

**[RYKNELD HOMES LIMITED]**

**Company No. 05864912**

**ARTICLES OF ASSOCIATION  
COMPANY LIMITED BY GUARANTEE**

**Date of Incorporation: 3 July 2006**

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**ARTICLES  
OF ASSOCIATION**

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## ARTICLES OF ASSOCIATION

### 1. DEFINITIONS AND INTERPRETATION

In the Articles unless the context otherwise requires:

“the Act”	means the Companies Acts as defined in Section 2 of the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force, in so far as they apply to the Organisation;
“the Articles”	means these Articles of Association as originally adopted or as altered from time to time;
“Bankruptcy”	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
“Board”	means the Board of Directors of the Organisation from time to time;
“Board Members”	means the Directors for the time being of the Organisation, being either a Parent Board Member or an Independent Board Member;
“Chair”	means the Chair of the Organisation appointed pursuant to Article 36(1) or in his absence appointed pursuant to Article <b>Error! Reference source not found.</b> or any deputy Chair appointed pursuant to Article 36(2);
“clear days”	means, in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
“Ministry of Housing, Communities and Local Government”	means the Ministry of Housing, Communities and Local Government or any other body or governmental (whether local, regional or national) department substituted for the Ministry of Housing, Communities and Local Government or carrying out similar, additional or replacement functions to those carried out by the Ministry of Housing, Communities and Local Government;

“document”	unless otherwise specified this includes any document sent or supplied in electronic form;
“electronic form”	has the meaning given in section 1168 of the Companies Act 2006;
“executed”	means in relation to any contract, agreement or other document consent thereto and includes any mode of execution;
“Family Member”	means, in relation to a Board Member, his spouse, partner, parent, parent-in-law, son, daughter, stepson, step-daughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece, or the spouse or partner of any of the preceding persons and “partner” means a person who lives with a Board Member as husband, wife or same sex partner;
“Independent Board Member”	means a Board Member appointed by the Parent in accordance with Article 38;
“Independent Person”	means a person who is not a Local Authority Person, Tenant, Parent Board Member or an employee of the Organisation;
“Local Authority Person”	means any person who is an elected member of the Parent or an employee of the Parent;
“Objects”	means the objects of the Organisation set out in Article 4;
“Office”	means the registered office of the Organisation;
“Organisation”	means [Rykneld Homes Limited];
“Order”	means the Local Authorities (Companies) Order 1995 as amended or re-enacted from time to time;
“Parent”	means North East Derbyshire District Council or any successor body thereto who shall be the sole member of the Organisation;
“Parent Board Member”	means a Board Member appointed by the Parent in accordance with Article 35;
“Possession Order”	means an order of the court for the possession of a property let by the Parent or the Organisation under a tenancy agreement;

“Regulator”	means the Regulator of Social Housing established pursuant to the Housing and Regeneration Act 2008 as amended by paragraph 14 of The Legislative Reform (Regulator of Social Housing) (England) Order 2018 or any future body or authority (including any statutory successor) carrying on similar regulatory or supervisory functions;
“the seal”	means the common seal of the Organisation;
“Secretary”	means the secretary of the Organisation or any other person appointed to perform the duties of the secretary of the Organisation, including a joint, assistant or deputy secretary;
“Social Housing”	means accommodation which satisfies section 68(1)(a) or (b) of the Housing and Regeneration Act 2008 and property which is social housing pursuant to section 77 of the Housing and Regeneration Act 2008;
“Surrounding Area”	shall mean the counties or local authorities immediately adjacent to the administrative area of the Parent;
“Tenant”	means an individual who occupies a residential property belonging to the Parent or the Organisation under a tenancy agreement or a person who occupies a residential property under a lease of 50 years or more where the lessor is the Parent;
"Tenant Advisory Committee"	means the Advisory Committee of Tenants described in Articles 25-26;
“the United Kingdom”	means Great Britain and Northern Ireland; and
“in writing”	means the representation of words, symbols or other information in a visible form by any method or combination of methods whether sent or supplied in electronic form or otherwise.

- (1) Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Organisation.
- (2) In these Articles words importing individuals shall, unless the context otherwise require, include corporations and words importing the singular number shall include the plural, and vice versa and words importing the masculine gender shall include the feminine gender.

- (3) A reference to any Act of Parliament, or to any order, regulation, statutory instrument, or the like, shall be deemed to include a reference to any amendment, re-enactment, consolidation, variation, replacement or extension of the same respectively from time to time and for the time being in force.

2. **NAME**

The name of the company is [Rykneld Homes Limited] (“the Organisation”).

3. **REGISTERED OFFICE**

The Organisation’s registered office is to be located in England.

4. **OBJECTS**

The objects of the Organisation shall be, in the areas where North East Derbyshire District Council or any successor body thereto (the “Parent”) own or manage housing stock and in the Surrounding Area:

- (1) the business of providing and managing housing, including Social Housing, and providing assistance to help house people and associated facilities, amenities and services; and
- (2) any other object which is connected with or incidental to the provision of housing that can be carried out from time to time by a company registered as a provider of social housing with the Regulator.

5. **NON-PROFIT**

The Organisation shall not trade for profit.

6. **SUBSIDIARY STATUS**

The Organisation is a subsidiary of the Parent.

7. **POWERS**

The Organisation may in order to further the Objects (but not otherwise) do anything that a natural or corporate person can lawfully do which is not expressly prohibited by these Articles.

8. **LIMIT ON POWERS**

The Organisation shall not, without the prior written consent of the Parent, have the power to:

- (1) enter into any transaction which may affect:
  - a) the Parent's affordable borrowing limits as determined from time to time by the Parent under section 3 of the Local Government Act 2003;
  - b) any borrowing limits set by the Secretary of State under section 4 of the Local Government Act 2003 either in relation to the Parent's borrowing limits or the limits of local authorities in general; or
  - c) the Parent's compliance with the Prudential Code for Capital Finance in Local Authorities published by CIPFA as amended or reissued from time to time; or
- (2) invest or make any arrangements to invest sums other than in a building society or bank.

9. **APPLICATION OF INCOME AND PROPERTY**

The income and property of the Organisation shall be applied solely towards the promotion of its Objects as set forth in these Articles and no portion thereof shall be paid or transferred, directly or indirectly, save as provided below by way of dividend, bonus or otherwise howsoever by way of profit, to the Members or in contravention of section 122 of the Housing and Regeneration Act 2008, and no Board Member shall be appointed to any office of the Organisation paid by salary or fees or receive any remuneration or other benefit or money or money's worth from the Organisation PROVIDED THAT nothing herein shall prevent any payment in good faith by the Organisation:-

- (1) Of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension policies and terminal grants and gratuities) to any officer or employee of the Organisation (not being a Board Member) in return for any services rendered to the Organisation;
- (2) Of fees, 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 share capital of the company;
- (3) To (a) any Board Member or (b) any person who is appointed by the Board to sit on a committee to which the Board has delegated any of its powers (for the avoidance of doubt, in each case in his capacity as a Board Member or person so appointed), of reasonable out-of-pocket

expenses and such other sums as may be determined by the Parent PROVIDED THAT payment of any such sum is in accordance with any applicable guidance published by the Regulator from time to time and PROVIDED FURTHER THAT no sum shall be paid to a Board Member or other person who is an elected member of the Parent in excess of that permitted by the Order and PROVIDED FURTHER THAT in making any payment under this Article 9(3) the Organisation shall have regard to any guidance issued by the Ministry of Housing, Communities and Local Government;

- (4) Of sums due in respect of indemnity insurance for Board Members under Article 64(2);
- (5) Of reasonable and proper remuneration to the Parent or employees thereof (not being Board Members) in return for any services rendered to the Organisation;
- (6) Of reasonable and proper rent for premises demised or let by the Parent;
- (7) Of reasonable and proper interest on money lent by the Parent.

10. **EQUAL OPPORTUNITIES**

The Organisation shall at all times take into consideration the principles of equality of opportunity irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability.

11. **LIMITED LIABILITY**

The liability of the Member is limited.

12. **MEMBERS GUARANTEE**

The Member undertakes to contribute to the assets of the Organisation, in the event of the same being wound up while they are a member of the Organisation, or within one year after they cease to be a member of the Organisation, for payment of the debts and liabilities of the Organisation contracted before they cease to be a member of the Organisation, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

13. **WINDING UP**

If, upon the winding up or dissolution of the Organisation, there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall (subject always to section 167 of the Housing and Regeneration Act 2008) be paid or transferred to the Housing Revenue Account (as defined in the 1989 Act) of the Parent.

## **ADMISSION OF MEMBERS**

14. No person other than the Parent shall be admitted to membership of the Organisation.
15. The Parent shall nominate a person to act as its representative in writing to the Secretary. Such representative shall have the right on behalf of the Parent to attend general meetings of the Organisation and vote thereat, and generally exercise all rights of membership on behalf of the Parent. The Parent may from time to time revoke the nomination of such representative and nominate another representative in his place. All such nominations and revocations shall be in writing.
16. The rights of the Parent as sole member of the Organisation shall be personal and shall not be transferable.

## **GENERAL MEETINGS AND RESOLUTIONS**

17. The Board Members may call general meetings and, on the requisition of the Parent pursuant to the provisions of the 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 Parent may call a general meeting.
18.
  - (1) A general meeting not called on the requisition of the Parent pursuant to Article 17 shall be called by at least fourteen clear days' notice to the Parent or by shorter notice if it is so agreed by the Parent in writing.
  - (2) The notice shall specify the time and place of the meeting.
  - (3) The notice shall be given to the Parent and to the Board Members and auditors.
19. The 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.
20. No business shall be transacted at any general meeting unless a quorum is present. The presence of a duly authorised representative of the Parent shall be a quorum.
21. Board Members and any member of the public may attend and may speak with the permission of the Chair but may not vote.

22. The Chair is to chair general meetings. If the Chair is not present within 15 minutes from the time of the general meeting, the Board Members present must choose one of their number who is present and willing to act to chair the general meeting.
23. If the Parent makes a decision which is required to be taken in a general meeting or by means of a written resolution, that decision shall be valid and effectual as if agreed by the Organisation in general meeting. Any decision taken by the Parent pursuant to this Article 23 shall be recorded in writing and delivered by the Parent to every Board Member and to the Organisation for entry in the Organisation's minute book. The written resolution may be delivered electronically provided it is supported by a digital signature to demonstrate the authenticity of the document.
24. An entry stating that a resolution has been carried or lost in the approved minutes of any meeting shall be conclusive evidence of the fact.

#### **TENANT ADVISORY COMMITTEE**

25. At the date these Articles are adopted there shall be established a Tenant Advisory Committee. The first members of the Tenant Advisory Committee shall be those Tenants who were Board Members immediately prior to the adoption of these Articles. The Tenant Advisory Committee shall operate under terms of reference to be adopted at the first meeting of Tenant Advisory Committee which shall not become effective unless and until they receive approval from the Parent and the Board.
26. The terms of reference shall include a description of the recruitment process for the Tenant Advisory Committee, the frequency with which the Tenant Advisory Committee shall report to the Board and those things which the Tenant Advisory Committee shall report on to the Board.
27. Subsequent and / or additional Tenant members shall be appointed by the Tenant Advisory Committee and confirmed by the Board in accordance with the process set out in the terms of reference.

#### **NUMBER OF BOARD MEMBERS**

28.
  - (1) The number of Board Members shall be seven where:
    - (a) four Board Members shall be Parent Board Members; and
    - (b) three Board Members shall be Independent Board Members.
  - (2) No person shall be appointed as a Board Member if that person is an employee of the Organisation.

- (3) In the event that the number of Board Members is less than the number specified in Article 28(1) and the Parent has not appointed additional Board Members in accordance with the provisions of these Articles by a date which is three (3) months from the date the number of Board Members became less than that specified in Article 28(1), the remaining Board Members shall use reasonable endeavours to appoint the number of Board Members required in order to reach the number specified in Article 28(1) and they may act notwithstanding this Article.
- (4) No person shall be appointed as a Board Member if that person has served two consecutive terms of office as a Board Member, provided that a Board Member's term may be extended for such period as the Parent may reasonably determine if in the opinion of the Parent it is in the best interests of the Organisation to do so.
- (5) No person shall be appointed as a Board Member if that person is a Family Member of any Board Member.
- (6) No person shall be appointed as a Board Member if that person has had a Possession Order made against them in the four years preceding their appointment.

#### **OBLIGATIONS OF BOARD MEMBERS**

29. The Board must set out the obligations of every Board Member to the Board and to the Organisation in writing. The Board must review and may amend the statement of Board Members' obligations from time to time.
30. The statement of the obligations of the Board Members to the Organisation must include:-
  - (1) a commitment to its values and objectives;
  - (2) an obligation to contribute to and share responsibility for the Board's decisions;
  - (3) an obligation to read Board papers and to attend meetings, training sessions and other relevant events;
  - (4) an obligation to declare relevant interests;
  - (5) a commitment to equal opportunities;
  - (6) an obligation (subject to any overriding legally binding or regulatory requirement to the contrary) to keep confidential the affairs of the Board; and
  - (7) a reference to their obligations under the general law.

31. Every Board Member must sign and deliver to the Board a statement confirming he will meet his obligations to the Board and to the Organisation within one month of his appointment or election. This statement is to be in the form determined by the Board from time to time.

### **FUNCTIONS OF THE BOARD**

32. As Directors of a limited company, and in accordance with the Companies Act 2006, the Board must direct the Organisation's affairs in such a way as to promote the Objects. To achieve this, its functions include:
- (1) defining the values and objectives of the Organisation;
  - (2) establishing policies and plans to achieve those objectives;
  - (3) approving each year's budget and accounts before publication;
  - (4) establishing and overseeing a framework of delegation of its powers to committees and employees under Article 33 with proper systems of control;
  - (5) taking decisions on all matters which will or might create significant financial or other risk to the Organisation or which affect material issues of principle;
  - (6) monitoring the Organisation's overall performance in relation to its plans, budget controls and decisions;
  - (7) appointing (and if necessary, removing) the top executive responsible for the Organisation's overall operations and performance (whether titled Managing Director, Chief Executive or otherwise);
  - (8) satisfying itself that the Organisation's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
  - (9) ensuring appropriate advice is taken on the items listed in Article 32(1) to 32(8) and in particular on matters of legal compliance and financial viability.

### **DELEGATION OF BOARD MEMBERS' POWERS**

33. Although it may not delegate overall responsibility for any of the specific functions listed in Article 32 the Board may delegate any of its decision making powers to any committee or Sub-Board consisting of two or more Board Members together with such other persons the Board considers fit to exercise such powers. It may also delegate to the Chair/or any deputy Chair or to any executive officer such of its powers as it considers desirable to be exercised by them.
34. Any delegation under Article 33 may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions and this Article, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying.

### **APPOINTMENT OF PARENT BOARD MEMBERS BY THE PARENT**

35.
  - (1) On adoption of these Articles each Parent Board Member shall continue their current designated term of office (unless they cease to hold office under any other provision of these Articles). At the end of their current term they shall either retire or be reappointed by the Parent in accordance with Article 28(4) and this Article 35.
  - (2) On each subsequent re-appointment or on each new appointment by the Parent, each Parent Board Member shall be appointed for a term of four years. At the end of such term, each Parent Board Member shall either retire or be reappointed by the Parent in accordance with Article 28(4) and this Article 35.
  - (3) The Parent shall have the power to remove from office any Parent Board Member.
  - (4) Appointment or removal pursuant to this Article 35 shall be effected by an instrument in writing signed by the Parent and shall take effect upon lodgement at the Office or such date later than such lodgement as may be specified in the instrument.

- 36.
- (1) The Parent shall appoint one of the Parent Board Members to be the Chair. The Board Member so appointed shall preside at every meeting of the Board at which he is present.
  - (2) If there is no Board Member holding the office of Chair, or if the Board Member holding that office is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Board Members present may appoint one of their number to be Chair of the meeting.
37. Notwithstanding any other provisions in these Articles, the Parent shall have power at any time by notice in writing to the Secretary to appoint and remove any Parent Board Member.

**APPOINTMENT OF INDEPENDENT BOARD MEMBERS RATIFIED BY THE PARENT**

- 38.
- (1) Independent Board Members shall be Independent Persons.
  - (2) On adoption of these Articles each Independent Board Member shall continue their current designated term of office (unless they cease to hold office under any other provision of these Articles). At the end of their current term they shall either retire or be reappointed by the Parent in accordance with Article 28(4) and this Article 38.
  - (3) On each subsequent re-appointment, each Independent Board Member shall be appointed for a term of four years and shall only be re-appointed in accordance with Article 28(4) and this Article 38.
  - (4) Each new Independent Board Member shall be appointed by the Board following a recruitment process which takes into account the skills and experience which are required. The recruitment process shall involve the production of a role description and person specification for each Independent Board Member vacancy.
  - (5) The Parent shall have the power to remove from office any Independent Board Member.
  - (6) Appointment or removal pursuant to this Article 38 shall be effected by an instrument in writing signed by the Parent and shall take effect upon lodgement at the Office or such date later than such lodgement as may be specified in the instrument.
39. Notwithstanding any other provisions in these Articles, the Parent shall have power at any time by notice in writing to the Secretary to appoint and remove any Independent Board Member.

## **DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS**

40. A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Board Member if the relevant individual:-
- (1) ceases to be a Board Member by virtue of any provision of the Act or becomes prohibited by law from being a company director; or
  - (2) is or becomes a person disqualified from elected membership of a local authority; or
  - (3) a bankruptcy order is made against that person; or
  - (4) a composition is made with that person's creditors generally in satisfaction of that person's debts; or
  - (5) a registered medical practitioner who is treating that person gives a written opinion to the Organisation stating that person has become physically or mentally incapable of acting as a director and may remain so for more than 3 months; or
  - (6) by reasons of a person's mental health an order is made by a court which wholly or partly prevents that person from personally exercising any powers or rights that person would otherwise have; or
  - (7) resigns his office by notice to the Organisation and such resignation has taken effect with its terms; or
  - (8) is removed from office by a resolution of at least three quarters of all the other Board Members present and entitled to vote (whether or not voting) at the meeting at which such a resolution is considered provided that the Board Member concerned has first been given an opportunity to put his case and to justify why he should not be removed as a Board Member; or
  - (9) shall for more than three consecutive meetings have been absent from meetings of the Board held during that period unless the Board (at such third consecutive meeting) resolves otherwise; or
  - (10) in any period of 12 months, he shall have been absent from four of the meetings of Board Members held during that period unless the Board (at or before the meeting where a Board Member would be removed under this Article) resolves that such person should not cease to be a Board Member; or
  - (11) is an Independent Board Member and ceases to be an Independent Person; or

- (12) fails to sign a statement of his obligations under Article 31 within one month of his election or appointment and the Board resolves that they be removed; or
- (13) is or becomes an employee of the Organisation; or
- (14) is or becomes a Family Member of a Board Member. In the absence of agreement between Board Members who are Family Members the Board Member appointed last shall cease to be a Board Member; or
- (15) is removed as a Board Member pursuant to Articles 35(3) or 38(5).

### **SUSPENSION OF A BOARD MEMBER**

41. The Board may suspend a Board member for a period not exceeding 3 calendar months by a resolution of at least three quarters of all the other Board Members present and entitled to vote (whether or not voting) at the meeting at which such a resolution is considered in the following circumstances:
- (1) An allegation is made under the code of conduct and the Board considers it is in the best interest of the Organisation to suspend a Board Member or a number of Board Members while the investigation is being carried out.
  - (2) If during the suspension period, the investigation concludes that there is no case to answer, then the suspension will be lifted with immediate effect and confirmed in writing by the Company Secretary.
  - (3) Following an investigation into an alleged breach of the Code of Conduct, where it has been established that, although there was a clear breach of the Code, the severity or impact of the breach was not considered significant enough to warrant removal.
42. While a single period of suspension should not normally exceed 3 calendar months, the Board, by a resolution of at least three quarters of all the other Board Members present and entitled to vote (whether or not voting), extend the period of suspension.

### **POWERS OF THE BOARD**

43. Subject to the provisions of the Act, directions of the Parent in general meeting and the provisions of these Articles, the business of the Organisation shall be managed by the Board which may exercise all the powers of the Organisation. No alteration of these Articles or directions of the Parent shall invalidate any prior act of the Board which would have been valid if that alteration had not been made. 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.

44. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Organisation for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

### **BORROWING POWERS**

45. Subject to Article 0 the Board may exercise all the powers of the Organisation to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or other security over its 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 Organisation or of any third party.

### **ALTERNATE BOARD MEMBERS**

46. No Board Member shall be entitled to appoint any person as an alternate Board Member.

### **BOARD AND COMMITTEE MEMBERS' REMUNERATION AND EXPENSES**

#### **REMUNERATION**

47. Subject to Article 49, Independent Board Members shall be remunerated in accordance with the role description and person specification under which they were appointed. This shall take into account their skills and experience.
48. Subject to Article 49, Parent Board Members who are Local Authority Persons shall only be remunerated as is permitted under the Order.
49. No sum shall be paid to any Board Member in excess of that which would be permitted to be paid to a Board Member of a registered provider under the section 122 of the 2008 Act.

#### **EXPENSES**

50.

- (1) The Board Members may be paid all travelling, hotel, and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or otherwise in connection with the discharge of their duties and such other sums as may be determined by the Parent PROVIDED THAT:

- a) no sum shall be paid to a Board Member in excess of that which would be permitted to be paid to a Board Member of a registered provider under section 122 of the 2008 Act;

- b) no sum shall be paid to a Board Member who is an elected member of the Parent in excess of that permitted by the Order; and
  - c) in making any payment under this Article 50(1) the Organisation shall have regard to any guidance issued by the Ministry of Housing, Communities and Local Government.
- (2) Any person who is appointed by the Board to sit on a committee to which the Board has delegated any of its powers under Article 33 may be paid all travelling, hotel, and other expenses reasonably incurred by them in connection with his attendance at meetings of such committee and such other sums as may be determined by the Parent PROVIDED THAT:
- a) no sum shall be paid to a Board Member in excess of that which would be permitted to be paid to a Board Member of a registered provider under section 122 of the 2008 Act;
  - b) no sum shall be paid to a Board Member who is an elected member of the Parent in excess of that permitted by the Order; and
  - c) in making any payment under this Article 50(2) the Organisation shall have regard to any guidance issued by the Ministry of Housing, Communities and Local Government.

### **BOARD MEMBERS' APPOINTMENTS AND INTERESTS**

51. A Board Member may not have any financial interest personally or as a member of a firm or as a director or senior employee (being an employee with managerial status) or in any contract or other transaction of the Organisation unless it is permitted by these Articles.
52. Each Board Member shall ensure that the Secretary has at all times an up to date list of:
- (1) all bodies trading in which he or she has an interest as:
    - (a) a director or senior employee,
    - (b) a member or partner of a firm,
    - (c) the owner or controller of more than 2% of the issued share capital in a company,
  - (2) all interests as an official or elected member of any statutory body;
  - (3) all interests as the occupier of any property owned or managed by the Organisation;

- (4) any other significant or material interest.

### **PROCEEDINGS OF BOARD MEETINGS**

53.

- (1) Subject to any regulations established from time to time by the Organisation in general meeting and compliance with Section 10(1) of the Order the Board may regulate its proceedings as it thinks fit and the quorum for the transaction of the business of the Board at the time when the meeting proceeds to business shall be three of whom at least one shall be an Independent Board Member and one a Parent Board Member PROVIDED THAT if either the number of Board Members in one category of Board Member falls below one or all the Board Members in one category are prevented from voting by Article 55 then the quorum requirement need not include a Board Member in that category. The requirement to have a representative from each of the constituent groups does not apply to Sub-Board meetings.
- (2) two (2) of the total number of Board Members may call a meeting of the Board. The Secretary must give 5 clear days' notice of Board Meetings to each of the Board Members. It shall not be necessary to give notice of a meeting to a Board Member who is absent from the United Kingdom.
- (3) A Board Meeting which is called on shorter notice than required under Article 53 (2) is deemed to have been duly called if at least one third of Board Members from time to time certify in writing that because of special circumstances it ought to be called as a matter of urgency.
- (4) If a quorum is not present within half an hour from the time appointed for a Board Meeting the Board Meeting shall, if requested by a majority of those Board Members present, be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board Members present may determine.
- (5) If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 53(1) the Board Members present shall constitute a quorum.
- (6) Any member of the public may attend a Board Meeting but may not speak without the permission of the Chair PROVIDED THAT any such person shall be excluded from the meeting during any item of business which the Chair determines is not appropriate for consideration with the public present or in order to ensure the orderly conduct of the meeting.

54. Questions arising at a Board Meeting shall be decided by a majority of votes and each Board Member present in person shall be entitled to one vote. In the case of an equality of votes, the Chair of that meeting shall have a second or casting vote.

55.

(1) Any Board Member having an interest in any arrangement between the Organisation and another person or body (which shall include interests of Family Members) shall disclose that interest to the meeting before the matter is discussed by the Board or committee of the Board PROVIDED THAT if the interest exists solely because of the circumstances set out in Article 55(2)(a) or (b) then the interest need not be specifically disclosed at that meeting so long as it is at that time properly recorded in a written Register of Interests of Board Members maintained by the Organisation. Unless the interest is of the type specified in Articles 52(2) or 52(3) the Board Member concerned shall not remain present during the discussion of that item unless requested to do so by the remaining members of the Board or committee of the Board. Unless permitted by Articles 52(2) or 52(3) the Board Member concerned may not vote on the matter in question, but 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.

(2) Provided the interest has been properly disclosed pursuant to Article 55(1) a Board Member may remain present during the discussion and may vote on the matter under discussion where the interest arises because:

(a) the Board Member is a director or other officer of a company or body which is a parent, subsidiary or associate of the Organisation; or

(b) the Board Member is an official or elected member of any statutory body.

(3) A Board Member shall not be treated as having an interest:

(a) of which the Board Member has no knowledge and of which it is unreasonable to expect him to have knowledge;

(b) in the establishment of a policy in respect of Board Member remuneration or expenses payable pursuant to Article 47 - 50;

(c) in arranging insurance under Article 64(2).

56. If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Board Member to vote, the question may, before the conclusion of the meeting, be referred to the Chair and his ruling in relation to any Board Member other than himself shall be final and conclusive.
57. 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 be afterwards discovered that there was a defect in the appointment of any Board Member or that any of them 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 RESOLUTION**

58. A resolution in writing signed by one third of the Board or (as the case may be) a Sub-Board and which satisfies the quorum requirements of Article 53(1) shall be as valid and effectual as if it had been passed at a meeting of the Board or a Sub-Board duly convened and held and may consist of several documents in the like form each signed by one or more Board Members. The written resolution may be delivered electronically provided that it is supported with a digital signature to demonstrate the authenticity of the document.

### **SECRETARY**

59. Subject to the provisions of the Act, the Secretary and any deputy or alternate Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.

### **MINUTES**

60. The Board shall cause minutes to be made in books kept for the purpose:
- (1) of all appointments of officers made by the Board Members; and
  - (2) of all proceedings at meetings of the Organisation and of the Board, and of committees of the Board and of the Parent in its capacity as the sole member of the Organisation, including the names of the Board Members present at each such meeting.

## **RECORDS ACCOUNTS AND RETURNS**

61.

- (1) The Organisation shall comply with the provisions of Part V of the Local Government and Housing Act 1989, the Order and Part VII of the Act in respect of:-
  - (a) the keeping and auditing of accounting records;
  - (b) the provision of accounts and annual reports of the Board; and
  - (c) in making an annual return.
- (2) If the Organisation is a registered provider of social housing it shall comply with the provisions of section 128 of the Housing and Regeneration Act 2008 in respect of the provision of accounts and associated reports to the Regulator.

## **THE SEAL**

62.

- (1) If the Organisation has a seal it shall only be used with the specific or general authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Board Member and by the Secretary or a second Board Member.
- (2) The Organisation may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board Members.

## **NOTICES**

63.

- (1) Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Board or of a committee of the Board need not be in writing.
- (2) Notice shall be deemed to have been received by a person:
  - (a) if posted by first class post at least two business days (meaning Monday to Friday but excluding bank holidays) after being posted;
  - (b) if sent by electronic communication one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the

communication and the transmission is to the electronic communication address or number last notified by that person to the Secretary;

- (c) if delivered by hand, on delivery to the person's address last notified by that person to the Secretary.

## **INDEMNITY**

64.

- (1) Every Board Member or other officer of the Organisation shall be indemnified out of the assets of the Organisation against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his 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 in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him and no Board Member or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Organisation 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 Section 310 of the Act.
- (2) The Board shall have power to purchase and maintain for any Board Member or officer of the Organisation insurance against any such liability as is referred to in Section 310(1) of the Act.