a Tenant Board Member at the end of their fixed term but may subject to this Article 33 be reappointed for a further fixed term.

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

- 34 The Board shall have the power to nominate up to three persons as Independent Board Members in accordance with Articles 35 to 37 inclusive.
- 35 Independent Board Members shall be appointed by the Council Member for a fixed term of three years unless the Council Member sets a shorter fixed term for the relevant Independent Board Member on their appointment. No fixed term shall be set which would cause the relevant Independent Board Member to serve beyond nine consecutive years in office. An Independent Board Member shall cease to be an Independent Board Member at the end of their fixed term but may subject to this Article 35 be reappointed for a further fixed term. A vacancy in Independent Board Members shall be filled by persons nominated to the Council Member by the Board. The nominations including brief details of the candidate shall be sent to the Council at least 14 days before the annual general meeting at which a vacancy for an Independent Board Member shall arise. The nominations shall be approved by the Council Member at the annual general meeting. An Independent Board Member retiring from office in accordance with this Article 35 shall be allowed to seek re-appointment to the Board provided that the Independent Board Member has not served on the Board for more than nine consecutive years.
- 36 If an Independent Board Member retires in accordance with Article 35 and the Council Member does not fill the vacancy at that meeting the retiring Independent Board Member shall, if willing to act, be deemed to have been reappointed unless either a resolution for

his reappointment is put to the meeting and lost or the Independent Board Member has already served for nine consecutive years.

- 37 If a vacancy for an Independent Board Member occurs between annual general meetings, the Board may appoint a person to be an Independent Board Member to fill the vacancy. He shall hold office until the next annual general meeting.

### **Co-Opted Board Members**

- 38 The Board may from time to time vote to 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 vote to revoke such co-option. Co-optees shall not have a vote.

### **Disqualification and Removal of Board Members**

- 39 Board Members shall immediately cease to hold office if:-
- 39.1 they cease to be a Board Member by virtue of any provision of the 2006 Act or become prohibited by law from being a Board Member;
  - 39.2 they become insolvent, bankrupt or make any arrangements or composition with their creditors generally;
  - 39.3 they are suffering from mental disorder and either:-
    - 39.3.1 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
    - 39.3.2 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.
  - 39.4 they resign their office by giving written notice to the Company;
  - 39.5 they have been absent for more than six months from Board meetings without having given an apology that is accepted by the Board and the Board resolves that they cease to be a Board Member;
  - 39.6 save for the Chair, the Board resolves by at least three quarters of all the other Board Members that they cease to be a Board Member;
  - 39.7 they are removed by the Council Member resolution in accordance with the Act;
  - 39.8 they are the nominee of the Council and their nomination is revoked;
  - 39.9 they are a Tenant Board Member and cease to be a Tenant or a Leaseholder;
  - 39.10 they have been co-opted to the Board and their co-option is revoked;

- 39.11 they are convicted of any criminal act or omission, for which a custodial sentence is capable of being awarded unless the Board determines that they should cease to hold office;
- 39.12 they are an Independent Board Member and become a Tenant, Leaseholder or Local Authority Person;
- 39.13 they are the Chair and cease to be the Chair;
- and a person shall be prohibited from being a Board Member while he is at any time within categories 39.1, 39.2, 39.3 or 39.11 above.

### **Powers of the Board**

- 40 Subject to the provisions of the 2006 Act, the Articles and to any directions of the Council Member 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.
- 41 The Board may appoint any person to be the agent of the Company for such purposes and on such conditions as the Board determines including giving authority for the agent to delegate all or any of their powers.

### **Borrowing Powers**

- 42 Subject to the restrictions in Article 6 (previously clause 6 of the Memorandum), 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.

### **Delegation of Board's Powers**

- 43 The Board may delegate any of their powers to any committee consisting of one or more Board Members and other persons. They may also delegate to any Board Member or any executive officer such of their powers as they consider desirable to be exercised by him. 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 a committee shall be governed by these Articles so far as they are capable of applying.

### **Alternate Board Members**

- 44 Board Members shall not be entitled to appoint alternate Board Members.

### **Board Members' Expenses**

- 45 Board Members may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings or otherwise in connection with the



discharge of their duties and such other remuneration as may be determined by the Council Member **provided that** no such remuneration shall be paid to a Board Member who is an elected member of the Council Member where such remuneration is payable by the Council and **further provided that** no sum shall be paid in excess of that permitted by the guidance issued in 2005 by the Office of the Deputy Prime Minister on payment of ALMO Board Members or such other guidance that may be issued as replacement guidance.

### **Board Members' Interests**

- 46 A Board Member may not:-
- 46.1 be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; or
- 46.2 be a director or other officer of, be employed by, be a party to any transaction or arrangement with, or be otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- unless permitted by these Articles.
- 47 Each Board Member shall ensure that the Secretary has at all times an up-to-date list of any significant or material interest he has, including, without limitation all interests he has:
- 47.1 In trading bodies as:
- 47.1.1 a director or senior employee;
- 47.1.2 a member of a firm;
- 47.1.3 the owner or controller of more than 2% of the issued share capital in all trading bodies;
- 47.2 as an official or elected member of any statutory body;
- 47.3 as the occupier of any property owned or managed by the Company;
- 48 Any Board Member who has an interest in any arrangement with a third party, which arrangements are to be discussed at a Board or Committee meeting, the Board Member concerned shall disclose that interest to the meeting before the matter is discussed. Unless the interest is of the type specified in Articles 50 or 52 the Board Member concerned shall not remain present during the discussion of that matter unless required to do so by the remaining Board Members or Committee Members. Unless the interest is of the type specified in Articles 50 or 52 the Board Member concerned may not vote on the matter in question. No decision of the Board or any committee of the Board shall be invalidated by the subsequent discovery of an interest which should have been declared.
- 49 Provided the interest has been properly disclosed pursuant to Article 47 a Board Member may remain present during the discussion and may vote on the matter under discussion where the interest arises because:

- 49.1 the Board Member is a Tenant or Leaseholder so long as the matter in question affects all or a substantial group of Tenants or Leaseholders; or
- 49.2 the Board Member is a director or other officer of a company or body which is the parent, subsidiary or associate of the Company; or
- 49.3 the Board Member is an official or elected member of any statutory body including the Council.
- 50 A Board Member shall not be treated as having an interest:
- 50.1.1 when the Board Member has no knowledge of it and it would be unreasonable to expect the Board Member to have knowledge;
- 50.1.2 in the establishment of a policy in respect of Board Member expenses payable pursuant to Article 7.
- and may remain, speak and vote at any meeting to discuss these matters and be counted in any quorum.
- 51 An interest may be notified by way of a general notice given to the Board.
- 52 If a conflict of interest arises for a Board Member because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provisions in the Articles, the unconflicted Board Members may authorise such a conflict of interests provided that any conflicted Board Member does not count in the quorum for such authorisation. Such authorisation shall be on terms and/or conditions as the Board (excluding any conflicted Board Members) may determine, provided that such conditions shall include compliance with Article 51 when the authorised matter is discussed at any subsequent Board Meetings.

### **Proceedings of the Board**

- 53 Subject to any regulations established from time to time by the Council as sole member of the Company (either by way of written resolution or in a general meeting) and compliance with Section 10(1) of the Order the Board may regulate their proceedings as they think fit. The quorum for the transaction of business shall be six Board Members (or 50% of the appointed Board Members, if lower). The Board shall meet at least four times a year and Board meetings may be called by any Board Member or the Secretary at the request of a Board Member. It shall not be necessary to give notice of a meeting to a Board Member who is absent from the United Kingdom.
- 54 If a quorum is not present within half an hour of the time appointed for a Board 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 Board 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 Board Members present shall constitute a quorum.

### **Voting at Board Meetings**

- 55 Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chair shall have a second or casting vote.

- 56 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 ruling in relation to anyone other than himself shall be final and conclusive.

## **Chair**

57

- 57.1 The Council Member shall have the power to appoint an individual to the Board to act as Chair. Prior to making a new appointment the Council Member shall liaise with the Board and consider its opinion on a proposed candidate for the position of Chair. The individual appointed as Chair must neither be a Tenant, Leaseholder nor a Local Authority Person. The Chair shall be appointed by the Council Member for a fixed term of three years unless the Council Member sets a shorter fixed term on the Chair's appointment. No fixed term shall be set which would cause the relevant Chair to serve on the Board beyond nine consecutive years in office. A Chair shall cease to be Chair (and a Board Member) at the end of their fixed term but may, subject to this Article 57.1, be reappointed for a further fixed term. The Council Member may remove the Chair from the Board at any time. Appointments and removals shall be made in writing signed by an authorised officer and shall take effect on receipt at the office of the Company or such later date as may be specified in the appointment or removal document.

- 57.2 If the Council Member has failed within one month of a written request of the Company to appoint a Chair pursuant to Article 57.1, the Board may appoint one of their number to chair the Board until the vacancy is filled by the Council Member.

- 58 Unless he is unwilling to do so, the Chair shall preside at every meeting of the Board at which he is present. But if there is no Board Member holding that office, or if they are unwilling to preside or they are not present within 5 minutes after the time appointed for the meeting, the Board Members present may appoint one of their number to chair the meeting.

## **Defect in Appointment or Disqualification**

- 59 All acts done by a meeting of the Board or of a committee of the Board or by a person acting as a Board Member 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 Member and had been entitled to vote.

## **Written Resolutions**

- 60 A resolution in writing signed by all Board Members 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 at 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 like form each signed by one or more persons.

## **Secretary**

- 61 Subject to the provisions of the 2006 Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as the Board thinks fit, and may be removed and/or replaced by the Board.

### **Minutes**

- 62 The Secretary shall cause minutes to be made in books kept for the purpose:-
- 62.1 of all appointments of officers made by the Board; and
- 62.2 of all proceedings at meetings of the Company and of the Board, and of committees of the Board, including the names of the persons present at each meeting.

### **The Seal**

- 63 The Company shall have a seal which shall only be used with the authority of the Board who may determine who shall sign any instrument to which the seal is affixed. In the absence of any other direction instruments shall be signed by a Board Member and by the Secretary or a second Board Member.
- 64 The Secretary shall keep and maintain a register of sealings together with the other records required by the 2006 Act.

### **Accounts**

- 65 The Company shall comply with the provisions of the 2006 Act in respect of:-
- 65.1 the keeping and auditing of accounting records;
- 65.2 the provision of accounts and the preparation of an annual report of the Board; and
- 65.3 the making of an annual return.

### **Notices**

- 66 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.
- 67 The Company may give notice to a person by sending it by post in a pre-paid envelope addressed to that person at the address given by that person to the Secretary for this purpose or by leaving it at that address.
- 68 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 48 hours after the envelope containing it was posted.
- 69 The Council Member present by its duly authorised representative at any meeting of the Company shall be deemed to have received notice of the meeting and, where required, the purpose for which it is called.

### **Indemnity**

- 70 Every Board Member or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which 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 him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under the 2006 Act in which relief is granted to him and no Board Member or other officers 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 his office or in relation thereto PROVIDED THAT this Article shall only have effect in so far as its provisions are not avoided by of the 2006 Act. This Article is also without prejudice to any other indemnity to which any person may otherwise be entitled.
- 71 The Board shall have power to purchase and maintain for any Board Member, officer or auditor of the Company insurance against any such liability as is referred to in Section 233 of the 2006 Act.