

**Company No.: 03048135**

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**The Companies Act 2006**  
**Private Company Limited by Guarantee**  
**ARTICLES OF ASSOCIATION**  
**of**  
**The Royal Borough of**  
**Kensington and Chelsea Tenant Management Organisation Limited**

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**The Companies Act 2006**  
**Private Company Limited by Guarantee**

**ARTICLES OF ASSOCIATION**

of

**THE ROYAL BOROUGH OF KENSINGTON & CHELSEA TENANT MANAGEMENT  
ORGANISATION LIMITED**

**PART 1**

**INTERPRETATION, OBJECTS, DISSOLUTION AND LIMITATION OF LIABILITY**

**1 Defined terms and interpretation**

1.1 In the articles, unless the context requires otherwise:

|                               |   |
|-------------------------------|---|
| <b>2006 Act</b>               | means the Companies Act 2006;   |
| <b>Address</b>                | has the meaning given in section 1148 of the 2006 Act;  |
| <b>Annual General Meeting</b> | means the Company's annual general meeting as described in Article 13;  |
| <b>Articles</b>               | means the Company's articles of association;  |
| <b>Associate Member</b>       | means a person who is or has become and remains an Associate Member of the Company in accordance with Article 10;   |
| <b>Bankruptcy</b>             | includes individual insolvency proceedings in a jurisdiction other than England and Wales, Scotland or Northern Ireland which have an effect similar to that of bankruptcy;   |
| <b>Board</b>                  | means the Board Members acting collectively;  |
| <b>Board Member</b>           | means a person who is elected or nominated, and thereafter appointed to the Company's board as a director of the Company (i.e. an Independent Board Member, a Council-nominated Board Member or a Resident Board Member) in accordance with the Articles; |
| <b>Chair</b>                  | means the Board Member who is appointed to act as chairperson of all meetings of the Board and any Annual General Meeting and General Meeting;  |
| <b>Clear Days</b>             | 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 or on  |

which it is to take effect;

|                                 |               |              |   |
|---------------------------------|---------------|--------------|---|
| <b>Company</b>                  |               |              | means The Royal Borough of Kensington and Chelsea Tenant Management Organisation Limited, a company limited by guarantee and incorporated in England with company number 03048135;  |
| <b>Companies Acts</b>           |               |              | means the Companies Acts (as defined in section 2 of the 2006 Act), in so far as they apply to the company;   |
| <b>Controlled Company</b>       |               |              | means a company deemed to be controlled for the purposes of Part V of the Local Government and Housing Act 1989 as supplemented by the Local Authorities (Companies) Order 1995, or the Local Government and Public Involvement in Health Act 2007; |
| <b>Council-Nominated Member</b> |               | <b>Board</b> | means any Board Member who is nominated by the Royal Borough and is appointed as a Board Member under Article 30;   |
| <b>Council Tenant</b>           |               |              | means the named tenant or licensee of a Property used as a residence as a consequence of a tenancy or licence granted by the Royal Borough or the Company who is not a Leaseholder;   |
| <b>Council Member</b>           | <b>Tenant</b> | <b>Board</b> | means a Board Member who is a Council Tenant and appointed in accordance with Article 29;   |
| <b>Director</b>                 |               |              | means a director of the Company, and includes any person occupying the position of director, by whatever name called, including but not limited to a Board Member;  |
| <b>Document</b>                 |               |              | includes, unless otherwise specified, any document sent or supplied in electronic form;   |
| <b>Election Date</b>            |               |              | means the date fixed in each year for the election of Resident Board Members in accordance with Article 29;   |
| <b>Electronic Form</b>          |               |              | has the meaning given in section 1168 of the 2006 Act;  |
| <b>Electronic Means</b>         |               |              | has the meaning given in section 1168 of the 2006 Act;  |
| <b>Eligible Board Member</b>    |               |              | has the meaning given in Article 27;  |
| <b>Group Member</b>             |               |              | means in relation to any corporate body, any body of which it is a subsidiary undertaking (parent) and any subsidiary undertaking of such corporate body or parent;   |
| <b>Hard Copy Form</b>           |               |              | has the meaning given in section 1168 of the 2006   |

|                                 |  |
|---------------------------------|--|
|                                 | Act;   |
| <b>Independent Board Member</b> | means any Board Member who is appointed as a Board Member under Article 31;  |
| <b>Instrument</b>               | means a document in Hard Copy Form;  |
| <b>Leaseholder Board Member</b> | means a Board Member who is a Leaseholder and appointed in accordance with Article 28;   |
| <b>Leaseholder</b>              | means a lessee of a Property pursuant to a lease with an initial term of over 50 years granted by the Royal Borough and any person owning the freehold of a Property for which a service charge is payable to the Royal Borough;   |
| <b>Local Authority Person</b>   | means any person who is: <ul style="list-style-type: none"> <li>a) an elected member of the Royal Borough;</li> <li>b) an officer of the Royal Borough;</li> <li>c) a director, secretary, officer, manager or employee of the Royal Borough or any body corporate or other organisation which is under the control of the Royal Borough;</li> </ul> |
| <b>Management Agreement</b>     | means the management agreement between the Royal Borough and the Company originally dated 28 February 1996, as may be amended from time to time;   |
| <b>Member</b>                   | has the meaning given in section 112 of the 2006 Act;  |
| <b>Ordinary Resolution</b>      | has the meaning given in section 282 of the 2006 Act;  |
| <b>Participate</b>              | in relation to a Board Meeting, has the meaning given in Article 38;   |
| <b>Property</b>                 | means a residential property owned by the Royal Borough which is managed under a management agreement made with the Company and which agreement is entered into under the provisions of the Housing (Right to Manage) Regulations 1994 (as amended);   |
| <b>Proxy Notice</b>             | has the meaning given in Article 23;   |
| <b>Relevant Officer</b>         | means any person who is or was at any time a director, secretary or other officer (except an auditor) of the Company;  |
| <b>Resident</b>                 | means any person (in this context, any human being or individual) who is a Council Tenant or a Leaseholder. For the avoidance of doubt neither a person who occupies a Property but is not a Council Tenant or a Leaseholder, nor any firm, partnership,   |

trust or body corporate with a lease or other licence agreement over a Property, shall be considered a Resident for the purposes of these Articles;

**Resident Board Member** means a Leaseholder Board Member or a Council Tenant Board Member;

**Residing Leaseholder** means a lessee of a Property pursuant to a lease with an initial term of over 50 years granted by the Royal Borough and any person owning the freehold of a Property for which a service charge is payable to the Royal Borough whose primarily resides in the Property;

**Royal Borough** means the Council of the Royal Borough of Kensington and Chelsea or any successor in ownership of the Properties;

**the Seal** means the common seal of the Company;

**Secretary** means any person appointed to perform the duties of the Secretary of the Company (if any such person is appointed);

**Special Resolution** has the meaning given in section 283 of the 2006 Act;

**Subsidiary** has the meaning given in section 1159 of the 2006 Act;

**Subsidiary Undertaking** has the meaning given in section 1162 of the 2006 Act;

**writing** means the representation or reproduction 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.

- 1.2 The relevant model articles (within the meaning of section 20 of the 2006 Act) are excluded.
- 1.3 Unless the context otherwise requires, other words or expressions contained in the articles bear the same meaning as in the 2006 Act.
- 1.4 Except where the contrary is stated or the context otherwise requires, any reference in the articles to a statute or statutory provision includes any order, regulation, instrument or other subordinate legislation made under it for the time being in force, and any reference to a statute, statutory provision, order, regulation, instrument or other subordinate legislation includes any amendment, extension, consolidation, re-enactment or replacement of it for the time being in force.
- 1.5 Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

## **2 Objects and powers**

- 2.1 The Company is established to manage and maintain the housing stock and ancillary properties of the Royal Borough and in that all other respects to manage its affairs in accordance with the Management Agreement.
- 2.2 To the extent not inconsistent with Article 2.1, the Company is also established to:
  - 2.2.1 manage and maintain any housing stock and ancillary properties of the Company;
  - 2.2.2 enter into agreement with any party or body for the benefit of tenants, leaseholders and licensees;
  - 2.2.3 to undertake community development activity with tenants, leaseholders and licensees to promote their social and economic wellbeing in collaboration with other agencies;
  - 2.2.4 refurbish and develop properties within the Royal Borough or elsewhere;
  - 2.2.5 carry on the business of housing management whether within the Royal Borough or elsewhere;
  - 2.2.6 provide a comprehensive housing and housing advisory service to all tenants, leaseholders, licensees, applicants for housing and/or applicants for housing advice;
  - 2.2.7 carry on the provision of housing within the Royal Borough or elsewhere;
  - 2.2.8 carry on housing-related activities and services in the Royal Borough or elsewhere;
  - 2.2.9 advise upon the running of and provide all or any services to or in connection with any body, person or organisation concerned with housing or connected or associated matters;
  - 2.2.10 encourage participation by tenants, leaseholders and licensees in the provision of and management of housing services in the Royal Borough and elsewhere; and
  - 2.2.11 do such other things as may promote the provision of high quality housing and housing related services to all persons resident in the Royal Borough for elsewhere.
- 2.3 In order to further its objects but not otherwise, the Company has the power to:
  - 2.3.1 enter contracts and arrangements of any nature with any party or body;
  - 2.3.2 to raise funds, whether by the levying of subscriptions or fees by the Company, by means of donations, contributions or fees from companies and other business concerns, by private or public appeals or otherwise, and to seek any form of assistance, sponsorship or grant from government, municipal, commercial or private sources or from any national or international health, welfare, social or cultural organisation for or on behalf of the company, or from any person or body of persons pursuing any object which this company is authorised to carry on and to accept gifts of property and assets, whether subject to any special trust or not, for the objects of the Company;



- 2.3.3 to recruit and appoint or employ staff, consultants, agents, and professional or technical advisors or workers in connection with the Objects of or to perform any fraction of the Company and to pay reasonable and proper remuneration, salaries or fees and benefits for their services;
- 2.3.4 to purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest, sell, mortgage, lease or otherwise dispose of or turn to account any real, or personal property and any rights or privileges which the Company may think necessary or convenient for the promotion of its objects and to construct, maintain and alter any buildings or erections necessary or convenient for the work of the Company;
- 2.3.5 to borrow or raise money for the purposes of the Company on such terms and on such security as the Board shall think fit, and whether by the creation and issue of debentures or debenture stock or otherwise subject to the prior written consent of the Royal Borough.
- 2.3.6 to receive money on deposit or loan upon such terms as the Company may approve, and to undertake and execute any trusts which may lawfully be undertaken by the Company and may be conducive to its objects;
- 2.3.7 to invest and deal with the moneys of the Company not immediately required for its purposes in or upon such investments or securities and in such manner as may from time to time be determined, subject nevertheless to such conditions (if any) and such consent (if any) as may for the time being be imposed or required by law;
- 2.3.8 to sell, charge or mortgage, improve, manage, turn to account, exchange, let or grant licences, easements and other rights in or over, and in any other manner deal with or dispose of all or any of the property and assets for the time being of the Company as may be expedient for the promotion of its objects, subject to the prior written consent of the Royal Borough;
- 2.3.9 to make all reasonable and necessary provision for the payment of pensions and superannuations to or on behalf of employees and their relatives and other dependents;
- 2.3.10 to insure and arrange insurance cover for, and, to the extent allowed by law, to indemnify its Board Members, members of any committee set up by the Board, employees, and any other person acting on behalf of the Company, against any liability by them incurred by them in the course of the performance of their duties on behalf of the Company as the Company shall think fit provided that no such insurance or indemnity shall extend to any claim arising from fraud, wrongdoing or wilful neglect omission or default on the part of any person;
- 2.3.11 establish subsidiary companies whether carried on for profit or not and to provide any such company with capital and to manage and provide services of any nature to such company;
- 2.3.12 enter into joint venture agreements with any person or organisation;
- 2.3.13 subscribe for or otherwise acquire shares in any company whether or not quoted on any recognised stock exchange;
- 2.3.14 invest or apply any money held by the Company to encourage participation by tenants in the management of housing in the Royal Borough;

2.3.15 to pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of the Company; and

2.3.16 to do all such other lawful things as are necessary or desirable for the attainment of any of the objects of the Company or the exercise of any of its powers.

2.4 All of the objects and powers set out in this Article 2 shall be given the widest interpretation and none of such objects shall be in any way limited or restricted by reference to or inference from any other object or power set out and each object shall stand as an object as though each clause contained the objects of a separate company.

### **3 Application of Assets**

The income and property of the Company shall be applied solely towards the promotion of its objects as set out in Article 2 and no portion of the income and property shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise, by way of profit to the members, or Board Members provided that nothing in this Article 3 shall prevent the payment, in good faith:

3.1 of reasonable and proper salaries or benefits (in the case of executive officers) or fees or remuneration to any officer, employee or agent or to any Member or Board Member of the Company for professional or trade services rendered or goods supplied to the Company;

3.2 to any firm or company of which a Member is a partner or shareholder of a reasonable and proper price for professional or trade services rendered or goods supplied;

3.3 of premiums for insurance indemnifying Members, to the extent permissible by law, against any liability incurred by them in the performance of their duties in relation to the Company. No such insurance or indemnity shall extend to any claim arising from fraud or wrong doing or wilful neglect omission or default on the part of any such person;

3.4 to any Board member for reasonable and proper out-of-pocket expenses incurred in carrying out the business of the Company;

3.5 to any Board Member of a nominal sum as an allowance for attendance at Board Meetings, training days and other meetings in relation to the business of the Company.

### **4 Liability of members**

The liability of each Member is limited.

### **5 Guarantee**

Each Member undertakes to contribute the sum of £1.00 (one pound) to the assets of the Company in the event of its being wound up while he is a Member or within one year after he ceases to be a Member, for:

5.1 payment of the Company's debts and liabilities contracted before he ceases to be a Member;

5.2 payment of the costs, charges and expenses of winding up; and

5.3 adjustment of the rights of the contributories among themselves.

## **6 Dissolution**

If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the property shall not be paid to or distributed among the Members, but shall be given or transferred to the Housing Revenue Account (as defined in the Local Government and Public Investment in Health Act 2007) or such account as performs the function of the Housing Revenue Account of the Royal Borough, or if the properties managed by the Company are no longer owned by the Royal Borough then such property shall, subject to the prior written consent of the Royal Borough, and at the discretion of the Board, be paid or transferred to such organisation or organisations with objects similar to the Objects, and which prohibits the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by virtue of Article 3 at or before the time of dissolution.

## **7 Non-Discrimination**

In conducting its affairs the Company shall at all times avoid discrimination against any person on the grounds of race, colour, nationality, ethnic or national origin, gender, sexual orientation, age, disability, religion, faith, marital or civil partner status or responsibility for dependants.

## **8 Proposal Notice**

For the purposes of the Housing (Right to Manage) Regulations 2012 the area in relation to which the Company may serve a proposal notice is the Royal Borough and other boroughs in which the Royal Borough is the owner of properties to which the said Regulations may apply.

## **PART 2**

### **MEMBERS**

#### **BECOMING AND CEASING TO BE A MEMBER**

## **9 Membership: Applications and Eligibility**

9.1 The Members shall be those persons who:

9.1.1 being eligible for Membership in accordance with Articles 9.2 and 9.3; and

9.1.2 having become Members in accordance with Article 9.7,

have their names and addresses entered into the Company's Register of Members.

9.2 Any person whose name is entered on the Company's Register of Members on 24 November 2008 shall continue to be a Member (notwithstanding he or she would not be eligible for membership under Article 9.3 were they to apply for membership in accordance with this Article 9 after such date) until and unless they cease to be a Member pursuant to Article 11 or Article 12.

9.3 From the date of adoption of these Articles, no person shall be entitled to membership of the Company unless that person:

9.3.1 whether alone or jointly with others, is a Resident; and

9.3.2 is over eighteen years old.

9.4 For the avoidance of doubt, only individuals may be members of the Company and no individual may hold membership on trust for or for the beneficial interest of any firm, partnership, trust or corporate entity.

9.5 A person who, together with another or others, is regarded as jointly being Council Tenant of a particular Property, shall, once admitted, be regarded as being a Member in their own right in respect of that Property and shall have one vote in accordance with Article 2 1.

9.6 Every person who is entitled to be and wishes to become a Member shall apply by completing and delivering to the Secretary an application for membership in a form:

9.6.1 provided to the applicant by the Secretary; and

9.6.2 which shall include:

(a) requirement that the prospective Member comply with the Articles, rules and bye laws, and

(b) an undertaking by the prospective Member that they will comply with their obligations under Article 5 in the event of the Company's winding-up.

9.7 Subject to Articles 9.6 to 9.8, within 40 days of receipt by the Company Secretary of a properly completed and satisfactory application for membership of the Company from an eligible person, the Secretary shall enter the applicant's name and address in the register of Members, and shall issue a certificate of membership to the Member.

9.8 Notwithstanding Article 9.7 above, no applications for Membership shall be processed, nor may any new Members be added to the Register of Members in the four weeks preceding the date of a General Meeting, the Annual General Meeting or the Election Date.

9.9 Membership shall commence on the date on which an applicant's name is entered in the register of Members.

9.10 Any person who has been expelled as a Member at any time pursuant to Article 12 may only be re-admitted at the absolute discretion of the Board.

9.11 In the case of any doubt, the decision of the Board as to the eligibility of an applicant for membership of the Company shall be final.

9.12 Membership of the Company shall not be transferable.

## **10 Associate Members**

10.1 Any child of a Council Tenant or Residing Leaseholder over the age of 18, if living with the Council Tenant or Residing Leaseholder, shall be eligible to become an Associate Member of the Company.

10.2 Any person who is eligible for Associate Membership in accordance with this Article 10 and wishes to become an Associate Membership may apply by completing and submitting to the Secretary an application in the form

- 10.2.1 provided by the applicant to the Secretary; and
- 10.2.2 including a requirement that the prospective Associate Member agree to be bound by the Articles and applicable any rules or byelaws that the Company may adopt from time to time;
- 10.3 Associate Members shall have the right to attend and speak at meetings of Associate Members organised in accordance with Article 10.5.
- 10.4 Associate Members shall have no right to attend Members' General Meetings or Annual General Meeting nor (for the avoidance of doubt) if invited to such meetings, shall they have the right to speak or vote at them.
- 10.5 The Board may organise meetings of Associate Members from time to time to allow Associate Members to be consulted on matters concerning the Company.
- 10.6 Any person who has been expelled as a Member or an Associate Member at any time pursuant to Article 12 shall not be eligible for Associate membership of the Company.
- 10.7 The decision of the Board as to the eligibility of an applicant for Associate Membership of the Company shall be final.
- 10.8 Associate Membership is not transferable.

## **11 Cessation of Membership and Associate Membership**

- 11.1 A Member shall cease to be a Member with immediate effect if:
  - 11.1.1 he or she ceases to be a Resident, or
  - 11.1.2 he or she is expelled from Membership in accordance with Article 12, or
  - 11.1.3 he or she dies.
- 11.2 An Associate Member shall cease to be an Associate Member with immediate effect if:
  - 11.2.1 he or she ceases to be eligible for Associate Membership; or
  - 11.2.2 he or she is expelled from Associate Membership in accordance with Article 12; or
  - 11.2.3 he or she dies.
- 11.3 A Member or an Associate Member may withdraw from the membership of the Company by giving seven days' notice to the Company in writing.
- 11.4 The name of the person who ceases to be a Member or Associate Member shall be removed from the register of Members or register of Associate Members respectively by the Secretary within 28 days of his ceasing to be a Member or Associate Member or of such fact becoming known to the Secretary if later.

## **12 Expulsion of Members**

- 12.1 A Member or Associate Member may be suspended or expelled from the Company in accordance with the provisions of this Article 12 if the Board considers, acting reasonably, that the Member or Associate Member has acted in a manner contrary to

the aims, interests or objectives of the Company and the Board resolves to take such action against the Member or Associate Member.

- 12.2 The Board, acting in its reasonable discretion, may suspend and if it thinks fit subsequently expel a Member from the Company in accordance with the provisions of Article 12.3 to Article 12.5 if it considers that the Member has acted in a manner contrary to the aims, interests or objectives of the Company (and, for the avoidance of doubt, "behaviour contrary to the aims, interests or objectives of the Company" shall include, but not necessarily be limited to, material breach of any rules or bye-laws adopted by the Company from time to time).
- 12.3 If a Member has been suspended under this Article 12 there shall be a Board Meeting within 3 months of his suspension to consider whether the Member should be expelled or whether the suspension should be lifted. The Member shall be entitled to be accompanied at such Board Meeting by a friend who may act as his advocate. The Member shall be entitled to request that a written statement prepared by him be given to each Board Member in advance of the meeting at the expense of the Company.
- 12.4 If the Board determines that the suspended Member shall be expelled it shall notify him of its decision within 7 days of the Board Meeting and shall instruct the Secretary to remove the Member's name from the register of Members.
- 12.5 For the avoidance of doubt, any decisions as to a Member's suspension, the lifting of such suspension and expulsion shall be within the discretion of the Board which shall take all the circumstances surrounding the Member's alleged behaviour or actions into account in making decisions under this Article 12.
- 12.6 An Associate Member may be expelled from the Company by a simple majority vote of the Board.

## **PART 3**

### **DECISION-MAKING BY MEMBERS**

#### **ORGANISATION OF GENERAL MEETINGS**

#### **13 Annual General Meetings and General Meetings**

- 13.1 The Company shall hold an Annual General Meeting each year in addition to any other general meetings and shall specify the meeting as such in the notices calling it.
- 13.2 The Annual General Meeting shall be held:
  - 13.2.1 each year within eight months of the Company's accounting reference date; and
  - 13.2.2 subject to Article 13.2.1, on such date and at such time and place as the Board shall determine.
- 13.3 The business to be transacted at the Annual General Meeting shall include:
  - 13.3.1 the laying of the Company's annual accounts before the Members;
  - 13.3.2 any resolution required to be passed by the Members of the Company pursuant to the Management Agreement;
  - 13.3.3 any business requiring a resolution of the Members of the Company; and
  - 13.3.4 the appointment and fixing of the remuneration of the auditors.
- 13.4 Any business that may be transacted at a General Meeting may be transacted at the Annual General Meeting including any business that requires a special resolution.
- 13.5 Any general meeting other than the Annual General Meeting may be convened:
  - 13.5.1 upon an order of the Board, whenever it sees fit; or
  - 13.5.2 upon a written requisition of 7.5% of the Members (up to a maximum of 250 Members), which must contain a statement of the matter which the Members requisitioning the General Meeting wish to discuss at the General Meeting. A general meeting must be convened by the Board within 28 days of receiving the notice requisitioning the General Meeting.

#### **14 Notice of Annual General Meeting and General Meetings**

- 14.1 An Annual General Meeting shall be called by giving not less than 21 days' notice in writing and any Annual General Meeting or General Meeting at which it is proposed to pass a resolution requiring special notice shall be called by giving not less than 28 days' notice in writing and any other General Meeting shall be called by giving not less than 14 days' notice in writing.

- 14.2 The notice shall specify the place, the day and the time of meeting, the general nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the meeting as such.
- 14.3 Notice of every Annual General or other General Meeting shall be given in writing either personally or by post or in Electronic Form using Electronic Means to an Address for the time being notified to the Company by the Member and shall be given to every Member and each Board Member.
- 14.4 Notice of the Annual General Meeting must be sent to the reporting accountant or auditor (as appropriate in accordance with the 2006 Act) for the time being of the Company.
- 14.5 The accidental omission to give notice of an Annual General or other General Meeting to, or the non-receipt of notice of an Annual General or other General Meeting by any person entitled to receive notice of the meeting, shall not invalidate the proceedings of that meeting.

## **15 Attendance and speaking at Annual General Meetings and General Meetings**

- 15.1 A person entitled to speak at an Annual General Meeting or other General meeting is deemed able to exercise the right to speak when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 15.2 A Member is able to exercise the right to vote at an Annual General or other General Meeting when:
  - 15.2.1 that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 15.2.2 that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 15.3 The Board may make whatever arrangements they consider appropriate to enable those attending an Annual General or other General Meeting to exercise their rights to speak or vote at it.

## **16 Conduct of Members at Annual General Meetings and General Meetings**

- 16.1 Members shall abide by any applicable rules or bye-laws adopted by the Company in accordance with Article 34 from time to time at all Annual General and other General Meetings.
- 16.2 The Board shall take such action as it thinks fit to promote the orderly conduct of the business of the Annual General Meeting or other General Meeting as laid down in the notice of that meeting and the Board's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be their determination as to whether any matter is of such a nature. In deciding such matters, the Board shall have regard to any applicable rules or bye-laws adopted by the Company in accordance with Article 34 from time to time and the following considerations:
  - 16.2.1 a Member (or any person invited to attend an Annual General or other General Meeting in accordance with Article 19 (a **non-member attendee**)) shall



address the chair of the meeting, speak strictly on the question under debate and comply with the orders of the chair of the meeting;

- 16.2.2 neither a Member nor a non-member attendee shall impute motives to or make reflections of a personal character upon any other Member or Members or non-member attendee or attendees;
  - 16.2.3 no Member or non-member attendee shall interrupt another Member or non-member attendee; and
  - 16.2.4 whenever the chair of the meeting speaks or calls for order during a debate any Member or non-member attendee then speaking, or offering to speak, shall be silent until the chair of the meeting has been heard and invites the Member (or the non-member attendee, as the case may be) to resume speaking.
- 16.3 The Board may direct that Members and non-member attendees wishing to attend any Annual General Meeting or other General Meeting should submit to such searches or other security arrangements or restrictions as the Board Members shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to, or eject from, such Annual General Meeting or other General Meeting any Member or non-member attendee who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.
- 16.4 Without prejudice to any other remedy the Company may have, the chair of the meeting shall call a Member or non-member attendee to order for any breach of this Article 16 and may direct such Member (or non-member attendee, as the case may be), if speaking, to discontinue his speech. In the event of grave disorder or of a persistent disregard of the authority of the chair of the meeting, the chair of the meetings may direct any Member or Members or non-member attendees causing such disorder or disregarding such authority to retire for the remainder of the meeting or for any lesser period or to be ejected from the meeting.
- 16.5 The chair of the meeting may adjourn or abandon an Annual General Meeting or a General Meeting in the event of grave disorder or persistent disregard of the authority of the chair of the meeting. In the case of an abandonment of the meeting, any resolution outstanding at the time of abandonment shall be carried or not carried in accordance with the postal votes or votes cast in a secret ballot prior to such abandonment.

## **17 Quorum for Annual General or General Meetings**

- 17.1 No business other than the appointment of the chair of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum as set out at Article 17.2.
- 17.2 The quorum for the general meeting shall be 50 (fifty) Members or 10% (ten per cent) of the Membership (whichever is the lesser) of which at least two must be present in person.

## **18 Chairing of Annual General and General Meetings**

- 18.1 If the Board Members have appointed a Chair, the Chair shall chair an Annual General or other General Meetings if present and willing to do so.

18.2 If the Board Members have not appointed a Chair, or if the Chair is unwilling or unable to chair the meeting or is not present within ten minutes of the time at which the meeting was due to start:

18.2.1 the Board Members present must appoint one of their number to chair the Annual General or other General Meeting (or if only one Board Member is present, he shall chair the Annual General or other General Meeting); or

18.2.2 (if no Board Members are present), the meeting must appoint one of their number to chair the meeting, and the appointment of the chair of the meeting must be the first business of the meeting.

18.3 The person chairing a meeting in accordance with this article is referred to as **the chair of the meeting**.

## **19 Attendance and speaking by Board Members and non-members**

19.1 Board Members may attend and speak at Annual General or other General meetings, whether or not they are Members.

19.2 The Board may permit other persons who are not:

19.2.1 Members; or

19.2.2 otherwise entitled to exercise the rights of members in relation to general meetings,

to attend and speak at a general meeting.

## **20 Adjournment**

20.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, if the meeting was convened by the members, the meeting shall be dissolved and, in any other case, the chair of the meeting must adjourn it. If at the adjourned meeting the persons attending within half an hour of the time at which the meeting was due to start do not constitute a quorum, the members present shall constitute a quorum.

20.2 The chair of the meeting may adjourn a general meeting at which a quorum is present if:

20.2.1 the meeting consents to an adjournment; or

20.2.2 it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

20.3 The chair of the meeting must adjourn a general meeting if directed to do so by the meeting.

20.4 When adjourning a general meeting, the chair of the meeting must either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Board Members; and

20.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Board must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

20.5.1 to the same persons to whom notice of the Company's Annual General or other General Meetings is required to be given; and

20.5.2 containing the same information which such notice is required to contain.

20.6 No business may be transacted at an adjourned Annual General or other General Meeting which could not properly have been transacted at the original meeting if the adjournment had not taken place. The date of any resolution passed shall be the date of the adjourned Annual General or other General Meeting.

### **VOTING AT ANNUAL GENERAL AND GENERAL MEETINGS**

#### **21 Voting: general**

21.1 A resolution put to the vote at an Annual General or other General Meeting must be decided on a poll.

21.2 On a poll, every Member shall have one vote whether or not they are a joint Resident, or a Resident of more than one Property.

#### **22 Errors and disputes**

22.1 No objection may be raised to the qualification of any person voting at an Annual General or other General Meeting except at the meeting or adjourned meeting at which the vote objected to, is tendered, and every vote not disallowed at the meeting is valid.

22.2 Any such objection must be referred to the chair of the meeting, whose decision is final.

#### **23 Content of proxy notices**

23.1 Proxies may only validly be appointed by a notice in writing (a **proxy notice**) which:

23.1.1 states the name and address of the Member appointing the proxy;

23.1.2 identifies the person appointed to be that Member's proxy and the Annual General Meeting or other General Meeting in relation to which that person is appointed;

23.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Board may determine; and

23.1.4 is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the Annual General Meeting or other General Meeting in relation to which the proxy is appointed and in accordance with any instructions contained in the notice of the Annual General Meeting or other General meeting to which they relate (but notwithstanding this an appointment of a proxy may be accepted by the Board Members at any time prior to the meeting at which the person named in the appointment proposes to vote).

23.2 The Board may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

- 23.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions, but the Company shall not be obliged to ascertain that any proxy has complied with those or any other instructions given by the appointor and no decision on any resolution shall be vitiated by reason only that any proxy has not done so.
- 23.4 On a vote on a resolution at a meeting, every proxy present who has been duly appointed by one or more Members entitled to vote on the resolution has one vote for each Member appointor.
- 23.5 Unless a proxy notice indicates otherwise, it must be treated as:
- 23.5.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - 23.5.2 appointing that person as a proxy in relation to any adjournment of the Annual General or other General Meeting to which it relates as well as the meeting itself.
- 23.6 A Member may appoint any person (other than an expelled Member) as their proxy. For the avoidance of doubt, a proxy need not be a Member.

## **24 Delivery of proxy notices**

- 24.1 A person who is entitled to attend, speak or vote at an Annual General Meeting or other General Meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 24.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 24.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 24.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **25 Amendments to resolutions**

- 25.1 An ordinary resolution to be proposed at an Annual General Meeting or other General Meeting may be amended by ordinary resolution if:
- 25.1.1 notice of the proposed amendment is given by the Board in writing to the Members entitled to vote at an Annual General or other General Meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine); and
  - 25.1.2 the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.
- 25.2 A special resolution to be proposed at an Annual General Meeting or other General Meeting may be amended by ordinary resolution if:

- 25.2.1 the chair of the meeting proposes the amendment at a general meeting at which the resolution is to be proposed; and
- 25.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 25.3 If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

**PART 4**  
**BOARD MEMBERS**  
**THE BOARD**

**26 Composition of the Board**

- 26.1 The Board shall consist of a minimum of 8 and a maximum of 15 Board Members, of which:
- 26.1.1 subject to Article 26.2, either:
- (a) 6 shall be Council Tenant Board Members and 2 Leaseholder Board Members; or
  - (b) 5 shall be Council Tenant Board Members and 3 Leaseholder Board Members;
- 26.1.2 subject to Article 26.3, up to 4 may be Council-Nominated Board Members; and
- 26.1.3 up to 3 may be Independent Board Members.
- 26.2 If insufficient Council Tenants or Leaseholders are nominated in accordance with Article 28 either to fill the available Council Tenant Board Member or Leaseholder Board Member positions respectively at any election, then such position(s) may be filled by Leaseholders or Council Tenants respectively.
- 26.3 The number of Local Authority Persons appointed to the Board must at all times be less than 49 per cent of the total number of Board Members or such other percentage as would if equalled or exceeded from time to time cause the Company to be treated as being a Controlled Company.
- 26.4 No Board Member may act unless they have signed and agreed to be bound on their appointment by the Terms of Appointment issued to them by the Company.

**27 Eligibility and Cessation**

- 27.1 No individual shall be eligible to be a Board Member nor may any Board Member continue to be a Board Member if he or she:
- 27.1.1 is or becomes a member of an Area Review Board in the Royal Borough, or

- 27.1.2 is or becomes bankrupt or makes or has made any arrangement or composition with his creditors, or
  - 27.1.3 is prohibited by law from being a Board Member, or
  - 27.1.4 being a Council Tenant or Leaseholder, commits a breach of the terms of their tenancy or leasehold with the Royal Borough which the Board, in its absolute discretion, considers material;
  - 27.1.5 is or has been convicted of any criminal act (unless the Board determines otherwise).
- 27.2 Additionally Board Member shall cease to be a Board Member if he or she:
- 27.2.1 is requested in writing by 75 per cent or more of the other Board Members to resign his office; or
  - 27.2.2 resigns from office by giving written notice to the Company, which notice takes effect in accordance with its terms; or
  - 27.2.3 in the case of a Council Tenant Board Member or a Leaseholder Board Member, is removed by a resolution of the Company passed by 50 per cent of Members voting in a ballot; or
  - 27.2.4 in the case of a Council Tenant Board Member or a Leaseholder Board Member, ceases to be eligible for Membership under Article 28; or
  - 27.2.5 in the case of a Council Board Member ceases to be nominated by the Council as its nominee to the Board or;
  - 27.2.6 fails to attend three or more consecutive Board Meetings without leave, and the Board determines that he shall be removed from the Board; or
  - 27.2.7 refuses, without good reason, to sign any revision to his Terms of Appointment for Board Members within the period specified for signature; or
  - 27.2.8 is otherwise duly removed from office; or
  - 27.2.9 dies.
- 27.3 For the avoidance of doubt, any Board Member who falls into one of the categories listed in Articles 27.1 and 27.2 above shall immediately cease to be a Board Member.
- 27.4 No person may serve as a Board Member for more than 9 years.

## **APPOINTMENTS AND ELECTIONS**

### **28 Resident Board Members**

- 28.1 Every Council Tenant who:
  - 28.1.1 has been a Council Tenant for 1 year or more; and
  - 28.1.2 is not a Local Authority Person; and

28.1.3 is also a Member,

shall be eligible for election to the Board as a Resident Board Member subject to Article 26.1.1.

28.2 Every Leaseholder who:

28.2.1 is not a Local Authority Person; and

28.2.2 is also a Member,

shall be eligible for election to the Board as a Resident Board Member subject to Article 26.1.1.

28.3 Each Resident Board Member shall be elected to serve for a period of 3 years (such term expiring on the date of the Annual General Meeting occurring in the year of the third anniversary of the date of election of the Resident Board Member)

28.4 Subject to earlier termination of a period of service, all Resident Board Members shall retire from the Board after a 3 year term (such term expiring on the date of the Annual General Meeting). A retiring Resident Board member shall be eligible for re-election in accordance with this Article 28, unless he or she has served for the maximum period specified in Article 27.4.

28.5 If a person who is a Resident Board Member ceases for any reason to be a Board Member, there shall be an election for the appointment of a further Resident Board Member as appropriate within 3 months of the vacancy arising unless such vacancy arises less than 6 months before the next following Election Date. At any election held as a result of a vacancy arising on the Board, the replacement Resident Board Member elected shall remain on the Board only until the next Annual General Meeting upon which the original Resident Board Member in question was due to retire under the provisions of Article 28.4.

28.6 If the number of Resident Board Members falls below 8, there shall be, within three months of this reduction in numbers, an election for the appointment of enough Resident Board Members to bring their numbers back up to 8. This Article 28.6 is subject to Article 28.7.

28.7 If the number of Resident Board Members falls below 8 less than 6 months before the next following Election Date, the Board shall be empowered to appoint Council Tenants or Leaseholders (as appropriate) to bring their numbers back up to 8. Any person appointed to fill these casual vacancies shall remain on the Board only until the next Annual General Meeting, whereupon they must retire.

28.8 At any election held as a result of a vacancy arising on the Board, the replacement Resident Board Member elected shall remain on the Board only until the Annual General Meeting upon which the original Resident Board Member in question was due to retire under the provisions of Article 28.3.

## **29 Conduct of Elections of Resident Board Members**

29.1 In any year during which one or more Resident Board Members is due to retire, a Resident Board Member election to fill the vacancies arising shall take place on a date fixed by the Board and notified to all Members as the Election Date.

29.2 The Members shall be given at least four weeks' notice of the Election Date.

- 29.3 The Board shall appoint a person or body to act as returning officer in respect of each election upon such terms as it shall consider appropriate.
- 29.4 Nominations for election as a Resident Board Member must be made by the Member nominated in the form required by the Board and in writing and shall contain the name and address of the Member nominated, a signed statement of his willingness to be a candidate in the election and the names, addresses and signatures of at least 2 Members (which may include the nominee) making the nomination.
- 29.5 A nomination form for each candidate shall be delivered to an address and by a date and time fixed by the Board and notified to all Members. Nominations shall be accompanied by a written profile of the candidate prepared to specifications issued by the Board.
- 29.6 The names of all candidates seeking to be elected in any election shall be sent to every Member accompanied by a copy of the candidate's written profile.
- 29.7 Each Member shall be entitled to vote in an election for Resident Board Member(s).
- 29.8 Each Member may vote in an election for Resident Board Member(s) by the process approved by the Board as administered by the returning officer appointed under Article 29.3.
- 29.9 Subject to Article 29.8, each Member shall have as many votes as there are vacancies, and shall mark his or her voting intention (up to the total number of vacancies) against the names of the candidates.
- 29.10 The successful candidates for the available number of vacancies shall be those with the highest number of votes. No set percentage of votes is required. In an equality of votes a coin will be tossed by the Chair to determine which candidate shall be deemed to be elected.
- 29.11 A Member shall only cast as many votes for the appointment of Council Tenant Board Members or Leaseholder Board Members as there are vacancies for Council Tenant Board members or Leaseholder Board Members respectively.
- 29.12 A Resident Board Member who is willing to be appointed and able to act as a director and able to be appointed pursuant to Article 27.1, 28.1, and 28.2, and who is elected by the Members entitled to vote and voting on the Election Date, shall be deemed to be appointed as a Resident Board Member with effect from the date of the Annual General Meeting.

### **30 Council-Nominated Board Members**

- 30.1 There may be up to 4 Council Board Members. each of whom shall be nominated by the Royal Borough to serve for one year, (or the period between one Annual General Meeting and the next, if different). The Royal Borough shall make its nominations for each year before or on the date of the Annual General Meeting on which any current Council-Nominated Board Members are due to retire.
- 30.2 A person nominated by the Royal Borough willing to be appointed as a director and permitted to be appointed pursuant to Article 27.1, 27.2, and 27.4, shall be appointed as a Council-Nominated Board Member by a resolution of the Board.
- 30.3 Should a person unexpectedly cease to serve as a Council-Nominated Board Member during their term of appointment, giving rise to a casual vacancy, the Royal Borough



shall have the right to nominate another person to fill this vacancy. Any person appointed to fill these casual vacancies shall remain on the Board only until the next Annual General Meeting whereupon they shall retire.

- 30.4 The Royal Borough shall notify the Secretary in writing the names of the persons who have been nominated as Council-Nominated Board Members in accordance with Articles 30.1 or 30.2.
- 30.5 Each of the Council-Nominated Board Members nominated in accordance with Article 30.1 shall retire from the Board on the morning of the Annual General Meeting in the year following their appointment.

### **31 Independent Board Members**

- 31.1 The Board may appoint up to 3 persons to be Independent Board Members. Neither Residents nor Local Authority Persons will be eligible to become Independent Board Members.
- 31.2 An Independent Board Member shall be appointed for a period of up to 3 years at the end of which he shall retire as an Independent Board Member but may, subject to Article 27.4, be eligible for appointment for a further period.
- 31.3 The Board may establish a procedure for selecting the candidates for the position of Independent Board Member(s) or delegate the selection of Independent Board Member(s) to a committee in accordance with Article 35.
- 31.4 After it has considered the recommendations made to it, the Board may appoint, by a resolution passed with at least a simple majority in each case, such suitable persons, as are willing to be appointed and able to act as directors and able to be appointed pursuant to Article 26.1, 27.1, and 27.2, as Independent Board Members of the Company.

### **32 Alternates**

No Board Member may appoint any Board Member or other person as an alternate Board Member.

## **BOARD MEMBERS' POWERS AND RESPONSIBILITIES**

### **33 Board Members' general authority**

- 33.1 Subject to the Articles, the Board Members are responsible for ensuring:
  - 33.1.1 that the objects of the Company are carried out; and
  - 33.1.2 the Company's business and affairs are properly managed,for which purpose they may exercise all the powers of the Company, including but not limited to:
  - 33.1.3 the adoption (and from time to time, amendment or repeal) of suitable codes of conduct, policies and rules dealing with the conduct of business and elections by the Company and such other matters as may appear appropriate to the Board from time to time. All such codes, policies and rules shall be made available for inspection upon request by Members;

33.1.4 appointing and (if necessary) dismissing the Company's Chief Executive and such senior members of staff of the Company as it shall decide.

#### **34 Rules or Bye-Laws**

34.1 The Board Members may from time to time make such rules or bye-laws as they may deem necessary or convenient for the proper conduct and management of the Company, and in particular but without prejudice to the generality of the foregoing, it may by such rules or bye-laws regulate:

34.1.1 the conduct of Members in relation to one another, and to the Company's employees, the procedures at Annual General Meetings, General Meetings and Board Meetings and sub-committees in so far as such procedure is not regulated by these Articles; and

34.1.2 generally, all such matters that are commonly the subject matter of Company rules.

#### **35 Board Members may delegate**

35.1 Subject to the Articles, the Board Members may delegate any of the powers which are conferred on them under the Articles:

35.1.1 to such person or committee;

35.1.2 by such means (including by power of attorney);

35.1.3 to such an extent;

35.1.4 in relation to such matters; and

35.1.5 on such terms and conditions,

as they think fit.

35.2 The power to delegate shall be effective in relation to the powers, authorities and discretions of the Board Members generally and shall not be limited by the fact that in certain parts of the Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board Members or by a committee authorised by the Board Members.

35.3 If the Board Members so specify and subject to Article 35.4, any such delegation may authorise further delegation of the Board Members' powers by any person to whom they are delegated.

35.4 The Board Members may revoke any delegation in whole or part, or alter its terms and conditions.

#### **36 Committees**

36.1 Committees to which the Board Members delegate any of their powers must follow the terms of reference and procedures set by the Board which shall be based as far as applicable on those provisions of the Articles which govern the taking of decisions by Board Members.

- 36.2 No Committee shall consist of fewer than 3 Members. Committees shall consist of at least one Resident Board Member.
- 36.3 Each Committee shall be chaired by a Resident Board Member.
- 36.4 A member of a committee need not be a Board Member.

## **DECISION-MAKING BY BOARD MEMBERS**

### **37 Proceedings of the Board**

- 37.1 The Board shall meet a minimum of six times in each calendar year.
- 37.2 The Chair may, and the Secretary at the request of not less than four Board Members of whom at least two are Resident Board Members shall, summon a Board Meeting by giving not less than 7 days' notice (subject to Article 36.3 below) of the meeting to the Board Members
- 37.3 A Board Meeting may be called on shorter notice provided that three quarters of the Board Members consent in writing to the meeting being held on less than 7days' notice.
- 37.4 Notice of any Board Members' meeting must indicate
  - 37.4.1 its proposed date, time and subject matter,
  - 37.4.2 where it is to take place, and
  - 37.4.3 if it is anticipated that Board Members participating in the Board Meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 37.5 Notice of a Board Meeting need not be in writing and must be given to each Board Member provided that, if a Board Member is absent (whether habitually or temporarily) from the United Kingdom, the Company has an address for sending or receiving documents or information by electronic means to or from that Board Member outside the United Kingdom.
- 37.6 Notice of a Board Meeting need not be given to Board Members who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not later than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

### **38 Participation in Board Meetings**

- 38.1 Subject to the Articles, Board Members **participate** in a Board Meeting, or part of a Board Meeting, when:
  - 38.1.1 the meeting has been called and takes place in accordance with the Articles; and
  - 38.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

- 38.2 In determining whether Board Members are participating in a Board Meeting, it is irrelevant where any Board Member is or how they communicate with each other.
- 38.3 If all the Board Members participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

### **39 Quorum for Board Meetings**

- 39.1 At a Board Meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 39.2 The quorum necessary for a Board Meeting to take place shall be 7, of which the number of Resident Board Members is no less than 4, provided that no Board Meeting shall be quorate unless the Resident Board Members are the majority of the Board Members present.
- 39.3 If the total number of Board Members for the time being is less than the quorum required, the Board Members must not take any decision other than a decision:
  - 39.3.1 to appoint further Board Members, or
  - 39.3.2 to call a general meeting so as to enable the Members to appoint further Board Members.
- 39.4 All acts done by any Board Meeting or of a committee, or by any person acting as an Board Member, shall be valid, regardless of any later discovery of a defect in the appointment of any Board Member, or that any of them were disqualified or of any deficiency in the quorum.

### **40 Chairing of Board Meetings**

- 40.1 The Board shall appoint a Chair and two Vice-Chairs each of whom shall be a Resident Board Member. Such appointments shall be made at the first meeting of the Board following the Annual General Meeting in each year and the persons appointed shall be the Chair and Vice-Chairs of the Company until the next Annual General Meeting. For this Board business only, Board Members shall be permitted to cast their vote electronically.
- 40.2 If the Chair is unwilling or unable to chair the meeting or is not participating in a Board meeting within ten minutes of the time at which it was to start, the participating Board Members must appoint one of the Vice Chairs or in their absence, one of themselves to chair it.

### **41 Board Voting and Casting Vote**

- 41.1 The general rule about decision-making by Board Members is that any decision of the Board Members must be either a majority decision at a meeting or a decision taken in accordance with this Article 41.
- 41.2 On each decision of the board, each eligible Board Member shall have one vote.
- 41.3 If the numbers of votes for and against a proposal are equal, the Chair or other Board Member chairing the meeting has a casting vote, provided that this does not apply if, in accordance with the Articles, the chair or other Board Member chairing the meeting is not to be counted as participating in the decision-making process for quorum or voting purposes.

## **42 Written Board Members' Resolutions**

- 42.1 A resolution in writing signed by not less than 75% of the eligible Board Members (whether or not each signs the same document) or to which each eligible Board Member has otherwise indicated agreement in writing shall be as valid and effective as if it had been passed at a duly convened and held quorate meeting of the board.
- 42.2 References in the Articles to **eligible Board Members** are to Board Members who would have been entitled to vote on the matter had it been proposed as a resolution at a Board Meeting (but excluding any Board Member whose vote is not to be counted in respect of that particular matter).
- 42.3 A decision may not be taken in accordance with this Article 42 if the eligible Board Members would not have formed a quorum at such a meeting.

## **43 Board Members' Interests**

- 43.1 Except to the extent expressly permitted by these Articles, or the terms of any authority given under these Articles otherwise provides, and without prejudice to such disclosure as is required under the 2006 Act, a Board Member may not be a party to, or otherwise interested in, any transaction or arrangement with the Company for quorum and voting purposes on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty that conflicts or may conflict with the interests of the Company.
- 43.2 Whenever a Board Member has any kind of interest in a matter to be discussed by the Board which may conflict with the interests of the Company, the Board Member concerned must declare an interest in the item under discussion, and, subject to Article 43.4, withdraw from the meeting for that item (unless expressly asked to stay to provide information) and shall not be taken into account in calculating the quorum for that item of the meeting. For the purposes of this Article 43, a conflicting interest or duty is an interest or duty that arises as a result of a Board Member being a shareholder, beneficial owner, member, director, officer or employee connected to the interest under consideration.
- 43.3 A Board Member shall be deemed not to have an interest for the purpose of these Articles as an officer of any other Group Member or any other organisation the accounts of which would be consolidated with the Royal Borough if the Royal Borough were a company.
- 43.4 Board Members who are Residents, shall be deemed not to have an interest for the purpose of this Article 43 in any decision affecting all or a substantial group of Residents.
- 43.5 A Board Member shall declare any private or personal interest in any matter related to the carrying out of his or her obligations or functions. A person who has declared such an interest will neither attend the discussion leading to a decision on the matter nor vote on it. The Board shall in reaching its decision on the matter, ensure that corrupt, undue or unfair personal gain is avoided.
- 43.6 A general notice given to the Board that a Board Member is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Board Member has an interest in any such transaction of the nature and extent so specified; and an interest of which a Board Member has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

#### **44 Records of decisions to be kept**

The Board Members must ensure that the Company keeps a record, in hard copy form, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Board.

#### **45 Board Members' discretion**

Subject to these Articles:

- 45.1 the Board may meet together for the dispatch of business, adjourn, and otherwise regulate its meetings, as it thinks fit; and
- 45.2 the Board Members may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Board Members.

#### **46 Continuing Training and Development**

- 46.1 Each Board Member shall be required to partake in the continuing training and development plan as a Board Member in order to develop the skills necessary to undertake their responsibilities. An annual programme of training will be given to Board Members in order to carry this out.
- 46.2 Board Members shall be required to participate in self and Board skills appraisal organised by the Company's Chief Executive, the Secretary or as otherwise agreed by the Board.

#### **47 Board Members' expenses**

The Company may pay any reasonable expenses which the Board Members (and the Secretary) properly incur in connection with their attendance at:

- 47.1 Board or committee or panel meetings; or
- 47.2 General Meetings; or
- 47.3 otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

### **PART 5**

#### **ADMINISTRATIVE ARRANGEMENTS**

#### **48 Means of communication to be used**

- 48.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the 2006 Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 48.2 Except insofar as the Companies Acts require otherwise, the Company shall not be obliged to accept any notice, document or other information sent or supplied to the Company in electronic form unless it satisfies such stipulations, conditions or

restrictions (including, without limitation, for the purpose of authentication) as the Board Members think fit, and the Company shall be entitled to require any such notice, document or information to be sent or supplied in hard copy form instead.

#### **49 When information deemed to have been received**

49.1 Any document or information sent or supplied by the Company shall be deemed to have been received by the intended recipient:

49.1.1 where the document or information is properly addressed and sent by first class post or other delivery service to an address in the United Kingdom, on the day (whether or not it is a working day) following the day (whether or not it is a working day) on which it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;

49.1.2 where (without prejudice to Article 49.1.4) the document or information is properly addressed and sent by post or other delivery service to an address outside the United Kingdom, five working days after it was put in the post or given to the delivery agent and, in proving that it was duly sent, it shall be sufficient to prove that the document or information was properly addressed, prepaid and put in the post or duly given to the delivery agent;

49.1.3 where the document or information is not sent by post or other delivery service but delivered personally or left at the intended recipient's address, on the day (whether or not a working day) and time that it was sent;

49.1.4 where the document or information is properly addressed and sent or supplied by electronic means, on the day (whether or not a working day) and time that it was sent and proof that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that it was sent.

#### **50 Company seals**

50.1 The common seal may only be used in the manner set by the Board.

50.2 The Board may decide by what means and in what form any common seal is to be used.

#### **51 Accounts and other records**

The Company shall keep adequate accounting records in accordance with section 386(1) of the 2006 Act. The Company will cause annual accounts to be prepared, approved by the Board, audited (where so required) and delivered to the Members and to the Registrar of Companies, each in accordance with the 2006 Act.

#### **52 Secretary**

Subject to the 2006 Act, the Board may appoint a Secretary (or two or more persons as joint secretary) for such term, at such remuneration and upon such conditions as the Board Members may think fit; and any Secretary (or joint Secretary) so appointed may be removed by the Board Members. The Board Members may also from time to time appoint on such terms as they think fit, and remove, one or more assistant or deputy secretaries.

## BOARD MEMBERS' INDEMNITY AND INSURANCE

### 53 Indemnity

53.1 Subject to Article 53.2 (but without prejudice to any indemnity which a Relevant Officer is otherwise entitled):

53.1.1 a Relevant Officer may be indemnified out of the Company's assets to whatever extent the Board Members may determine against:

- (a) any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;
- (b) any liability incurred by that officer in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act); and/or
- (c) any other liability incurred by that officer as an officer of the Company; and

53.1.2 the Company may, to whatever extent the Board Members may determine, provide funds to meet expenditure incurred or to be incurred by a Relevant Officer in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any investigation, or action proposed to be taken, by a regulatory authority in that connection, or for the purposes of an application for relief, or in order to enable the Relevant Officer to avoid incurring such expenditure.

53.2 This Article does not authorise any indemnity that would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

### 54 Insurance

54.1 The Board Members may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any Relevant Officer in respect of any relevant loss.

54.2 In this article, a **relevant loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that officer's duties or powers in relation to the Company, or any pension fund or employees' share scheme of the Company.