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# MEMORANDUM & ARTICLES OF ASSOCIATION – INCORPORATING CHARITABLE STATUS

FOR A REGISTERED SOCIAL LANDLORD  
BEING A COMPANY LIMITED BY GUARANTEE

Draft 6: 1 March 2007

WE HEREBY CERTIFY THIS DOCUMENT  
TO BE A TRUE COPY OF THE ORIGINAL

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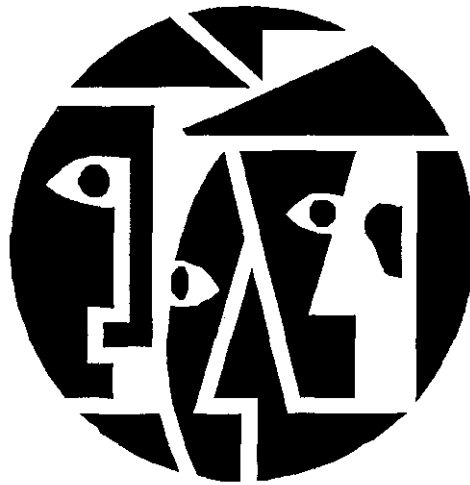
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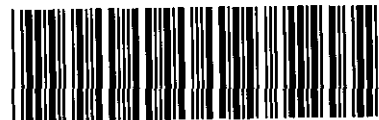
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EMPOWERING PEOPLE INSPIRING COMMUNITIES  
LIMITED

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COMPANIES HOUSE

National Housing Federation

ISSUE 1: JUNE 1998

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**MEMORANDUM OF ASSOCIATION**

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

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**Memorandum of association of  
EMPOWERING PEOPLE INSPIRING COMMUNITIES  
LIMITED**

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**1. Name**

- 1.1 The name of the company is Empowering People Inspiring Communities Limited.

**2. Registered office**

- 2.1 The company's registered office is to be located in England.

**3. Objects**

- 3.1 The company's objects shall be, for the benefit of the community,

3.1.1 the provision of:

- (1) houses, hostels or any other housing accommodation and any associated amenities, services, advice or assistance for persons;
  - in necessitous circumstances upon terms appropriate to their means;
  - who are aged, disabled or handicapped (whether mentally or physically), or chronically sick, and are in need of the accommodation or other benefits provided by virtue of the condition;
- (2) services, advice or assistance upon terms appropriate to their means to aged, disabled or handicapped (whether mentally or physically) or chronically sick persons in need thereof in arranging or carrying out works of improvement repair or maintenance to homes occupied by them and providing any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons.
- (3) facilities in the interests of social welfare or recreation, with the object of improving the conditions of life for the community.

- 3.1.2 the undertaking of any other charitable object that can from time to time be carried out by a company registered as a social landlord with the Housing Corporation; and

- 3.1.3 the promotion for the public benefit of urban or rural regeneration in areas of social and economic deprivation (and in particular Staffordshire) by all or any of the following means:

- (1) the relief of poverty in such ways as may be thought fit;
- (2) the relief of unemployment in such ways as may be thought fit, including assistance to find employment;
- (3) the advancement of education, training or retraining, particularly among unemployed people, and providing unemployed people with work experience;

- (4) the provision of financial assistance, technical assistance, or business advice or consultancy in order to provide training and employment opportunities for unemployed people in cases of financial or other charitable need through help:
  - (i) in setting up their own business, or
  - (ii) to existing businesses;
- (5) the creation of training and employment opportunities by the provision of workspace, buildings and/or land for use on favourable terms;
- (6) the provision of housing for those who are in conditions of need and the improvement of housing in the public sector or in charitable ownership provided that such power shall not extend to relieving any local authorities or other bodies of a statutory duty to provide or improve housing;
- (7) the maintenance, improvement or provision of public amenities;
- (8) the provision or assistance in the provision of recreational facilities for the public at large and/or those who, by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, have need of such facilities;
- (9) the protection or conservation of the environment;
- (10) the promotion of public safety and prevention of crime; and
- (11) such other means as may from time to time be determined subject to the prior consent of the Charity Commissioners for England and Wales.

3.2 The company shall not trade for profit.

#### **4. Powers**

- 4.1 The company shall have power to do anything lawful which is necessary or desirable to achieve any of its objects.
- 4.2 In furtherance of its objects but not further or otherwise (and without prejudice to the generality of 4.1) the company shall have power:
  - 4.2.1 to acquire commercial premises or businesses as an incidental part of a project or series of projects undertaken for the above purposes or objects
  - 4.2.2 to repair improve or convert any commercial premises acquired as mentioned in 4.2.1 or to carry on, for a limited period, any business so acquired
  - 4.2.3 to repair or improve houses or buildings in which houses are situated after the tenants have exercised or claim to exercise acquisition rights under Part V of the Housing Act 1985 or Part I of the Housing Act 1996
  - 4.2.4 to exercise any other power falling within section 2 of the Housing Act 1996
  - 4.2.5 in accordance with guidance published by the Housing Corporation from time to time, to pay the whole or part of the net profits of the company to a registered social landlord or registered social landlords (as defined in section 2 of the Housing Act 1996) or another body having rules or objects the same or similar to the company (and to enter into a deed or deeds of covenant for such purpose) provided that either:
    - (i) the company has effective control over such registered social landlord or registered social landlords or other body or
    - (ii) if the rules or objects are not the same any sum so paid is held or applied by such registered social landlord or registered social landlords or other body on trusts prescribed by the company

- 4.2.6 subject to clause 5 to employ and pay such employees consultants managers agents advisers or others as are necessary for the furtherance of the objects of the company
- 4.2.7 to recruit and assist in the recruitment of voluntary workers for the promotion of the objects of the company
- 4.2.8 to make all reasonable and necessary provision for the payment of pensions and a superannuation to or on behalf of employees and their surviving partners and others
- 4.2.9 subject to clause 5 and Article G14, to insure and arrange insurance cover for and to indemnify its members, directors, servants and voluntary workers from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any premium in relation to indemnity insurance in respect of liabilities of its directors or any of them which would otherwise attach to them in respect of any negligence default breach of duty or breach of trust of which they may be guilty in respect of the company provided that such insurance shall not extend to any liability in respect of an act or omission which such director or directors knew or ought reasonably to have known was a breach of duty or trust or which was committed by such director or directors recklessly without due regard as to whether such act or omission might be a breach of duty or trust
- 4.2.10 to manage maintain purchase take on lease or licence exchange or otherwise acquire sell deal in take and grant options on or hold as an investment any land or buildings or erections wherever situate or rights and interests therein and to demolish construct maintain improve alter and furnish the same or to procure such demolition construction improvement alterations maintenance or furnishing by any person to include but not be limited to any company or body corporate and local or national or other authority and to purchase take on lease or licence exchange hire or otherwise acquire sell or deal in any personal property and maintain and alter the same
- 4.2.11 to make regulations for the management of any property from time to time held by the company provided that such regulations shall not be inconsistent with the memorandum and articles of association of the company
- 4.2.12 to invest any monies of the company not immediately required for the furtherance of its objects in any investment from time to time authorised by law for the investment of trust funds such investments to include but not be limited to stocks and shares or debentures of any body corporate and to hold sell or otherwise deal with any investments made subject nevertheless to such conditions (if any) and such consents (if any) as may from time to time be imposed or required by law
- 4.2.13 subject to such consents as may be required by law and compliance with all formal guidance issued from time to time by the Housing Corporation (if any) to purchase or otherwise acquire or to encourage or promote in any way support or aid the establishment and development of any subsidiary company established for the purposes of carrying on any trade or business which is a proper trade and business either for the purpose of raising funds for the company or for the furtherance of the objects of the company and to subscribe to purchase or acquire in any other way any chose in action (including but without prejudice to the generality of the foregoing any stock share security unit debenture or debenture stock in each case whether preferred deferred or secured or unsecured) and (subject as aforesaid) to guarantee indemnify and secure by mortgaging or charging all or any part of its assets the obligations and liabilities and to make available financial assistance or accommodation in any other way to any such subsidiary company and to acquire all or any part of the capital of any company limited by shares carrying on any trade or business including without limitation property development property and or estate management health care education and training leisure and recreational companies provided that any ownership of shares in any subsidiary of the company or any other company referred to herein and the

making of any loans whether or not on commercial terms to any such company shall be treated as an investment within 4.2.12 above

- 4.2.14 subject to such consent as may be required by law to borrow and raise money in such manner as the company shall think fit and to secure the repayment of any money borrowed raised or owing by mortgage charge lien or other security upon the whole or any part of the company's property or assets (whether present or future) and also by a similar mortgage charge lien or security to secure and guarantee the performance by the company of any obligation or liability it may undertake or which may become binding on it
- 4.2.15 to receive any money on deposit or loan upon such terms as the company may approve and to guarantee the obligations and contracts from any person or corporation
- 4.2.16 to co-operate with and enter into any contracts or arrangements with any person or bodies including without prejudice to the above any company or body corporate or any national or local or other authority
- 4.2.17 subject to such consents as may be required by law and compliance with all relevant formal guidance issued by the Housing Corporation (if any) to subscribe to become a member of or amalgamate or co-operate with any other organisation or institution society or body not formed or established for purposes of profit (which is incorporated in England and Wales) whose objects are wholly or in part similar to those of the company and which by its constitution prohibits the distribution of its income and property amongst its members to an extent at least as great as is imposed on the company under or by virtue of 5 below and to purchase or otherwise acquire and undertake all such parts of the property assets liabilities and engagements as may lawfully be acquired or undertaken by the company of any such organisation institution society or body
- 4.2.18 to accept grants subscriptions donations devises and bequests from any persons and to take and accept any gift of money property or other assets whether subject to any special trusts or not for any or more of the objects of the company and (subject to any such special trusts) deal with such property and assets in accordance with all the powers of the company
- 4.2.19 to issue appeals hold public meetings and take such other steps as may be required for the purpose of procuring contributions to the funds of the company in the shape of donations subscriptions or otherwise
- 4.2.20 subject to such consents as may be required by law sell let licence mortgage charge dispose of or turn to account all or any of the property or assets of the company
- 4.2.21 to accept draw make discount and endorse execute negotiate and issue those of exchange promissory notes and other negotiable or transferable instruments and to operate bank accounts
- 4.2.22 to undertake and execute or manage any trusts which may lawfully be undertaken executed or managed by the company
- 4.2.23 to make donations grants and loans to such persons and organisations and on such terms as the company shall think fit to further the objects of the company
- 4.2.24 to collect and provide or procure the collection and provision of information counselling advice and guidance in furtherance of the said objects or any of them
- 4.2.25 to promote encourage or undertaken any form of research relevant to the objects of the company and to publish and disseminate the useful results of such research
- 4.2.26 to hold or arrange exhibitions meetings lectures classes seminars and training courses either alone or with other organisations and whether public or private
- 4.2.27 to publish books pamphlets reports leaflets journals films tapes and other publications relating to the work of the company

- 4.2.28 to do all or any of the things hereinbefore authorised either alone or in conjunction with any other organisation institution society or body with which the company is authorised to amalgamate
- 4.2.29 to pay out of funds of the company the costs charges and expenses of and incidental to the formation and registration of the company
- 4.2.30 to establish where necessary local committees.
- 4.3 In case the company shall take or hold any property which may be subject to any trusts the company shall only deal with or invest the same in such manner as allowed by law having regard to such trust.
- 4.4 The objects of the company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

## **5. Application of assets**

- 5.1 The income and property of the company shall be applied solely towards its objects. Nothing shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise in any circumstances to members of the company or the directors of its board.
- 5.2 Notwithstanding 5.1, the company may:-
  - (1) pay reasonable and proper out of pocket expenses to members or directors of the company, co-optees and members of committees when actually incurred on or in connection with the company's business;
  - (2) pay reasonable and proper remuneration (including pensions, contributory pension payments, payments of premiums to pension policies and terminal grants and gratuities) fees, allowances or recompense for loss of earnings to board members, co-optees and members of committees in return for any services rendered to the company provided that any such payment falls within a published scheme of payment authorised by the Board;
  - (3) pay reasonable premia in relation to indemnity insurance in respect of liabilities of its board members, co-optees, members of committees or officers or any of them in accordance with clause 4.2.9 and Article G14;
  - (4) make such other payments or grant such benefits as may be lawful from time to time.

Provided that in each case any such payment is both within Schedule 1 of the Housing Act 1996 and in accordance with any current policy or guidance issued by the Housing Corporation from time to time.

## **6. Limitation of liability**

- 6.1 The liability of the members is limited.

## **7. Guarantee**

- 7.1 Every member undertakes to contribute an amount not exceeding one pound (£1) to the assets of the company, in the event of it being wound up while he or she is a member or has been a member within one year.
- 7.2 Such contribution shall be towards:
  - (1) the debts and liabilities of the company contracted before he or she ceases to be a member;



- (2) the costs, charges and expenses of winding up; and
- (3) for the adjustment of the rights of the members amongst themselves.

## 8. Dissolution

- 8.1 On dissolution or winding up, the company shall comply with any statutory or contractual requirements then applying, and in particular with any requirement or direction of the Housing Corporation given under the Housing Act 1996.
- 8.2 Subject to 8.1, the members may resolve to give or transfer any property that remains after the company is wound up or dissolved to another body with objects similar to those of the company.
- 8.3 If no such body exists or no such resolution is passed the property shall be transferred or given to a charity or charitable registered social landlord or other charity active in the area where the company provided housing, and with objects as similar as possible to those of the company.

## 9. The articles of association

- 9.1 It is hereby declared that the provisions of articles C18, D2, D4, D13, and F1-F24 inclusive are repeated in this memorandum as though they were set out in full in the same.

## 10. Names and addresses of subscribers

Local authority member	
Name: .....	
Address: .....	
.....	

Tenant member (1)	
Name: .....	
Address: .....	
.....	

Tenant member (2)	
Name: .....	
Address: .....	
.....	

Tenant member (3)

Name: .....

Address: .....

.....

Tenant member (4)

Name: .....

Address: .....

.....

Tenant member (5)

Name: .....

Address: .....

.....

Tenant member (6)

Name: .....

Address: .....

.....

Independent member (1)

Name: .....

Address: .....

.....

Independent member (2)

Name: .....

Address: .....

.....

Independent member (3)

Name: .....

Address: .....

.....

Independent member (4)

Name: .....

Address: .....

.....

Independent member (5)

Name: .....

Address: .....

.....

Independent member (6)

Name: .....

Address: .....

.....

Parent member (subsidiaries only)

Name: .....

Address: .....

.....

**ARTICLES OF ASSOCIATION**

**COMPANIES ACT 1985 and 1989**

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

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**Articles of Association of  
[EMPOWERING PEOPLE INSPIRING  
COMMUNITIES] LIMITED**

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*Note: The interpretation of words or expressions used in these articles shall be governed by the definitions set out in Part I below. Word or expressions not defined shall, unless the context requires otherwise, bear the same meaning as in the Companies Act 1985.*

**PART A**

**MEMBERS**

**Admission of members**

- A1 The subscribers to the memorandum and such other persons or organisations as are admitted to membership in accordance with these articles and rules made under these articles shall be members of the company.
- A2 No person shall be admitted as a member of the company unless the application for membership is approved by the board.

**Retirement of members**

- A3 Unless the board makes other provision under this article, the board may in its absolute discretion permit any member of the company to retire, provided that after such retirement the number of members is five or more.

**Obligations of members**

- A4 All members agree to be bound by the obligations on them as set out in these articles and in any rules made under the articles. When acting as members they shall act at all times in the interest of the company and, for the benefit of the community, as guardians of the objects of the company.

**Classes of members**

- A5 The company shall have the following classes of members:
- (1) tenant members;
  - (2) independent members; and
  - (3) a local authority member.

No member shall belong to more than one class. In case of doubt, the decision of the board on the matter shall be final.

The board shall seek to ensure that in addition to the local authority member there are always at least two tenant members and at least two independent members.

- A6 In addition to the provisions of these articles, the board may from time to time make such rules as it considers necessary or expedient:
- (1) to sub-divide existing classes of membership;
  - (2) to establish additional classes of membership;
  - (3) to prescribe conditions of membership.
- Such rules shall not conflict with any regulatory requirement of the Housing Corporation which may be in force.
- A7 The board shall publish any rules established under article A6 with the company's annual report.

### **Provisions of membership rules**

- A8 Rules made under article A6 shall not
- (1) conflict with or repeal any provisions in these articles; or
  - (2) conflict with any requirement of general charity law; or
  - (3) cause the company to be in breach of any relevant statute, regulation or guidance issued by a government department or the Housing Corporation.
- A9 In particular but without prejudice to the generality of the foregoing, such rules may regulate:
- (1) the admission and classification of members of the company (including the admission of bodies corporate or other organisations);
  - (2) the rights and obligations of such members and classes of members, including:
    - rights to vote at general meetings of the company in particular classes or by proxy;
    - the conditions of membership; and
    - the terms on which members may resign or will have their membership terminated; and
    - any subscriptions or payments to be made by members.

### **Tenant members**

- A10 A tenant member shall be a tenant of the company as defined in these articles, and any such tenant may be admitted as a member.
- A11 Any member who is a tenant of the company shall be a tenant member.
- A12 Any tenant member who ceases to be a tenant of the company shall at the same time cease to be a member. For the purposes of this article, a person who has ceased to be a tenant as a result of purchasing his or her house from the company may be treated as a tenant until the next election for tenant directors.

### **Independent members**

- A13 An independent member shall not be:
- (1) a tenant of the company;
  - (2) an employee of or consultant to the company; or

(3) a local authority person.

A14 An independent member may be a body corporate partnership or other unincorporated association.

### **Local authority member**

A15 Stoke-on-Trent City Council shall be the local authority member.

A16 The local authority member may appoint a representative to exercise its vote, either in person or by proxy.

A17 The representative of the local authority member shall be appointed by delivering a notice in writing addressed to the Secretary to the company's registered office.

A18 The local authority member may appoint a representative for any period of time, or for a particular meeting or resolution. A representative may be changed at any time up to one working day before the day for which notice of any meeting is given.

### **Other classes of member**

A19 Any additional classes of member established under article A6 shall be mutually exclusive with any other existing classes of member.

## **PART B**

## **GENERAL MEETINGS**

### **Annual general meeting**

B1 The company shall hold an annual general meeting each year in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it.

B2 Not more than fifteen months shall elapse between the dates of successive annual general meetings.

B3 Notwithstanding articles B1 and B2, so long as the company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year.

B4 The annual general meeting shall be held at such time and place as the board shall determine.

B5 All general meetings other than annual general meetings shall be called extraordinary general meetings.

### **Functions of the annual general meeting**

B6 The functions of the annual general meeting shall be:-

(1) to receive the annual report which shall contain:

- the revenue accounts and balance sheets for the last accounting period
- the auditor's report on those accounts and balance sheets
- the board's report on the affairs of the company
- the board's statement of the values and objectives of the company

(2) to appoint the auditor;



- (3) to elect the tenant and independent directors; and
- (4) to transact any other general business of the company included in the notice convening the meeting.

### Extraordinary general meetings

- B7 The board may call extraordinary general meetings.
- B8 On the requisition of members, as set out in the Act, the board shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition.
- E9 If there is not within the United Kingdom a quorum of directors to call a duly requisitioned extraordinary general meeting, any director or any member of the company may call such a meeting.

### Notice of general meetings

- B10 An annual general meeting (and an extraordinary general meeting called for the passing of a special resolution) shall be called by at least twenty-one clear days' notice.
- E11 All other extraordinary general meetings shall be called by at least fourteen clear days' notice.
- E12 Notwithstanding articles B10 and E11, a general meeting may be called by shorter notice if it is so called by the local authority member and by at least 75 per cent respectively of tenant members entitled to vote.
- E13 The notice shall specify the time and place of the meeting and the general business to be considered and, in the case of an annual general meeting, shall specify the financial year.
- B14 Notice shall be given to all the members and to the directors and auditors.
- B15 A accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

### Quorum at general meetings

- B16 No business shall be transacted at a general meeting unless a quorum of persons entitled to vote on the business being transacted is present in person or by proxy, each being a member or a duly authorised representative of a member.
- B17 A quorum shall be:
  - (a) six persons entitled to vote, or (if it produces a higher number)
  - (b) a majority of the total number of persons entitled to vote, up to a maximum of twenty five;
- B18 At least two persons must be present at a general meeting, one of whom must be the duly appointed representative of the local authority member together with at least one independent member as defined by article A13.

### Adjournment of inquorate general meetings

- B18 If a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time





and place as the board may determine. The same shall apply if during a meeting a quorum ceases to be present.

- B19 A reconvened meeting under article B18 shall carry out the business of the meeting, and those present shall form a quorum.

### **Chair of general meetings**

- B20 The chair, if any, of the board or in his or her absence another director nominated by the board shall preside as chair of the meeting.
- B21 If neither the chair nor another director nominated under article B20 are present within thirty minutes after the time appointed for holding the meeting, the directors present shall elect one of their number to be chair. If there is only one director present and willing to act, that person shall be chair.
- B22 If no director is willing to act as chair, or if no director is present within thirty minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chair.

### **Directors at general meetings**

- B23 A director shall, whether or not a member of the company, be entitled to attend and speak at any general meeting.

### **Adjournment of general meetings**

- B24 The chair may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting for an agreed period of time and to an agreed place.
- B25 No business shall be transacted at a meeting adjourned under article B24 other than the business which might properly have been transacted at the meeting had the adjournment not taken place.
- B26 When a meeting is adjourned for fourteen days or more, 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. Otherwise it shall not be necessary to give any such notice.

### **Minutes**

- B27 The Secretary (or if absent such other person as the chair shall direct) shall be responsible for (or supervise) the preparation of the minutes of all general meetings

## **PART C**

## **VOTING AT GENERAL MEETINGS**

### **Demand for a ballot**

- C1 A resolution put to the vote of a meeting shall be decided on a show of hands unless a ballot is demanded. A ballot may be demanded either before, or immediately upon declaration of, the show of hands.
- C2 Subject to the provisions of the Act, a ballot may be demanded:
- (1) by the chair;



- (2) by at least two members having the right to vote at the meeting;
  - (3) the local authority member; or
  - (4) by a member or members representing not less than one-tenth of the total voting rights of all the members able to vote at the meeting,
- whether present in person or by proxy.

### **Results of a show of hands**

- C3 Unless a ballot is duly demanded, a declaration by the chair that a resolution has been carried (or not carried) unanimously, or by a particular majority, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the result of the ballot.

### **Withdrawal of demand for a ballot**

- C4 The demand for a ballot may be withdrawn, before the ballot is taken, but only with the consent of the chair. The withdrawal of a demand for a ballot shall not invalidate the result of a show of hands declared before the demand for the ballot was made.

### **Conduct of a ballot**

- C5 A ballot shall be taken as the chair directs, who may appoint scrutineers (who need not be members) and fix a time and place for declaring the results of the ballot. The result shall be deemed to be the resolution of the meeting at which the ballot is demanded.
- C6 A ballot demanded on the election of a chair or on a question of adjournment shall be taken immediately. A ballot demanded on any other question shall be taken immediately, or at such time and place as the chair directs, which may not be more than thirty days after the ballot is demanded.
- C7 The demand for a ballot shall not prevent continuance of a meeting for the transaction of any business other than the question on which the ballot is demanded. If a ballot is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn the meeting shall continue as if the demand had not been made.
- C8 No notice need be given of a ballot not taken immediately, so long as the time and place at which it is to be taken are announced at the meeting at which it is demanded. In other cases at least seven clear days' notice shall be given specifying the time and place at which the ballot is to be taken.

### **Chair's casting vote**

- C9 In the case of an equality of votes, whether on a show of hands or on a ballot, the chair shall be entitled to a casting vote in addition to any other vote he or she may have.

### **Votes of members**

- C10 On a show of hands or a ballot, the members present in person or in proxy shall be entitled to the following shares of the total votes cast:
- (1) The local authority member, one third;
  - (2) the tenant members, one third, apportioned equally between them; and



(3) the independent members, one third, apportioned equally between them.

The apportionment of votes may additionally be subject to any rules established by the board under article A6.

- C11 No member shall be entitled to vote at any general meeting unless all moneys then payable by him or her to the company have been paid. For the purposes of this article, moneys owing to the company from a tenant in respect of rent or service charges shall not be taken into account unless they exceed the sum of three months of current (at the date of the meeting) rent or service charges.
- C12 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chair whose decision shall be final and conclusive.

### **Appointment of proxy**

- C13 A member may appoint a proxy in writing on such terms as the board may specify.

### **Authorised representatives of member organisations**

- C14 Any body corporate partnership or other unincorporated association which is a member of the company may by resolution of its Council or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the company. The person so authorised shall be entitled to exercise the same powers on behalf of the organisation which he or she represents as the organisation could exercise if it were an individual member of the company. A copy of the resolution shall be delivered to the secretary before the commencement of the relevant meeting.
- C15 A duly authorised representative of a member organisation shall not be entitled to give a vote or demand a ballot until such time as his or her authority is determined by the member organisation. Such determination shall be in writing addressed to the secretary, and shall not take effect until it has been received at the registered office.

### **Classes of voters**

- C16 The directors may make rules requiring any resolution to be passed by each class of members, or with the support of such proportion of each class in such manner as they may determine. Such rules shall not conflict with any regulatory requirement of the Housing Corporation which may be in force.
- C17 On any ballot, the votes of each class of members shall be counted and recorded separately.

### **Amendments to memorandum and articles**

- C18 Subject to the provisions of the Act, no amendment to the memorandum or articles may be passed at a general meeting if it would prejudice the status of the company as a charity and unless there is a vote in favour by the local authority member, and a majority respectively of the company's tenant members and independent members present at the meeting, or voting by proxy.

## PART D

## THE BOARD

### Members of the board

- D1 The first members of the board shall be those persons named in the statement delivered pursuant to section 10(2) of the Act, who shall be deemed to have been appointed under the articles. Future members of the board shall be appointed as provided subsequently in these articles.
- D2 There shall be a board consisting of up to twelve directors as follows:-
- (1) Up to three local authority directors;
  - (2) Up to three tenant directors; and
  - (3) the balance of directors shall be made up of independent directors (elected in accordance with articles F14 to F19); executive officers and no more than five co-opted directors of whom no more than two may be co-opted from the paid staff of the company (subject to Articles F20 to F24).
  - (4) No executive officer may be co-opted or appointed to the board if, immediately following their appointment or co-option to the board, more than one quarter of the board (including co-optees) would be executive officers.

PROVIDED THAT at least one third of the directors shall be independent directors but in the event that fewer than one third shall be such the other directors shall use reasonable endeavours to appoint sufficient further independent directors but may act in the meanwhile notwithstanding this article

### Restrictions on membership

- D3 A local authority persons (as defined in Part I of these articles) may not be admitted or appointed to the board if (following their admission or appointment) more than 33% of the total number of directors including any co-options or such other relevant proportion as would at any time cause the company to be treated as a regulated company within the meaning of the Local Authorities (Companies) Order 1995 or any subsequent order amending or repealing its provisions.
- D4 No tenant director may be admitted or appointed if (following their admission or appointment) more than 33% of the total number of directors would be tenant directors.
- D5 If articles D3 or D4 are breached, compliance shall be ensured by a director or directors, as required, immediately ceasing to be directors:
- (1) In the case of article D3, the most recently elected or appointed director or directors who are local authority persons;
  - (2) In the case of article D4, the most recently elected or appointed director or directors who are tenants.

### Functions of the board

- D6 The board shall direct the affairs of the company in accordance with its objects. Amongst its functions shall be to:
- (1) define and ensure compliance with the values and objectives of the company and ensure these are set out in each annual report;
  - (2) establish policies and plans to achieve those objectives;
  - (3) approve each year's budget, and each year's accounts prior to publication;

- (4) establish and oversee a framework of delegation and systems of control;
  - (5) agree policies and make decisions on all matters that create significant financial risk to the company or which affect material issues of principle;
  - (6) monitor the company's performance in relation to these plans, budget controls and decisions;
  - (7) appoint (and if necessary remove) the chief executive;
  - (8) satisfy itself that the company's affairs are conducted in accordance with generally accepted standards of performance and propriety;
  - (9) take appropriate advice in relation to the above;
- and none of these functions shall be capable of delegation.

## **Powers of the board**

- D7 Subject to the provisions of the Act, and the memorandum and the articles, the business of the company shall be managed by the board who may exercise all the powers of the company.
- D8 No alteration of the memorandum or the articles shall invalidate any prior act of the board which would have been valid if that alteration had not been made.
- D9 In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the articles the board shall have the following powers, namely:
- (1) to expend the funds of the company in such manner as it shall consider most beneficial for the achievement of the objects;
  - (2) to invest in the name of the company such part of the funds as it may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the objects of the company;
  - (3) to enter into contracts on behalf of the company;
  - (4) to set up or sponsor subsidiary companies or industrial and provident societies to assist in the achievement of the objects of the company;
  - (5) to affiliate to the National Housing Federation, and pay the appropriate annual fee; and
  - (6) to delegate, in writing, the exercise of any of its powers to committees and to employees of the company on such terms as it determines. Such delegation may include any of the powers and discretions of the board except those functions set out in article D6.

## **Proceedings of the board**

- D10 The board shall meet no less than four times each year. Subject to the provisions of the articles, the board may regulate its proceedings as it sees fit.
- D11 A director may, and the secretary at the request of a director shall, call a meeting of the board.
- D12 It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.
- D13 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.



## Board quorum

- D14 The quorum for the transaction of the business of the board shall be one half of their number (or the nearest whole number thereto).
- D15
- D15.1 No meeting of the board shall be quorate unless:
- (1) at least one third of those directors required to be present in order for the meeting to be quorate under article 14 are independent directors; and
  - (2) the majority of directors who are present are not executive officers;
- D15.2 A meeting which does not comply with this article shall be adjourned to such other time and place as those present may determine. A reconvened meeting shall carry out the business of the meeting, whether or not this article is complied with
- D16 The board may act notwithstanding any vacancies in its number, but if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
- D17 Meetings of the board or its committees can take place in any manner which permits those attending to hear and comment on the proceedings, and vote, including by telephone or video-conference.

## Committees of the board

- D18 The board may appoint one or more committees consisting of three or more directors for the purpose of supervising or performing any duty which, in the opinion of the board, would be more conveniently undertaken or carried out by a committee. The board may co-opt up to five other people to such committee, who may include up to two employees of the company.
- D19 The acts and proceedings of any such committees shall be fully and promptly reported to the board and any such committee shall operate within its delegated authorities, and shall not exceed any budget for its own expenditure as previously determined by the board.

## Acts of the board or committees

- D20 All acts done in good faith by a quorate board meeting or a committee shall be valid, even if it is discovered subsequently that there was a defect in the appointment of any director or their entitlement to vote.

## Resolutions in writing

- D21 A resolution in writing, which:
- (1) is signed by three quarters of all the directors entitled to receive notice of a meeting of the board or of a committee;
  - (2) is signed by the chair of the company or the committee; and
  - (3) satisfies the quorum requirement of article D15 or any rule made under these articles concerning the validity of decisions at meetings of the board or a committee

shall be as valid and effective as if it had been passed at a board meeting or (as the case may be) at a committee meeting duly convened and held. Such a resolution may consist of several documents in the same form, each signed by one or more of the directors.

## Minutes

- D22 The secretary shall be responsible for (or supervise) the preparation of the minutes of all board meetings.

## PART E

## THE DIRECTORS

### Obligations of directors

- E1 The board shall set the obligations of every director to the board and to the company. The board shall review and may amend the obligations of directors from time to time.

### Payments to Directors and grant of benefits to directors

- E2 As set out in the memorandum, the company may make payments to directors of the company provided that such payments are permitted under Part I of Schedule 1 to the Housing Act 1996. Any expenses paid shall have been properly incurred by directors in connection with attendance at meetings of the board, committees, general meetings or otherwise in connection with the discharge of their duties, and shall be subject to the production of satisfactory receipts.
- E3 The company shall not pay or grant any benefit to anyone who is a director, unless it is permitted by these articles and the memorandum.
- E4 The grant of a benefit permitted by or under the Housing Act 1996 is not the grant of a benefit for the purpose of these articles.
- E5 The payment of remuneration to a co-opted director under a contract of employment with the company and the making of such a contract of employment or variation of an existing contract of employment is permitted by these articles.

### Directors' interests

- E6 No director shall have any financial interest personally; or as a member of a firm; or as a director or other officer of a business trading for profit; or in any other way, in any contract or other transaction with the company, unless it is expressly permitted by these articles and under Part I of Schedule 1 to the Housing Act 1996.
- E7 Any director having an interest in any arrangement between the company and someone else shall disclose their interest, before the matter is discussed by the board or any committee. Unless it is expressly permitted by these articles they shall not remain present unless requested to do so by the board or committee, and they shall not have any vote on the matter in question. Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- E8 Every director shall ensure that the secretary at all times has a list of all other bodies in which they have an interest as:
- (1) a director or officer;

- (2) as a member of a firm;
  - (3) as an official or elected member of any statutory body;
  - (4) as the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company;
  - (5) as the occupier of any property owned or managed by the company; or
  - (6) any other significant or material interest.
- E9 If requested by a majority of the board at a meeting convened specially for the purpose, a director who has failed to disclose an interest as required by these articles shall vacate their office either permanently or for a period of time as specified by the board.
- E10 For the purpose of these articles, a director shall not be treated as having an interest if he or she:
- (1) is a director or officer of any other body whose accounts are or ought to be consolidated with the company's accounts; or
  - (2) in the case of any decision affecting all or a substantial group of tenants, is a tenant of the company.

## **PART F**

## **APPOINTMENT OF DIRECTORS**

### **Local authority directors**

- F1 The local authority directors shall be such persons as are appointed in accordance with articles F2-F6.
- F2 There shall be up to three local authority directors none of whom shall be an employee of the company. A local authority director need not be a local authority person (as defined in article I1(10)).
- F3 Local authority directors shall be appointed by the local authority member. The local authority member shall notify the secretary in writing of any appointment made by it.
- F4 Each of the local authority directors shall retire from the board from the conclusion of the annual general meeting in the year following the third anniversary of their appointment.
- F5 Local authority directors shall each be appointed for three years or for such shorter term as the local authority member may determine.
- F6 The local authority member may appoint new local authority directors to fill any vacancies arising.

### **Tenant directors**

- F7 Tenant directors shall be such persons as are elected in accordance with articles F8-F12.
- F8 Once in each year the board shall arrange for an election to take place for the purposes of which every tenant of the company shall be eligible to vote in order to elect persons who shall be appointed to the board as tenant directors.
- F9 A tenant director must be a tenant of the company, and may not be an employee of the company, nor a local authority person. For the purposes of this article, a person who has ceased to be a tenant as a result of purchasing his or her house from the company may be treated as a tenant until the next election for tenant directors.

- F10 The board shall adopt rules governing the election process in respect of tenant directors and may alter such rules from time to time provided always that:
- (1) the tenant directors shall not exceed three in number;
  - (2) at least one of the places for tenant directors are subject to election each year; and
  - (3) no tenant director may serve for a period of more than three years without standing down and seeking re-election.
- F11 The board shall adopt rules for the replacement, by election or co-option, of any vacancies arising between general meetings among the number of the tenant directors.
- F12 The board shall, from time to time, consult with its tenants in such manner as seems appropriate and expedient on the manner of election or replacement of tenant directors.

### **Independent directors**

- F13 The independent directors shall be such persons as are elected in accordance with articles F14-F19.
- F14 No independent directors may be a tenant, an employee of the company, or a local authority person.
- F15 Independent directors shall be elected by the members of the company at the company's annual general meeting.
- F16 A candidate for election shall be a member of the company, must be nominated in writing by another member and shall sign the nomination form. A retiring director is eligible for election without nomination.
- F17 Each of the independent directors shall retire from the board at the end of the annual general meeting in the year following the third anniversary of their election.
- F18 Independent directors shall each be elected for three years.
- F19 The board shall adopt rules for the replacement of any vacancies arising between general meetings among the number of the independent directors.

### **Co-opted directors and executive officers**

- F20 Executive officers may be appointed and removed as directors by the board.
- F21 The co-opted directors shall be such persons as are appointed in accordance with articles F22-F24.
- F22
- F22.1 The board may co-opt up to five directors of whom no more than two shall be paid employees of the company, who may continue to receive normal remuneration under their contracts of employment.
  - F22.2 If any directors are co-opted who are paid employees under article F21, one of them shall be the company's chief executive (unless none be in post).
- F23 Co-option under articles D2 and F21 must be confirmed annually by the board at its first meeting following the company's annual general meeting.
- F24 A co-opted director (if an employee of the company) shall not vote on any matter in connection with the contract of employment of any other co-opted director (where that co-opted director is also an employee of the company).

## Termination of directorship

F25. A director shall cease to be a director if he or she:

- (1) becomes bankrupt or makes any arrangement or composition with his or her creditors;
- (2) becomes prohibited by law (including, as may apply from time to time, any legislation affecting registered charities and/or companies) from being a director;
- (3) becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her property and affairs;
- (4) is the subject of a custodial sentence imposed by a court in the United Kingdom in respect of any criminal act or omission;
- (5) is convicted of any criminal act or omission;
- (6) resigns from office by giving written notice to the company;
- (7) fails to attend any board meetings for a period of twelve months or longer and the board determines that he or she shall be removed from the board;
- (8) is a local authority director and the local authority member determines to revoke his or her appointment;
- (9) in the case of a co-opted staff director, his or her contract of employment is terminated;
- (10) dies;
- (11) is called upon by resolution of at least three-quarters of all the other directors from time to time to resign after a written notice has been served on all the directors giving notice of intention on the part of two or more directors to call upon him / her to resign and details of the reason why they consider this to be appropriate or necessary and to which the director called upon to resign has been given the opportunity to respond and to be heard at a duly convened meeting of the board; or
- (12) is an executive officer and their contract of employment with any group member is terminated; or
- (13) is a co-optee whose co-option is revoked by the other directors; or

F26 A person who is within one of categories (1),(2),(3), (4) or (5) of article F25 shall be prohibited from becoming a director.

## PART G CHAIR, CHIEF EXEC., SECRETARY & OFFICERS

### The chair

- G1 The company shall have a chair, who shall also chair board meetings, and shall be elected by the board.
- G2 The chair on election shall hold office until the commencement of the first board meeting after the next annual general meeting of the company (or until he or she resigns or is removed as chair).
- G3 The first item of business for any board meeting when there is no chair shall be to elect a chair. The chair shall at all times be a member and a director.

- G4 The chair of the company may be removed at a board meeting called for the purpose provided the resolution is passed by at least two thirds of the directors at the meeting.

### **The chair's responsibilities**

- G5 The chair shall seek to ensure that:-

- (1) the board's business and the company's general meetings are conducted efficiently;
- (2) all directors are given the opportunity to express their views;
- (3) a constructive working relationship is established with, and support provided for the chief executive;
- (4) the board delegates sufficient authority to its committees, the chair, the chief executive (if any), and others to enable the business of the company to be carried on effectively between board meetings;
- (5) the board receives professional advice when it is needed;
- (6) the company is represented as required; and
- (7) the company's affairs are conducted in accordance with generally accepted codes of performance and propriety

- G6 The chair shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.

### **The chief executive**

- G7 The company may have a chief executive appointed by the board.
- G8 The chief executive shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the post.

### **The secretary**

- G9 The company shall have a secretary who shall be appointed by the board (and may be removed by them) and who may be a director or an employee.

### **Other officers**

- G10 For the purposes of the Housing Act 1996 every member of the board shall be an officer.
- G11 The board may designate an officer to act on behalf of the company such other executive, internal auditor or employee of the company on such terms (including pay) as it sees fit. A clear statement of the duties of such office shall be made.
- G12 The board may designate directors to the named offices of vice-chair, treasurer or such other offices as it sees fit, and shall make a clear statement of the duties of any such office.

### **Indemnities for officers and employees**

- G13 Except for the consequences of their own dishonesty or gross negligence no officer or employee shall be liable for any losses suffered by the company.

- G14 Subject to the provisions of the Act (including to the extent permitted (in the case of a director or a co-optee) by section 309A of the Act and to the extent permitted (in the case of an auditor) by section 310 of the Act), every director, officer, auditor or employee shall be indemnified by the company for any amount reasonably incurred in the discharge of their duty.
- G15 A person referred to in article G14 shall be indemnified out of the assets of the company against any liability incurred by him or her in that capacity in defending any proceedings, whether civil or criminal, so long as:
- (1) judgement is given in his or her favour; or
  - (2) he or she is acquitted; or
  - (3) relief is granted to him or her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

## **PART H**

## **FINANCE, STATUTORY &c.**

### **Minutes**

- H1 The secretary of the company shall keep minutes in books kept for the purpose:
- (1) of all the appointments of officers made by the directors; and
  - (2) of all proceedings at meetings of the company and of the board and of committees including the names of the directors present at each such meeting.

### **The seal**

- H2 The seal shall only be used by the authority of the board or of a committee authorised by the directors.
- H3 The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

### **Accounts, annual report and annual return**

- H4 The company shall comply with the provisions of Part VII of the Act in respect of:
- (1) the keeping and auditing of accounting records;
  - (2) the provision of accounts and an annual report of the directors; and
  - (3) in making an annual return.

### **Notices**

- H5 Any notice to be given to or by any person pursuant to these articles shall be in writing.
- H6 The company 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 or her registered address in the United Kingdom or by leaving it at that address.

- H7 A member present in person at any meeting of the company shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it was called.
- H8 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice given by post shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- H9 The board may make rules to define other acceptable methods of delivering notices, by facsimile transmission, electronic mail or other means available.

## Rules

- H10 So long as no rule shall conflict with or repeal anything contained in the memorandum or the articles, the board may make such rules as necessary or convenient for the proper conduct and management of the company. Such rules shall not conflict with any regulatory requirement of the Housing Corporation which may be in force.
- H11 In particular but without prejudice to the generality of the foregoing, such rules may regulate:
- (1) the procedure at general meetings and meetings of the board and committees in so far as such procedure is not regulated by these articles;
  - (2) generally, all such matters as are commonly the subject matter of company rules.
- H12 The company shall publish all rules made under these articles, and shall make them available at reasonable cost to any person requesting them.
- H13 The company shall register any rules made under these articles with the Registrar of Companies, when required under the Act



## PART I

## INTERPRETATION

### Definitions

I1 In these articles:

- (1) "the company" means the company intended to be regulated by these articles;
- (2) "the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;
- (3) "the articles" means these articles of association of the company;
- (4) "the board" means the board of directors constituted as set out in articles D1-D3;
- (5) "clear days" in relation to the period of a notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given on which it is to take effect;
- (6) "director" means a member of the board
- (7) "independent director" means a director who has been elected to the board pursuant to articles F1-F19
- (8) "executed" includes any mode of execution;
- (9) "executive officer" means a person who is a senior employee of the company;
- (10) "Housing Corporation" means the body which maintains the register pursuant to the Housing Act 1996;
- (11) "local authority director" means a director appointed in accordance with articles F1-F5.
- (12) "local authority person" means a person associated with a local authority within the meaning of section 69 of the Local Government and Housing Act 1989;
- (13) "the memorandum" means the memorandum of association of the company;
- (14) "office" means the registered office of the company;
- (15) "the seal" means the common seal of the company if it has one;
- (16) "secretary" means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary;
- (17) "tenant" means any person occupying residential property owned by the company under a joint or sole tenancy, a lease or a license;
- (18) "tenant director" means a director who has been elected to the board pursuant to articles F6-F9;
- (19) "the United Kingdom" means Great Britain and Northern Ireland;

### Interpretation

- I2 Words importing the masculine gender only shall include the feminine gender; words importing the singular shall include the plural and vice-versa.
- I3 Subject as aforesaid, words or expressions contained in these articles shall, unless the context requires otherwise, bear the same meaning as in the Act.
- I4 Headings are for ease of reference only, and are not to affect interpretation.
- I5 References to legislation, regulations or determinations include all amendments, replacements, or re-enactments made.

- 16 References to legislation include all regulations, determinations, statutory guidance or directions issued under it.