



## **Coastline Housing Limited**

## **Articles of Association**

Company Limited by Guarantee

Registered Number: 03284666

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1 **Name, registered office, definitions and interpretation**

1.1 **Name**

The Company's name is Coastline Housing Limited ("the Company").

1.2 **Registered Office**

The Company's registered office is to be situated in England and Wales.

1.3 **Definitions and interpretation**

1.4 In these Articles unless the context admits otherwise:

1.4.1 "the Act" means the Companies Act 2006;

1.4.2 "the Articles" means these Articles of Association of the Company;

1.4.3 "the Board" means the Board of Directors;

1.4.4 "Co-opted Director" means a person co-opted by the Board pursuant to Article 36;

1.4.5 "clear days" in relation to the period of a notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

1.4.6 "Connected Person" means in relation to a Director, Co-opted Director or committee member (and for the purposes of this definition such persons are referred to as "trustees"), any person or business whose relationship with the trustee is sufficiently close that a benefit to that person or business could give, or could to a reasonable observer be thought to give, a benefit to the trustee, including:

(a) a person who is:

- i a child, parent, grandchild, grandparent, brother or sister of a trustee;
- ii the spouse or civil partner of a trustee or person living with a trustee as their partner;
- iii the spouse or civil partner of any person falling within sub-paragraph (i) above, or any person living with such as their partner;
- iv a person carrying on business in partnership with a trustee or any person falling within sub-paragraphs (i), (ii) or (iii) above; or

(b) a company or business (excluding any public body or not for profit organisation) which is controlled:

- i by a trustee or any person falling within paragraph (a) above, or
- ii by two or more such persons taken together; or

(c) a company or business (excluding any public body or not for profit organisation) in which:

i a trustee or any person falling within paragraph (a) above has a substantial interest, or

ii two or more such persons, taken together, have a substantial interest;

and for the purposes of paragraph (c) above, substantial interest shall mean more than 2% of the voting rights or share capital in the business (if shares in the business are publicly quoted) or more than 10% of the voting rights or share capital in any other business;

1.4.7 "Customer" means any person occupying property of the Company under a tenancy, licence or lease or any person to whom the Company provides amenities, services, advice or assistance in furtherance of its Objects;

1.4.8 "Director" means a director of the Company being a charity trustee of the Company as defined by Section 177 of the Charities Act 2011;

1.4.9 "executed" includes any mode of execution;

1.4.10 "Executive Director" means a Director who is an employee of the Company;

1.4.11 "Local Authority" means The Cornwall Council and any statutory successor body or bodies, successors in title and assigns;

1.4.12 "Member" means any person who is admitted to membership of the Company in accordance with the provisions of these Articles;

1.4.13 "Non-Executive Director" means a Director who is not an Executive Director;

1.4.14 "office" means the registered office of the Company;

1.4.15 "the Regulator" means Homes and Communities Agency acting through the Regulation Committee established by it pursuant to Part 2 of the Housing and Regeneration Act 2008 or any similar future authority (including any statutory successor) carrying on substantially the same regulatory or supervisory functions;

1.4.16 "the seal" means the common seal of the Company if it has one;

1.4.17 "Secretary" means the Secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary; and

1.4.18 "the United Kingdom" means Great Britain and Northern Ireland.

1.5 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 only shall include the feminine gender.

1.6 Subject as aforesaid, words or expressions contained in these Articles shall, unless the context requires otherwise, bear the same meaning as in the Act, but excluding any statutory modification thereof not in force when these regulations become binding upon the Company.

## 2 **Objects**

2.1 The Company's objects ("the Objects") are:

2.1.1 The relief of persons in necessitous circumstances, the aged, disabled, handicapped, and chronically sick through the provision of suitable housing, amenities and services.

2.1.2 The provision of recreational or other facilities in the interests of social welfare with the object of improving the conditions of life for the Customers and other persons eligible for benefit from the Company.

2.1.3 The relief of poverty and the advancement of education for the benefit of the community.

## 3 **Powers**

3.1 The Company shall have power to do anything lawful which is necessary or desirable to achieve any of its Objects including (without limitation) the power:

3.1.1 to carry on for the benefit of the community the business of:

(a) providing houses or hostels and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means;

(b) providing for aged, disabled, handicapped (whether mentally or physically) or chronically sick persons in need thereof in houses or hostels and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;

(c) providing services, advice or assistance upon terms appropriate to their means to aged, disabled, handicapped (whether mentally or physically) or chronically sick persons in need thereof;

3.1.2 to support any charitable organisation carrying on activities within any locality in which for the time being the Company shall be operating;

3.1.3 to draw, make, accept, endorse, discount, execute and issue promissory notes, bills, cheques and other instruments, and to operate bank accounts in the name of the Company;

3.1.4 to raise funds and to invite and receive contributions; provided that in raising funds the Company shall not undertake any substantial permanent trading activities and shall conform to any relevant statutory regulations;

3.1.5 to acquire, alter, improve and (subject to such consents as may be required by law) to charge or otherwise dispose of property;

- 3.1.6 subject to Article 4, to employ such staff as are necessary for the proper pursuit of the Objects and to make all reasonable and necessary provision for the payment of pensions and superannuation to staff and their dependants;
- 3.1.7 to recruit and assist in the recruitment of voluntary workers for the promotion of the Objects of the Company;
- 3.1.8 to insure and arrange insurance cover for and to indemnify its Members, employees, servants and voluntary workers from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate, and to pay any premium in relation to indemnity insurance in respect of liabilities of its Directors or Co-opted Directors or any of them which would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in respect of the Company, PROVIDED THAT such insurance shall not extend to any liability in respect of any act or omission which such Director or Directors knew or ought reasonably to have known was a breach of duty or trust or which was committed by such Director or Directors recklessly without due regard as to whether such act or omission might be a breach of duty or trust;
- 3.1.9 to acquire, manage, alter, improve and to charge or otherwise dispose or deal with property including without limitation residential properties, recreational facilities, gardens and open spaces, PROVIDED THAT the power to manage, alter and improve shall not extend to property other than property in the public sector or charitable ownership and property owned by non-profit registered provider of social housing registered with the Regulator);
- 3.1.10 to make regulations for the management of any property from time to time held by the Company, PROVIDED THAT such regulations shall not be inconsistent with the Articles of Association of the Company;
- 3.1.11 to invest any funds of the Company not immediately required for the furtherance of its Objects in any investment, subject to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law;
- 3.1.12 to purchase or otherwise acquire or to encourage or promote or in any way support or aid the establishment and development of any subsidiary company established for the purposes of carrying on any trade or business which is a property trade and business either for the purpose of raising funds for the Company or for the furtherance of the Objects of the Company, and to subscribe to, purchase, or acquire in any other way, any chose in action (including but without prejudice to the generality of the foregoing any stock, share, security, unit, debenture or debenture stock in each case whether preferred, deferred or secured) and to guarantee, indemnify and secure by mortgaging or charging all or any part of its assets the obligations and liabilities of and to make available financial assistance or accommodation in any other way to any such subsidiary company and to acquire all or any part of the capital of any company limited by shares carrying on any trade or

business including without limitation farming, agricultural, forestry, property development, property and/or estate management, health care, education and training, leisure and recreational companies, PROVIDED THAT any ownership of shares in any subsidiary company of the Company or any other company referred to herein and the making of any loans whether or not on commercial terms to any such company shall be treated as an investment within paragraph 3.1.11 above;

- 3.1.13 to borrow and raise money in such manner as the Company shall think fit;
- 3.1.14 to subscribe to, become a member of or amalgamate or co-operate with any other charitable organisation, institution, society or body not formed or established for purposes of profit (whether incorporated or not and whether in Great Britain or Northern Ireland or elsewhere) whose objects are wholly or in part similar to those of the Company and which by its constitution prohibits the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company under or by virtue of Article 4 and to purchase or otherwise acquire and undertake all such parts of the property, assets, liabilities and engagements as may lawfully be acquired or undertaken by the Company of any such charitable organisation, institution, society or body;
- 3.1.15 to make donations, grants and loans to such persons and organisations and on such terms as the Company shall think fit to further the Objects;
- 3.1.16 to collect and provide or procure the collection and provision of information, counselling advice and guidance in furtherance of the Objects or any of them;
- 3.1.17 to promote encourage or undertake any form of research relevant to the Objects and to publish and disseminate the useful results of such research;
- 3.1.18 to provide or assist in the provision of sheltered employment or workshops for disabled persons and other disadvantaged persons;
- 3.1.19 to train and re-train long term unemployed persons as a means of relieving poverty;
- 3.1.20 to educate the unemployed in matters of general business administration and management;
- 3.1.21 to provide (over a limited period of time in respect of each individual) training facilities and work experience to enable unemployed people to acquire and develop vocational skills;
- 3.1.22 to provide office and workshop accommodation for any other charitable organisation, institution, society or body whose objects are wholly or in part similar to the Objects;
- 3.1.23 to establish where necessary local committees (but subject to the control of the Directors);

- 3.1.24 to establish or support any charitable trusts, associations or institutions formed for all or any of the Objects;
- 3.1.25 to co-operate with other charities, voluntary bodies and statutory authorities operating in furtherance of the Objects or similar charitable purposes and to exchange information and advice with them;
- 3.1.26 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.

#### 4 **Application of income and property**

4.1 The income and property of the Company shall be applied solely towards the promotion of the Objects and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to Members, and no Director shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company:

- 4.1.1 PROVIDED THAT nothing in these Articles shall prevent any payment in good faith by the Company:
  - (a) to any employee, officer or servant of the Company, including Directors and Co-opted Directors other than Non-Executive Directors, of reasonable and proper remuneration (including pensions, termination grants and gratuities);
  - (b) to any Member or its employees (other than any Non-Executive Directors), of reasonable and proper remuneration for services rendered to the Company;
  - (c) of interest on money lent by any Member of the Company at a reasonable and proper rate per annum not exceeding 2 per cent less than the published base lending rate of a clearing bank to be selected by the Board;
  - (d) of reasonable and proper rent for premises demised or let by any Member of the Company other than a Director or Co-opted Director;
  - (e) to any Director or Co-opted Director, of reasonable out-of-pocket expenses;
  - (f) to any Non-Executive Director of such reasonable and proper remuneration, fees, allowances or recompense for loss of earning as may be approved by the board from time to time after obtaining and considering the recommendations and advice of an appropriate independent advisor (selected by the Board or by an appropriate committee of the Board) as to the level of remuneration;
  - (g) of any indemnities permitted by Articles 3.1.8 or 44;
  - (h) of the costs associated with the procurement and maintenance of such insurance as is permitted by Article 3.1.8;

4.1.2 and further PROVIDED THAT for the avoidance of doubt this Article shall not prevent a Director or Co-opted Director from enjoying the grant of a lease, tenancy, licence, or other benefit granted by the Company in good faith and in pursuance of the Company's objects, nor the Company from managing a property or service so provided, PROVIDED THAT in each case the benefit was granted on the same terms and in accordance with the same criteria as it would be granted to any other beneficiary of the Company.

## **5 Other provisions formerly in the Memorandum of Association of the Company**

5.1 The liability of the Members is limited.

5.2 Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up while he or she is a Member or within one year after he or she ceases to be a Member, for payment of the Company's debts and liabilities contracted before he or she ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

5.3 If the Company is wound up or dissolved and after all its debts and liabilities have been satisfied there remains any property it shall not be paid to or distributed among the Members of the Company, but subject to Section 167 of the Housing and Regeneration Act 2008 shall be given or transferred to some other charity or charities having objects similar to the Objects which prohibits the distribution of its or their income and property to an extent at least as great as is imposed on the Company by Article 4, chosen by the Members of the Company at or before the time of dissolution and if that cannot be done then to some other charitable objects.

## **6 Members**

6.1 The Members shall comprise the Directors (other than any Co-opted Directors or Executive Directors) from time to time, who shall be admitted as Members upon appointment as Directors and no other person, and in particular no employee of the Company, may be or become a Member.

6.2 Membership shall be terminated immediately and automatically upon the Member concerned ceasing to be a Director for any reason.

6.3 Any Member may resign from the Company by giving notice in writing duly signed to the Secretary, which shall be effective immediately on receipt.

6.4 Any Member may be removed from the Company, on the ground of failure to observe any of the Rules or Byelaws of the Company or on any other ground, by a resolution of the Company passed by a majority of at least three-quarters of the votes cast at a general meeting of which not less than twenty-eight clear days' notice specifying the intention to propose such resolution shall have been sent to the Member whose removal is proposed and to all the other Members. Notice of the general nature of the grounds on which such resolution is proposed shall be sent to the Member whose removal is proposed at least twenty-eight clear days before the meeting, and he or its representative for this purpose shall be entitled to be heard by the meeting.



6.5 The rights of any Member shall be personal and shall not be transferable and shall automatically cease if the Member commits any act of bankruptcy, or becomes incapable by reason of mental disorder or dies, or if the Member ceases to carry on its business or substantially the whole of its business, or becomes or is declared insolvent or commits any act of bankruptcy, makes or proposes to make any arrangement or composition with its creditors or if a receiver, administrator, trustee, manager or similar officer is appointed in relation to any of the assets of the Member or any analogous step is taken in connection with the Member's bankruptcy or dissolution.

6.6 The cessation referred to in Article 6.2 shall be effective forthwith and automatically upon the occurrence of the event set out in that Article and without the need for notice being given to the Member concerned.

## **7 General Meeting**

7.1 The Company shall hold an annual general meeting in each year within a period of six months beginning with the day following its accounting reference date, and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such times and places as the Board shall appoint.

7.2 The Board may call general meetings and, on the requisition of Members pursuant to the provisions of the Act, shall forthwith proceed to convene a general meeting in accordance with the provisions of the Act. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or any Member may call a general meeting.

## **8 Notice of General Meetings**

8.1 A general meeting shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety percent of the total voting rights at the meeting of all the Members.

8.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

8.3 The notice shall be given to all the Members and to the Directors and auditors.

8.4 Any Member entitled to attend at a general meeting shall be entitled to appoint another person (whether a Member or not) as his proxy to attend instead of him and any proxy so appointed shall have the same right as the Member to speak at the meeting.

8.5 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.

## **9 Proceedings at General Meetings**

9.1 No business shall be transacted at any meeting unless a quorum is present. Six Members present, in person or by proxy, shall be a quorum.

9.2 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand 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 may determine.

9.3 If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting or if during the meeting a quorum ceases to be present then the meeting shall stand adjourned and the provisions of Article 9.2 shall apply as if the same were repeated herein save that if at such further adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 9.1 the Members present shall constitute a quorum throughout the duration of the meeting.

10 The chairman of the Board or in his absence the deputy chair of the Board or in his absence some other Director nominated by the other Directors shall preside as chairman of the meeting, but if neither the chairman of the Board nor the deputy chair of the Board nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman of the meeting and, if there is only one Director present and willing to act, he shall be chairman of the meeting.

11 If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of their number to be chairman.

12 A Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting.

13 The chairman of a meeting at which a quorum is present:

13.1 may, with the consent of the meeting; and

13.2 may, with or without the consent of the meeting, if in his opinion the conduct of those present has become too unruly to permit an orderly meeting to continue; and

13.3 shall, if so directed by the meeting;

adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven days' clear notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

## 14 **Voting**

14.1 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

14.1.1 by the chairman; or

14.1.2 by at least two Members having the right to vote at the meeting; or

14.1.3 by a Member or Members representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting;

and a demand by a person as proxy for a Member shall be the same as a demand by a Member.

14.2 On a show of hands every Member present in person or by proxy shall have one vote, unless the proxy or the representative is himself a Member entitled to vote.

14.3 On a poll the Members present in person or by proxy shall be entitled to one vote.

14.4 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

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

14.6 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the results of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.

14.7 A poll demanded on the election of a chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent continuance of a meeting for the transaction of any business other than the question on which the poll is demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

14.8 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In other cases at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

15 A proposed written resolution of the Members shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the Act).

16 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

17 An instrument appointing a proxy shall be in writing or sent electronically, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto

as circumstances allow or in any other form which is usual or which the Board may approve):

"Coastline Housing Limited (the Company)

I/We.....  
[name(s)]

of.....  
[address(es)]

being a Member/Members of the Company, hereby appoint:

(a) the Chair of the Association, or

(b)

.....[name]

of.....[address],

[complete and delete as appropriate]

as my/our proxy to vote for me/us and on my/our behalf at the general meeting of the

Company to be held on the .....day of ..... 20[ ]  
[date] and at any adjournment thereof.

As witness my hand this.....day of.....20[ ] [date]

Signed:....."

18

Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve):

"Coastline Housing Limited (the Company)

I/We.....  
[name(s)]

of.....  
[address(es)]

being a Member/Members of the Company, hereby appoint:

(a) the Chair of the Association, or

(b)

.....[name]

of.....[address],

[complete and delete as appropriate]

as my/our proxy to vote for me/us and on my/our behalf at the general meeting of the

Company to be held on the .....day of ..... 20[ ] [date] and at any adjournment thereof.

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

Resolution No. 1 \*for \*against

Resolution No. 2 \*for \*against

\*Strike out whichever is not desired.

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

As witness my hand this.....day of.....20[ ] [date]

Signed:....."

19 This instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Company may:

19.1 be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

19.2 in the case of a poll taken more than 24 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less and 24 hours before the time appointed for the taking of the poll; or

19.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

20 A vote given or poll demanded by proxy or by the duly authorised representatives of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

21 **Directors**

Unless otherwise determined by special resolution of the Company, and subject to the power to Co-opt additional Directors under Article 36, the number of Directors shall be up to ten.

## 22 **Appointment and retirement of Directors**

22.1 No person may be appointed as a Director:

22.1.1 unless he has attained the age of 18 years; or

22.1.2 in circumstances such that, had he already been a Director, he would have been disqualified from acting under the provisions of Article 24.

22.2 Non-Executive Directors shall be appointed by the Board in accordance with a policy relating to the recruitment and selection of Directors adopted by the Board from time to time.

22.3 Non-Executive Directors shall be appointed for a fixed term of three years from the date of appointment, save where the Board set a shorter period prior to the appointment. Non-Executive Directors shall cease to be Directors at the end of the fixed term, but may (subject to Article 23.1) be reappointed. In relation to person who are Non-Executive Directors on the date which these Articles are adopted, time shall start to run for the purpose of this Article from the date that they were last elected or appointed to the Board.

22.4 The Board may from time to time appoint employees of the Company to serve on the Board as Executive Directors, provided that there shall be not more than two Executive Directors on the Board at any one time. Executive Directors shall be appointed for such term as the Board may set prior to their appointment.

## 23 **Longstop on Service**

23.1 No Non-Executive Director may serve as a Director of the Company for a continuous or aggregate period in excess of 9 years without the support of a special resolution by the Members at a general meeting of the Company, provided that:

23.1.1 notwithstanding any such special resolution the maximum continuous or aggregate term of office for any Non-Executive Director shall be 12 years; and

23.1.2 no such special resolution shall be valid if, at the date upon which it was passed, more than 50% of the Non-Executive Directors then on the Board have been in office for a continuous or aggregate period exceeding 9 years.

## 24 **Disqualification and Removal of Directors**

24.1 A Director shall cease to hold office if:

24.1.1 he ceases to be a Director by virtue of any provision of the Act; or

24.1.2 he is disqualified from acting as a trustee of a charity by virtue of the Charities Act 2011 (or any statutory re-enactment or notification of that provisions); or

- 24.1.3 he is disqualified from acting as a director of a company for any reason;
  - 24.1.4 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - 24.1.5 a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or
  - 24.1.6 he was an employee of the Company and his employment ceases for any reason; or
  - 24.1.7 he resigns his office by notice to the Company (but only if at least two Directors will remain in office when the notice of resignation is to take effect); or
  - 24.1.8 he is absent without the permission of the Board from any three meetings within a period of twelve months and a majority of the other Directors resolve that his office be vacated; or
  - 24.1.9 the Board resolves by a majority of at least three quarters of all the other Directors from time to time that he should cease to be a Director; or
  - 24.1.10 he is convicted of any offence involving dishonesty, deception or offences against the person; or
  - 24.1.11 he is convicted of any offence against a child as defined in Section 26 of the Criminal Justice and Court Services Act 2000.; or
  - 24.1.12 he ceases to be a member for any reason.
- 24.2 If requested by a majority of the other Directors at a meeting convened specially for the purpose, a Director failing to disclose an interest as required by these Articles shall vacate his office either permanently or for a period of time.

## 25 **Powers of the board**

- 25.1 Subject to the provisions of the Act and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by the Articles and a meeting of Board at which a quorum is present may exercise all the powers exercisable by the Directors.
- 25.2 In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the Articles the Board shall have the following powers, namely:
- 25.2.1 to expend the funds of the Company, in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Company such part of the funds as they may see fit and to direct the

sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects of the Company;

25.2.2 to enter into contracts on behalf of the Company.

## 26 **Directors' Expenses**

The Directors may be paid all reasonable travelling, hotel and other expenses 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, but shall otherwise be paid no remuneration save as permitted by Article 4.

## 27 **Directors' Appointments and Interests**

27.1 No Director, Co-opted Director or committee member may have any financial interest:

27.1.1 personally; or

27.1.2 as a member of a firm; or a

27.1.3 as a director or senior employee (being an employee with managerial status) of a business trading for profit, or

27.1.4 in any other way whatsoever, save that there shall be deemed to be no financial interest in relation to shares except in the circumstances referred to in Article 27.10.1(c);

in any contract or other transaction with the Company unless it is expressly permitted by the Act or these by Articles.

27.2 Directors are permitted to enjoy certain benefits pursuant to Article 4.

27.3 For the purposes of sections 175(3) of the Act, as substituted by section 181(2)(a) of the Act, the duty to avoid conflicts of interest shall not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company in relation to the following, subject to compliance with Article 27.6:

27.3.1 any matter authorised by the Charity Commission; or

27.3.2 any matter or payment permitted under Article 4.

27.4 Directors, Co-opted Directors and committee members shall be deemed not to have an interest or a conflict of loyalties for the purposes of these Articles in the following circumstances:

27.4.1 by holding office as a director or other officer of, or being employed by, any body corporate promoted by the Company or in which the Company has a constitutional interest or to which the Company has nominated or otherwise arranged the interest of the Director PROVIDED THAT such Director received no remuneration or other benefit from that organisation which the Director could not have received from the Company if paid in respect of services to the Company; or



- 27.4.2 by holding office as a director or other officer of, or being employed by, or being a consultant to, a local authority or other public body or a charity or voluntary organisation (being an organisation not trading for profit) which is a party to any transaction or arrangement with the Company; or
- 27.4.3 by being a Customer, in relation to any decision affecting all or a substantial group of Customers; or
- 27.4.4 by being an elected member or officer of the Local Authority.
- 27.5 For the purposes of Articles 27.1, 27.6, 27.7, 27.10 and 27.11, an interest or a conflict of loyalties of a Connected Person shall be treated as an interest or conflict of loyalties of the relevant Director, Co-opted Director or committee member.
- 27.6 Any Director, Co-opted Director or committee member having an interest in any arrangement with the Company, or between the Company and a third party, shall disclose their interest before the matter is discussed by the Board or the committee. Unless it is expressly permitted by these Articles, they shall not remain present unless requested to do so by the Board or the committee, and they shall not vote on the matter in question. For these purposes, an individual Director, Co-opted Director or committee member shall be deemed not to have an interest in relation to permitted benefits applying to the whole Board. No decision of the Board or of a committee shall be invalid because of the subsequent discovery of an interest which should have been declared.
- 27.7 If an actual or potential conflict of interest arises for a Director, Co-opted Director or committee member because of a duty of loyalty owed to another organisation or person, and the conflict is not authorised by virtue of any other provision in the Articles of Association, the unconflicted Directors, Co-opted Directors or committee members (as appropriate) may authorise that conflict provided that:
- 27.7.1 no conflicted individual is counted in the quorum for such a decision; and
- 27.7.2 the unconflicted Directors, Co-opted Directors or committee members (as appropriate) consider it is in the interests of the Company, in the circumstances, to authorise the conflict; and
- 27.7.3 any authorisation is given on such terms and/or conditions as the Board or committee (excluding any conflicted individuals) may determine, provided that such conditions include compliance with Article 27.6 every time the authorised matter is discussed at any subsequent meetings. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the conflicted individuals from all information and discussion of the matter in question.
- 27.8 Directors, Co-opted Directors and committee members should consider whether any actual or potential conflicts should be authorised in accordance with Article 27.7 each time:
- 27.8.1 a new Director, Co-opted Director or committee member is appointed;

- 27.8.2 a new situation arises for an existing Director, Co-opted Director or committee member that gives rise to an actual or potential conflict of interests.
- 27.9 Subject to the provisions of the Act, the Company may by ordinary resolution suspend or relax the provisions of Articles 27.3, 27.4, 27.7 or 27.8 or ratify any transaction not duly authorised by reason of a contravention of those Articles provided always that such ordinary resolution is passed only if the necessary majority is obtained disregarding votes in favour of the resolution by the Director (if a Member) and any Member connected with him and provided further that such ratification shall not extend to any matter prohibited by Article 4.
- 27.10 Each Director, Co-opted Director or committee member shall ensure that the Secretary has at all times an up to date list of:
- 27.10.1 all bodies trading in which he 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 the shares in which are publicly quoted or more than 10% of the shares in any other company,
- 27.10.2 all interests as an official or elected member of any statutory body;
- 27.10.3 all interests as the occupier of any property owned or managed by the Company; or
- 27.10.4 any other significant or material interest.
- 27.11 For the purposes of this Article:
- 27.11.1 a general notice given to the Board that a Director, Co-opted Director or committee 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 Director, Co-opted Director or committee member has an interest in any such transaction of the nature and extent so specified; and
- 27.11.2 an interest of which a Director, Co-opted Director or committee member (as appropriate) has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 27.12 If a Director, Co-opted Director or committee member receives or has received any information otherwise than by virtue of his position as a Director, Co-opted Director or committee member of the Company and in respect of which he owes a duty of confidentiality to another person, the Director, Co-opted Director or committee member is under no obligation to:
- 27.12.1 disclose any such information to the Company, the Directors or any other Director or employee of the Company; or

27.12.2 use or apply any such information in connection with the performance of his duties as a Director, Co-opted Director or committee member;

provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the Director of the duty to avoid conflicts of interest set out in section 175 of the Act, this Article shall apply only if such situation or relationship has been authorised by the Directors under Article 27.7.

## 28 **Proceedings of the board**

28.1 The Board may regulate their proceedings as they think fit and the quorum for the transaction of the business of the Board may be fixed by the Directors and unless so fixed at any other number shall be five PROVIDED THAT if at any time the number of Directors shall fall below five, all of the remaining Directors shall form a quorum.

28.2 33.3 per cent of the total number of Directors (or such whole number of Directors nearest to but not exceeding 33.3 per cent) may call a meeting of the Board provided that a meeting of the Board shall be held at least once in every three month period and for that purpose only may be called by any Director or the Secretary at the request of a Director. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom.

28.3 If a meeting of Directors is duly called and no quorum is reached within thirty minutes of the time stated in the notice calling that meeting then the meeting shall be adjourned to the same day at the same time and place in the following week. If a quorum is not reached within thirty minutes of the time the adjourned meeting should have started then those Directors present shall carry out the business of the meeting.

28.4 Questions arising at a meeting shall be decided by a majority of votes and each Director present in person shall be entitled to one vote. In the case of an equality of votes, the chairman shall have a second or casting vote. Any Director unable to attend a Board meeting shall be entitled to appoint any of the other Directors to act as his proxy at the Board meeting and to cast a vote in his name.

29 A Director, Co-opted Director or committee member may not vote at any meeting of the Board or of any committee on any resolution that in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest (including in the circumstances set out in Article 27.6), and if he shall vote on any such resolution as aforesaid, his vote shall not be counted; and in relation to any such resolution as aforesaid he shall nevertheless (whether or not he shall withdraw from the meeting in accordance with Article 27.6) be taken into account in calculating the quorum present at the meeting.

30 At the first Board meeting following each annual general meeting the Directors shall appoint one of their number to be the chairman of the Board and one of their number to be the deputy chair of the Board, both to hold office as such until the next annual general meeting, and may at any time remove either of them from that office.

30.1 No Director may serve as chairman of the Board for more than seven years in aggregate in any nine year period.

- 30.2 Unless he is unwilling to do so, the Director appointed as chairman shall preside at every meeting of Board at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the deputy chair shall preside at the meeting. If there is no Director holding that office or if the Director holding that office is unwilling to preside or is not present within five minutes after the time appointed for the meeting the Directors present may appoint one of their number to be chairman of the meeting.
- 30.3 Executive Directors may not serve as chairman or deputy chair of the Board or any of its Committees.
- 31 Subject to Articles 31.1 - 31.3, the Board may delegate any of its powers under written terms of reference to any committee(s), officer(s) or employee(s) of the Company. Any such delegation may be made subject to any conditions, and may be revoked or altered.
- 31.1 The membership of any committee shall be determined by the Board. Every committee shall include at least two Directors. The Board will appoint the chair of any committee and shall specify the quorum.
- 31.2 All acts and proceedings of any such committees shall be fully and promptly reported to the Board.
- 31.3 The Board shall appoint a committee consisting of two or more Directors for the purposes of an audit and risk committee. The chairman of the Board may not be appointed to the audit and risk committee.
- 32 All acts done by a meeting of the Board, or of a committee of the Board, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director 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 Director and had been entitled to vote.
- 33 A resolution in writing, signed (or otherwise confirmed electronically) by a majority of the Directors entitled to receive notice of a meeting of the Board or of a committee of the Board, shall be as valid and effective as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held. Such a resolution may consist of several documents in the same form, each signed by one or more of the Directors.
- 34 Any bank account in which any part of the assets of the Company is deposited shall be operated by or under the authority of the Board and shall indicate the name of the Company.
- 35 Meetings of the Board or its committees can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings, and vote, including by telephone video conference or internet, whether or not all are assembled in one place.

36 **Co-opted Directors**

36.1 The Directors may by passing a resolution at a meeting of the Board co-opt up to a maximum of two persons to the Board in addition to the number of Directors prescribed by or determined in accordance with Article 21.

36.2 A Co-opted Director shall have full power to vote at meetings of the Board and at committees of the Board to which the Co-opted Director is appointed.

36.3 A Co-opted Director may not be appointed for a term exceeding 12 months but may be re-appointed for a further term at the expiry of such term or further term.

36.4 Co-opted Directors shall not be counted as Directors for the purposes of calculating the total number of Directors under Article 21 but for the avoidance of doubt they shall be counted for the purposes of calculating the quorum under Article 28.1.

36.5 Articles 22 and 23 shall not apply to Co-opted Directors.

36.6 A Co-opted Director may be removed at any time by the Board passing a resolution to that effect.

37 **Secretary**

Subject to the provisions of the Act, the secretary shall be appointed by the Board for such term, at such remuneration (if not a Director) and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

38 **Minutes**

38.1 The Board shall keep minutes in books kept for the purpose:

38.1.1 of all appointments of officers made by the Board; and

38.1.2 of all proceedings at meetings of the Company and of the Board and of committees of the Board including the names of the Directors present at each such meeting.

39 **The seal**

The seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Directors. 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 Director and by the secretary or by a second Director.

40 **Accounts**

Accounts shall be prepared in accordance with the provisions of Part VII of the Act.

41 **Annual Report**

The Directors shall comply with their obligations under the Charities Act 2011 (or any statutory re-enactment or modification of that Act) with regard to the preparation of an annual report and its transmission to the Charity Commission.

## 42 **The Annual Return**

The Directors shall comply with their obligations under the Charities Act 2011 (or any statutory re-enactment or modification of that Act) with regard to the preparation of an annual return and its transmission to the Charity Commission.

## 43 **Notices**

43.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing (which may be way of electronic communication) except that a notice calling a meeting of the Board need not be in writing.

43.2 The Company may give any notice to a Member either personally, by way of electronic communication, or by sending it by post in a prepaid envelope addressed to the Member at his registered address or by leaving it at that address. A Member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such Member shall be entitled to receive any notice from the Company.

43.3 A Member present in person at any meeting of the Company shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it is was called.

43.4 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. Notice given electronically shall be deemed received one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication.

## 44 **Indemnity**

Subject to the provisions of the Act every Director, employee, officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity 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 in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

## 45 **Rules**

45.1 The Board may from time to time make such rules or bye laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company and for the purposes of prescribing classes of and conditions of membership, and in particular but without prejudice to the generality of the foregoing, they may by such rules or bye laws regulate:

45.1.1 the conduct of Members in relation to one another, and to the Company's officers and employees;

- 45.1.2 the setting aside of the whole or any part or parts of the Company's premises at any particular time or times or for any particular purpose or purposes;
  - 45.1.3 the procedure at general meetings and meetings of the Board and committees of the Board in so far as such procedure is not regulated by the Articles;
  - 45.1.4 generally, all such matters as are commonly the subject matter of company rules.
- 45.2 Provided that such rules or bye laws shall be subject to the approval of the Regulator. The Company in general meeting shall have power to alter, add to or repeal the Articles or bye laws and the Board shall adopt such means as they think sufficient to bring to the notice of the Members all such rules or bye laws, which shall be binding on all the Members. Provided that no rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the Articles.