

**THE COMPANIES ACT 1985**

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

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**MEMORANDUM OF ASSOCIATION**

**-of-**

**HOMES FOR HARINGEY LIMITED**

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1. **NAME**

The name of the company is Homes for Haringey Limited (“the Organisation”).

2. **REGISTERED OFFICE**

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

3. **OBJECTS**

The objects and purposes of the Organisation shall be primarily in the areas where Haringey London Borough Council (“the Council”) own or manage housing stock to:

- (1) provide, manage, maintain, improve, demolish or convert the housing stock owned or managed by the Council from time to time together with any other amenities or facilities for the benefit of residents of such housing stock either exclusively or together with persons who are not residents of such housing stock;
- (2) provide amenities and services of any description for residents of housing stock owned or managed by the Council from time to time either exclusively or together with persons who are not residents of such housing stock;
- (3) provide advice and assistance to all tenants, leaseholders, and licensees, of the Council and applicants for housing and applicants for housing advice in respect of local authority housing;
- (4) carry out any activity which contributes to the regeneration or development in the area of the Council (within the meaning of Section 126 of the Housing Grants Construction and Regeneration Act 1996) including but not limited to:-

- (a) securing that land and buildings are brought into effective use;
  - (b) contributing to or encouraging economic development;
  - (c) creating an attractive and safe environment;
  - (d) preventing crime or reducing the fear of crime;
  - (e) providing or improving housing or social and recreational facilities for the purpose of encouraging people to live or work in the said area or for the purpose of benefiting people who live there;
  - (f) providing employment for local people;
  - (g) providing or improving training, educational facilities or health services for local people;
  - (h) assisting local people to make use of opportunities for education, training or employment;
  - (i) meeting the special needs of local people which arise because of disability or because of their sex or the racial group to which they belong.
- (5) provide, construct, improve or manage housing to be kept available for letting or hostels;
  - (6) provide, manage, maintain or improve accommodation required from time to time for the benefit of persons who require temporary accommodation;
  - (7) provide services of any description for the Council or any other person, subject to the Council's consent pursuant to the terms of the Management Agreement to be entered into between the Organisation and the Council;
  - (8) assess applicants for housing assistance;
  - (9) assess applications by residents of housing stock owned or managed by the Council to exercise the right to buy under Part V of the Housing Act 1985;
  - (10) enabling or assisting any residents of the housing stock owned or managed by either the Council or the Organisation to acquire, or to acquire and enter into occupation of, dwellings;
  - (11) promote tenant participation in housing and estate management and to encourage tenant and community engagement and empowerment.

4. **POWERS**

Subject to Clause 6 the Organisation shall have power to do any thing that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless prohibited by this Memorandum

5. Subject to Clause 6 and without limiting the powers described in Clause 4 the Organisation shall have power to:

- (1) carry out works to land, buildings or other property;
- (2) contract with the Council Member in furtherance of its objects;
- (3) subject to the prior written consent of the Council Member and to such consents as may be required by law to borrow money, issue loan stock or raise money in such manner as the Organisation shall think fit and to secure the repayment of any money borrowed raised or owing by such security as the Organisation shall see fit (including by way of floating charge) upon the whole or any part of the Organisation's property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by the Organisation of any obligation or liability it may undertake or which may become binding on it;
- (4) insure and arrange insurance cover for the Organisation from and against all such risks as the Board may think fit and to pay any premium in respect of such insurance;
- (5) insure and arrange insurance cover for and to indemnify its employees and voluntary workers and the Council Member 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 Board Members 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 Organisation PROVIDED THAT such insurance shall not extend to any liability in respect of an act or omission which such Board Member or Board Members knew or ought reasonably to have known was a breach of duty or trust or which was committed by such Board Member or Board Members recklessly without due regard as to whether such act or omission might be a breach of duty or trust;
- (6) invest any monies of the Organisation not immediately required for the furtherance of its objects as it determines and as permitted by law;
- (7) subject to such consents as may be required by law and compliance with all formal guidance issued by the Organisation's regulators (if any) to purchase or otherwise acquire or to encourage or promote and in any way support or aid the establishment and development of any subsidiary, or any other body established for the purposes of carrying on any trade or business either for the purpose of

raising funds for the Organisation or for the furtherance of the objects of the Organisation;

- (8) subject to the prior written consent of the Council Member, make donations, grants or loans or provide services or assistance to such persons and Organisations and on such terms as the Organisation shall think fit to further the objects of the Organisation

PROVIDED THAT in case the Organisation shall take or hold any property which may be subject to any trusts, the Organisation shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.

6. The Organisation shall not, without the prior written consent of the Council Member, have the power to:
  - (1) receive a sum which, if it were a local authority, would be a capital receipt;
  - (2) receive consideration to which, if it were a local authority, Section 61 of the 1989 Act would apply;
  - (3) receive a sum by way of grant from a European Union institution to which, if it were a local authority, Section 63(4) of the 1989 Act would apply;
  - (4) enter into a credit transaction (as defined by Article 12(2) of the Order);
  - (5) with respect to a credit transaction agree to a variation of terms which, if it were a local authority, would be a variation within the meaning of Section 51(1) of the 1989 Act;
  - (6) incur additional liabilities within the meaning of Article 16 of the Order; or
  - (7) reduce its liabilities within the meaning of Article 16 of the Order.
  - (8) receive any financial or other assistance which is regarded as State Aid (as that term is defined within Article 87(1) of the European Community Treaty).
  - (9) cause the same or similar effect under the provisions of the Local Government Act 2003 and regulations thereunder to the extent that the said Act replaces the provisions rehearsed in sub-clause (1) – (7) above and in particular the Organisation shall not do any act or thing which does or might cause the Council to be in breach of the CIPFA Prudential Code for Capital Finance in Local Authorities.

7. **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 the Memorandum of Association 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 Council Member 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 any Board Member of reasonable out-of pocket expenses and such other sums as may be determined by the Council Member PROVIDED THAT no sum shall be paid to a Board Member in excess of that which would be permitted to be paid to a board member pursuant to any guidance issued from time to time by the Office of the Deputy Prime Minister or such other of Her Majesty's Government Departments relating to the payment of Board Members of Arms Length Management Organisations PROVIDED FURTHER THAT no sum shall be paid to a Board Member who is an elected member of the Council Member in excess of that permitted by the Order;
- (4) Of reasonable and proper remuneration to the Council Member or employees thereof (not being Board Members) in return for any services rendered to the Organisation;
- (5) Of reasonable and proper rent for premises demised or let by the Council Member;
- (6) Of reasonable and proper interest on money lent by the Council Member;
- (7) Of such other sums as may reasonably be paid to the Council pursuant to the terms of the management agreement to be entered into between the Organisation and the Council.

PROVIDED FURTHER THAT nothing shall prevent the Organisation from managing a property in accordance with its objects (including the full range of activities it may undertake) notwithstanding the fact that the tenant, lessee or licensee (or prospective tenant, lessee or licensee) of such property may be a Board Member SUBJECT TO the

proviso that any Board Member who is a beneficiary of the Organisation shall not be entitled to speak in any debate or cast his/her vote in respect of any matter relating solely to the property of which he is lessee, tenant or licensee and shall absent himself/herself from such proceedings but such Board Member shall be entitled to speak and vote in respect of matters which relate not only to such property but also to other properties managed by the Organisation.

8. **EQUAL OPPORTUNITIES**

The Organisation shall at all times take into consideration the principles of equality of opportunity irrespective of age, gender, national origin, race, colour nationality, ethnic origin, religious belief, responsibility for dependants, sexual orientation, HIV status, unrelated criminal activity or disability

9. **LIMITED LIABILITY**

The liability of the Council Member is limited.

10. **MEMBERS GUARANTEE**

The Council 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.

11. **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 be paid or transferred to the Housing Revenue Account (as defined in the 1989 Act) of the Council Member.

12. **DEFINITIONS**

- (a) "Order" shall mean the Local Authorities (Companies) Order 1995 as amended or re-enacted from time to time;
- (b) "the 1989 Act" shall mean the Local Government and Housing Act 1989 as amended or re-enacted from time to time;
- (c) terms defined in the Articles of Association of the Organisation shall have the same meaning in this Memorandum of Association.

The person whose name and address are subscribed is desirous of being formed into a company in pursuance of this Memorandum of Association.

**THE COMMON SEAL** of **THE MAYOR** )  
and **BURGESS OF THE LONDON BOROUGH** )  
**OF HARINGEY COUNCIL** was hereunto affixed )  
in the presence of: )

DATED [ ]

WITNESS to the above:-

NAME  
Address

**THE COMPANIES ACT 1985**

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**ARTICLES OF ASSOCIATION  
OF  
HOMES FOR HARINGEY LIMITED**

**DEFINITIONS AND INTERPRETATION**

1. In the Articles unless the context otherwise requires:

"the Act"	Means the Companies Act 1985 (as amended by the Companies Act 1989) and any statutory modification or re-enactment thereof for the time being in force.
"the Articles"	Means these Articles of Association as originally adopted or as altered from time to time.
"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.
"Chair"	Means the Chair of the Organisation appointed pursuant to Article 31(1) or in his absence any vice or deputy chairman appointed pursuant to Article 31(3).
"clear days"	In relation to the period of a notice means 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.

"Council Board Member"	Means a Board Member appointed by the Council Member pursuant to Article 14.
"Council Member"	Means The London Borough of Haringey or any successor body thereto which shall be the sole member of the Organisation.
"executed"	Means in relation to any contract, agreement or other document consent thereto and includes any mode of execution.
"Independent Board Member"	Means a Board Member appointed pursuant to Article 16.
"Leaseholder"	Means a person who occupies residential premises as his/her only/or principal home pursuant to a long lease where the Council Member is the freeholder
"Local Authority Person"	Means any person: <ul style="list-style-type: none"> <li>(i) who is a member of the Council Member; or</li> <li>(ii) who is either an officer of the Council Member whose duties include the provision of housing related functions or any employee occupying a politically restricted position pursuant to the provisions of the Local Government and Housing Act 1989;</li> </ul>
"Office"	Means the registered office of the Organisation.
"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.
"Tenant"	Means an individual who holds a secure tenancy of a residential property from and occupies a property belonging to the Council Member.
"Resident Board Member"	Means a Board Member appointed pursuant to Article 15.
"the United Kingdom"	Means Great Britain and Northern Ireland.

2. (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.

### **ADMISSION OF MEMBERS**

3. No person other than the Council Member shall be admitted to membership of the Organisation.
4. The Council Member shall nominate a person to act as its representative in the manner provided in Section 375 of the Act. Such representative shall have the right on behalf of the Council Member to attend meetings of the Organisation and vote thereat, and generally exercise all rights of membership on behalf of the Council Member. The Council Member 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.
5. The rights of the Council Member shall be personal and shall not be transferable.

### **GENERAL MEETINGS AND RESOLUTIONS**

6. All general meetings other than annual general meetings shall be called extraordinary general meetings.
7. The Board Members may call general meetings and, on the requisition of the Council Member pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Board Members to call a general meeting, any Board Member or the Council Member may call a general meeting.
8. (1) An Annual General Meeting and an Extraordinary General Meeting not called on the requisition of the Council Member pursuant to Article 7 shall be called by at least twenty-one clear days' notice or by shorter notice if it is so agreed by the Council Member.
- (2) The notice shall specify the time and place of the Meeting and, in the case of an Annual General Meeting, shall specify the Meeting as such.
- (3) The notice shall be given to the Council Member and to the Board Members and auditors.

9. 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.
10. No business shall be transacted at any general meeting unless a quorum is present. The presence of a duly authorised representative of the Council Member shall be a quorum.
11. If the Council Member 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 Company in general meeting. Any decision taken by the Council Member pursuant to this Article 11 shall be recorded in writing and delivered by the Council Member to the Company for entry in the Company's minute book.
12. An entry stating that a resolution has been carried or lost in the minutes of any meeting shall be conclusive evidence of the fact.

### **NUMBER OF BOARD MEMBERS**

13.
  - (1) Until the first annual general meeting of the Organisation the number of Board Members shall be seventeen and thereafter the number of Board Members shall be sixteen.
  - (2) Five Board Members shall be Council Board Members.
  - (3) Until the first annual general meeting of the Organisation seven Board Members shall be Resident Board Members of which one shall be a Leaseholder and 6 shall be Tenants, of which one shall be a Tenant occupying sheltered housing and thereafter six Board Members shall be Resident Board Members of which one shall be a Leaseholder and five shall be Tenants, of which one shall be a Tenant occupying sheltered housing.
  - (4) Five Board Members shall be Independent Board Members.
  - (5) No more than eight Board Members shall be Tenants unless there is one Board Member who is a Leaseholder in which case no more than seven Board Members shall be Tenants.
  - (6) No more than eight Board Members shall be Local Authority Persons.
  - (7) No more than two Board Members shall be Leaseholders.
  - (8) In the event that the number of Board Members shall be less than the numbers specified in this Article 13 the remaining Board Members shall use reasonable endeavours to appoint further Board Members and may act notwithstanding this Article.
  - (9) The First Board Members 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 Board Members shall be appointed as provided in the Articles.

- (10) No Board Member shall be eligible to be appointed as a Board Member if they have been a Board Member for 9 consecutive years

#### **APPOINTMENT OF COUNCIL BOARD MEMBERS BY THE COUNCIL MEMBER**

14. (1) Subject to Article 13 the Council Member shall from time to time appoint five persons as Council Board Members and shall have the power to remove from office any such Board Member.
- (2) Appointment or removal pursuant to Article 14(1) shall be effected by an instrument in writing signed by the Council Member and shall take effect upon lodgement at the registered office of the Organisation or such date later than such lodgement as may be specified in the instrument.
- (3) Notwithstanding any other provisions in these Articles the Council Member shall have power at any time by notice in writing to the Secretary to appoint and remove any Board Member.

#### **RETIREMENT AND ELECTION OF RESIDENT BOARD MEMBERS**

15. (1) At the annual general meeting in 2010 and at each annual general meeting which falls at subsequent three yearly intervals (i.e. 2013, 2016, 2019 etc) all Resident Board Members shall retire from office but, subject to article 13(10) shall be eligible to be re-elected as a Resident Board Member.
- (2) Where a Resident Board Member is appointed as a consequence of the death or retirement (other than by operation of article 15(1)) of another Resident Board Member (“the Predecessor”), the period of time for which the Resident Board Member shall have held office shall, for the purposes only of this Article 15(2) be deemed to include the period since the last election or appointment of the Predecessor.
- (3) Prior to the annual general meeting in 2010 and prior to every annual general meeting where Resident Board Members are required to be appointed under article 15(1), direct or indirect elections shall be held among the Tenants or Leaseholders for the number of Resident Board Members to be appointed thereat, so that Tenants elect the Tenants who will become Resident Board Members and Leaseholders elect the Leaseholder who will become a Resident Board Member. Only Tenants or Leaseholders shall be eligible to be appointed as Resident Board Members but otherwise the mode and manner of such elections shall be, subject to the approval of the Council Member, as the Board may from time to time agree subject at all times to compliance with Article 13.

- (4) The company secretary shall announce the results of the elections referred to in Article 15(3) at each relevant annual general meeting and the Tenants and/or Leaseholders so elected shall be duly appointed as Resident Board Members.

#### **RETIREMENT AND ELECTION OF INDEPENDENT BOARD MEMBERS**

16. (1) At the second annual general meeting of the Organisation one of the Independent Board Members shall retire from office. At each of the next two subsequent annual general meetings two Independent Board Members, shall retire from office.
- (2) At each subsequent annual general meeting Independent Board Members shall retire in a rotation which mirrors the arrangement set out in Article 16(1) above.
- (3) The Independent Board Members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became Independent Board Members but as between persons who became Board Members on the same day those to retire shall be chosen by lot PROVIDED THAT where an Independent Board Member is appointed as a consequence of the death or retirement (other than by operation of this sub-paragraph) of another Independent Board Member (“the Predecessor”), the period of time for which the Independent Board Member shall have held office shall, for the purposes only of this Article 16(2) be deemed to include the period since the last election or appointment of the Predecessor.
- (4) If, at the meeting at which a Board Member retires in accordance with Article 16(1), the retiring Board Member is willing to continue to act, he/she shall be deemed to have been re-appointed unless a resolution not to reappoint the Board Member is passed by the meeting.
- (5) No person shall be appointed as an Independent Board Member at any general meeting unless he is recommended by the Board.
- (6) Subject to Articles 16(1) – (5) the Council Member may by Ordinary Resolution in General Meeting appoint any eligible person who is willing to act as an Independent Board Member.
- (7) Subject to Articles 13, 16 and 18 the Organisation may by Ordinary Resolution in general meeting appoint any person who is willing to act as a Board Member to fill a vacancy.
- (8) Subject to Articles 13, 16 and 18 the Board may appoint any person who is willing to act as an Independent Board Member to fill a vacancy until the next Annual General Meeting.
- (9) Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to the Council Member of any person (other than a Board Member retiring by rotation at the

meeting) who is recommended by the Board for appointment or reappointment as an Independent Board Member at the meeting. The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the Organisation's register of Board Members.

### **CASUAL VACANCIES**

17. Subject to Article 13 the Board may appoint a person who is willing to act to be a Board Member to fill a vacancy. The Board may only fill vacancies occurring among Council Board Members where the Council Member shall have failed within three months of a written request by the Organisation to make the appropriate appointments pursuant to Article 14(1). A Board Member appointed to fill a vacancy occurring amongst Resident Board Members under this Article 17 shall hold office until the next annual general meeting when Resident Board Member appointments are to be made under article 15(1). If not re-appointed at such annual general meeting he shall vacate office at the conclusion thereof. A Board Member appointed under this Article 17 to fill a vacancy occurring other than amongst the Resident Board Members shall hold office only until the next following annual general meeting and if not reappointed at such annual general meeting shall vacate office at the conclusion thereafter.

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

18. 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) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (4) is, or may be, suffering from mental disorder and an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
  - (5) resigns his office by notice to the Organisation; or
  - (6) is removed from office by a resolution (or written notice signed by) at least three quarters of all the other Board Members from time to time; or
  - (7) shall for more than four consecutive meetings have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or

- (8) in any period of 12 months, he shall have been absent (without the permission of the Board Members) from at least 60% of the meetings of Board Members held during that period and the Board Members resolve that his office be vacated; or
- (9) in the case of a Resident Board Member he ceases to be a Tenant or Leaseholder of the Council Member PROVIDED THAT this Article 18(9) shall not apply in respect of a Resident Board Member temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to that Resident Board Member's home; or
- (10) is a Board Member and is also a Tenant or a Leaseholder and is (in the reasonable opinion of a majority of Board Members) in serious breach of their obligations as a Tenant or Leaseholder; or
- (11) is a Council Board Member and is or becomes a Tenant or Leaseholder leading to a breach of the limit in Article 13(5) or 13(7); or
- (12) is a Resident Board Member and is or becomes a Local Authority Person leading to a breach of the limit in Article 13(6); or
- (13) is an Independent Board Member and is or becomes a Tenant or Leaseholder or a Local Authority Person; or
- (14) is removed by resolution of the Council Member pursuant to Article 14.

### **POWERS OF THE BOARD**

19. Subject to the provisions of the Act, directions of the Council Member in general meeting and the Memorandum and the Articles, the business of the Organisation shall be managed by the Board who may exercise all the powers of the Organisation. No alteration of the Memorandum or Articles or directions of the Council Member 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.
20. 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**

21. Subject to Clause 6 and Clause 5.3 of the Memorandum 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.

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

- 22.1 The Board may delegate any of their powers to any committee consisting of two or more Board Members together with such other persons as the Board sees fit (but so that Board Members shall constitute a majority and provided that only Board Members shall have the right to vote). They may also delegate to the Chairman/or any vice or deputy Chairman or to any executive officer such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, 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.
- 22.2 In addition to any other committee that the organisation may establish the Organisation shall establish a committee with responsibility for audit functions and a committee with responsibility for the remuneration of the Chief Executive and the first tier of management of the Organisation and for the appraisal of the Organisation's Chief Executive [both committees must be chaired by an independent Board Member].

## **ALTERNATE BOARD MEMBERS**

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

## **BOARD MEMBERS' EXPENSES**

24. 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 Council Member PROVIDED THAT no sum shall be paid to a Board Member in excess of that which would be permitted to be paid to a board member pursuant to any guidance issued from time to time by the Office of the Deputy Prime Minister or such other of Her Majesty's Government Department relating to the payment of Board Members of Arms Length Management Organisations and PROVIDED FURTHER THAT no sum shall be paid to a Board Member who is an elected member of the Council Member in excess of that permitted by the Order.

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

25. 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 and is not prohibited by Clause 6 of the Memorandum.
26. 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 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**

27. (1) Subject to any regulations established from time to time by the Organisation in general meeting and compliance with Section 10(1) of the Local Authorities (Companies Order 1995) the Board may regulate their proceedings as they think fit and the quorum for the transaction of the business of the Board at the time when the meeting proceeds to business shall be six comprising no fewer than one Resident Board Members, one Independent Board Members, and one Council Board Members PROVIDED THAT if the number of Board Members in one or more category of Board Member falls below two then the quorum requirement shall be reduced to one or none (as remain in office) in respect of such category or categories.
- (2)  $33\frac{1}{3}$  percent of the total number of Board Members (or such whole number of Board Members nearest to  $33\frac{1}{3}$  percent) may call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Board Member who is absent from the United Kingdom.
- (3) 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.
- (4) If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 27(1) the Board Members present shall constitute a quorum.
28. 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 shall have a second or casting vote.
29. (1) Any Board Member having an interest in any arrangement between the Organisation and another person or body shall disclose that interest to the meeting

before the matter is discussed by the Board or committee of the Board. Unless the interest is of the type specified in Articles 29(2) or 29(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 29(2) or 29(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 29(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 Tenant or Leaseholder, so long as the matter in question affects all or a substantial group of Tenants or Leaseholders respectively; or
  - (b) 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
  - (c) 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 expenses payable pursuant to Article 24.

30. 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 of the meeting and his ruling in relation to any Board Member other than himself shall be final and conclusive.

31. (1) At the first Board Meeting following each annual general meeting the Board Members shall appoint one of their number to be the chair of the Board to hold office until the next annual general meeting and may at any time remove him from that office. No chair shall serve for a period of more than three years unless the Board agrees otherwise but the Board shall only be able to agree any extension for a period of 12 months at a time.

(2) Unless he is unwilling to do so, the Board Member so appointed shall preside at every meeting of the Board at which he is present. But if there is no Board Member holding that office, or if the Board Member holding it 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 chairman of the meeting.

- (3) The Board shall appoint a vice or deputy chair to act in the absence of the Chair on such terms as the Board shall think fit and may appoint a 2<sup>nd</sup> vice or deputy chair. The vice or deputy chair (and if there are two, then at least one of them) must be from a different constituency of Board Members as the Chair.
32. 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**

33. A resolution in writing signed by:
- (1) three quarters of all the Board Members entitled to receive notice of a meeting of the Board or of a committee of the Board; and
  - (2) the Chair of the Organisation or of the relevant committee; and

which satisfies the quorum requirements of Article 27(1) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Board Members.

### **SECRETARY**

34. 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**

35. 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 Council Member 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**

36. The Organisation 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 annual reports of the directors; and
- (3) in making an annual return.

### **THE SEAL**

- 37. (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**

- 38. 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.
- 39. The Organisation may give any notice to the Council Member either personally or by sending it by post in a prepaid envelope addressed to the Council Member at their registered address or by leaving it at that address.
- 40. The Council Member present by duly authorised representative at any meeting of the Organisation shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 41. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

### **INDEMNITY**

- 42. (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.

