

Company Number: 8858935

**Companies Act 2006
Company Limited by Guarantee
and not having a Share Capital**

**ARTICLES OF ASSOCIATION
of
LYME REGIS CLT LTD**



**BATTENS SOLICITORS LIMITED
MANSION HOUSE
PRINCES STREET
YEOVIL
SOMERSET
BA20 1EP
REF: MB/101996.1**

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Company Number: 8858935

Companies Act 2006
Company Limited by Guarantee
and not having a Share Capital
Articles of Association of
Lyme Regis
CLT Limited
(the “Company”)

1 DEFINITIONS

1.1 In the Articles unless the context otherwise requires the following defined terms shall have the meanings ascribed to them:

“**Act**” the Companies Act 2006 and any statutory or re-enactment thereof currently in force.

“**address**” a postal address or, for the purposes of electronic communication, a fax number, an e-mail or postal address or a telephone number for receiving text messages in each case registered with the Company.

“**Articles**” these Articles of association as they may be amended from time to time.

“**Board**” the board of management of the Company.

“**Board Members**” the directors of the Company and (save where expressly excluded) includes co-optees to the Board.

“**clear days**” in relation to the period of a notice means a period excluding:

- (a) the day when the notice is given or deemed to be given; and
- (b) the day for which it is given or on which it is to take effect;

“**Commission**” the Charity Commission for England and Wales.

“**Companies Acts**” the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the Company.

“**Company**” the company intended to be regulated by the Articles.

“**Co-opted Board Member**” a person co-opted to the Board for such period as the Board determines.

“Council” Lyme Regis Town Council or the statutory successor to that Council.

“directors” the directors of the Company (and, if relevant) charity trustees as defined by section 97 of the Charities Act 1993.

“document” includes, unless otherwise specified, any document sent or supplied in electronic form.

“electronic form” has the meaning given in section 1168 of the Companies Act 2006.

“Member” any person, admitted to membership of the Company in accordance with these Articles.

“memorandum” the Company’s memorandum of association; **“officers”** includes the directors and the secretary (if any).

“Public Benefit Requirement” the requirement for the Trustees to report annually on how the company has provided public benefit pursuant to the Charity Act 2006.

“

“Regulator” the Office for Tenants and Social Landlords, known as the Tenant Services Authority until such time as its regulatory functions are transferred to the Homes and Communities Agency (and its statutory successor).

“Relevant Local Authority” any local authority (as defined in section 67(3) of the Local Government and Housing Act 1989, with which the Company has a business relationship (as defined in section 69(3) of that Act).

“seal” the common seal of the Company if it has one.

“secretary” any person appointed to perform the duties of the secretary of the Company;

“Subsidiary” a subsidiary of the Company as defined in the Act.

“United Kingdom” Great Britain and Northern Ireland.

- 1.2 Unless the context otherwise requires words or expressions contained in the Articles have the same meaning as in the Companies Acts but excluding any statutory modification not in force when this constitution becomes binding on the Company.
- 1.3 Apart from the exception mentioned in the previous paragraph a reference to an Act of Parliament includes any statutory modification or re-enactment of it for the time being in force.
- 1.4 Words or expressions contained in these Articles bear the same meaning as in the Act on the date the Company is incorporated.

1.5 In these Articles words importing one gender shall include all genders, a reference to a person shall, unless the context requires otherwise, include a body corporate or an unincorporated body and a reference to the singular shall include the plural.

2 **NAME OF COMPANY**

The name of the Company is Lyme Regis CLT Limited.

3 **THE REGISTERED OFFICE**

The registered office of the Company shall be situated in England and Wales.

4 **LIABILITY OF MEMBERS**

The liability of the Members is limited to a sum not exceeding £1, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he, she or it is a Member or within one year after he, she or it ceases to be a Member, for:

4.1 payment of the Company's debts and liabilities incurred before he, she or it ceases to be a Member;

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

4.3 adjustment of the rights of the contributories among themselves.

5 **OBJECTS**

The Company is set up to operate as a Community Land Trust as defined in section 79 of the Housing and Regeneration Act 2008 on a not for profit basis for the public benefit in the Parish of Lyme Regis, Dorset (the "**area of benefit**") and the Company's objects ("**Objects**") are specifically restricted to the following:

5.1 the relief of financial hardship by the provision of affordable housing (upon terms appropriate to their means) together with associated amenities, facilities and infrastructure;

5.2 the improvement, maintenance or provision of public amenities;

5.3 the provision of facilities for recreation or other leisure time occupation in the interest of social welfare with the object of improving the conditions of life for the residents of the area of benefit; and

5.4 the provision for the aged, disabled or chronically sick persons in need thereof, of houses or hostels specially designed or adapted to meet their needs.

6 **POWERS**

The Company has power to do anything which is calculated to further its Object(s) or is conducive or incidental to doing so. In particular, the Company has power:

- 6.1 to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
- 6.2 to sell, lease or otherwise dispose of all or any part of the property belonging to the Company. In exercising this power, the Company must comply (as appropriate) with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006.
- 6.3 to construct, maintain, improve, repair and alter any dwelling-houses or buildings or erections which the Company may think necessary for the promotion of its Objects;
- 6.4 to acquire and manage any commercial premises businesses as are incidental or ancillary to or part of a project or series of projects undertaken for the aforementioned purposes or Objects;
- 6.5 to sell, improve, develop, exchange, let on rent, royalty or otherwise and in any manner deal with or dispose of all or any of the property and assets for the time being of the Company subject to such consents as may be required by law and subject also to the provisions of these Articles. In exercising this power the Company must comply (as appropriate) with sections 36 and 37 of the Charities Act 1993, as amended by the Charities Act 2006.
- 6.6 to acquire, manage, dispose of, deal in, or hold as an investment any property or assets wherever situate and to demolish, construct, improve, alter, furnish and maintain the same (including procuring such works);
- 6.7 make regulations for the management of any property from time to time held by the Company which shall not be inconsistent with the Company's Articles;
- 6.8 to raise funds. In doing so, the Company must not undertake any taxable permanent trading activity and must comply with any relevant statutory regulations;
- 6.9 to:
 - 6.9.1 deposit or invest funds;
 - 6.9.2 employ a professional fund-manager; and
 - 6.9.3 arrange for the investments or other property of the Company to be held in the name of a nominee,in the same manner and subject to the same conditions as the directors of a Company are permitted to do by the Trustee Act 2000;
- 6.10 to open and operate bank accounts and other facilities for banking in the name of the Company;
- 6.11 to accept, draw, discount, endorse, execute, negotiate and issue bills of exchange, promissory notes and other negotiable or transferable instruments;

- 6.12 to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;
- 6.13 to make donations, grants and loans to third parties on such terms as the Company thinks fit;
- 6.14 to borrow money and to charge the whole or any part of the property belonging to the Company as security for repayment of the money borrowed or as security for a grant or the discharge of an obligation. The Company must comply(as appropriate) with sections 38 and 39 of the Charities Act 1993, as amended by the Charities Act 2006., if it wishes to mortgage land;
- 6.15 to pay out of the funds of the Company the costs of forming and registering the Company both as a company and as a Company.
- 6.16 to pay the costs, charges and expenses of the Company's formation and registration;
- 6.17 to provide indemnity insurance for the directors in accordance with, and (where appropriate) subject to the conditions in, section 73F of the Charities Act 1993;
- 6.18 to insure the Company's assets and (should it have any) property against any foreseeable risk and take out other insurance to protect the Company when required;
- 6.19 to employ and remunerate such staff as are necessary for carrying out the work of the Company. The Company may employ or remunerate a director only to the extent it is permitted to do so by Article 6 and provided it complies with the conditions in that Article;
- 6.20 make all reasonable and necessary provisions for the payment of pensions and superannuation to or on behalf of employees and their widows and other dependants;
- 6.21 to recruit and assist in the recruitment of voluntary workers for the promotion of the Objects of the Company;
- 6.22 to co-operate with other charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- 6.23 to establish or support any charitable companies, associations or institutions formed for any of the charitable purposes included in the Objects;
- 6.24 to acquire, merge with or to enter into any partnership or joint venture arrangement with any other charity;
- 6.25 to enter into any contracts with statutory, voluntary or other bodies as are considered necessary or convenient for the achievement of the Company's Objects;
- 6.26 to promote and support in any way the establishment of a Subsidiary and to acquire shares in any Subsidiary;

- 6.27 lend money to and/or borrow money from any Subsidiary, parent or associate of the Company and/or guarantee, enter into any contract of indemnity or suretyship or provide security for the borrowings of any Subsidiary, parent or associate of the Company on such terms as the Company shall think fit;
- 6.28 subscribe to become a member of or amalgamate or co-operate with any other organisation subject to all legal and regulatory requirements relating thereto;
- 6.29 to alter or vary these Articles;
- 6.30 to do all such other lawful things as may be necessary for the attainment of the above Objects or any of them provided that:
 - 6.30.1 in case the Company shall take or hold any property which may be subject to any Trusts, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such Trusts;
 - 6.30.2 the Objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers.

7 APPLICATION OF INCOME AND PROPERTY

7.1 Universal clauses

- 7.1.1 The income and property of the Company shall be applied solely towards the promotion of the Objects.
- 7.1.2 A Director:
 - 7.1.2.1 is entitled to be reimbursed from the property of the Company or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Company;
 - 7.1.2.2 may benefit from directors indemnity insurance cover purchased at the Company's expense in accordance with, and subject to the conditions in, section 73F of the Charities Act 1993; and
 - 7.1.2.3 may receive an indemnity from the Company in the circumstances specified in Article 35.
- 7.1.3 None of the income or property of the Company may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any Member of the Company other than in accordance with these Articles. This does not prevent a Member who is not also a director receiving:

7.1.3.1 a benefit from the Company in the capacity of a beneficiary of the Company;

7.1.3.2 reasonable and proper remuneration for any goods or services supplied to the Company.

AND PROVIDED FURTHER THAT nothing shall prevent a disposal by the Company of a property whether by way of sale, lease, tenancy, licence or otherwise to any person in good faith and in pursuance of the Company's Objects even though such person may be a Member and/or Board Member and nothing shall prevent the Company from managing a property in accordance with its Objects even though the tenant, lessee or licensee of such property may be a Member or Board Member.

7.2 **Directors' benefits**

7.2.1 No director or connected person may:

- (a) buy any goods or services from the Company on terms preferential to those applicable to members of the public;
- (b) sell goods, services, or any interest in land to the Company;
- (c) be employed by, or receive any remuneration from, the Company;
- (d) receive any other financial benefit from the Company;

unless:

- (e) the payment is permitted by Article 7.1.2; or
- (f) the directors obtain the prior written approval of the Commission and fully comply with any procedures it prescribes.

7.2.1.2 In this Article a "**financial benefit**" means a benefit, direct or indirect, which is either money or has a monetary value.]

7.2.1.3 A director or connected person may receive a benefit from the Company in the capacity of a beneficiary of the Company provided that a majority of the directors do not benefit in this way.

7.2.1.4 A director or connected person may enter into a contract for the supply of services, or of goods that are supplied in

connection with the provision of services, to the Company where that is permitted in accordance with, (as appropriate) and subject to the conditions in, section 73A to 73C of the Charities Act 1993.

7.2.1.5 Subject to Article 7.3.1.1 a director or connected person may provide the Company with goods even where those goods are supplied without providing related services (to the Company by the director or connected person.

7.2.1.6 A director or connected person may receive interest on money lent to the Company at a reasonable and proper rate which must be not more than the Bank of England bank rate (also known as the base rate).A director or connected person may receive rent for premises let by the director or connected person to the Company if the amount of the rent and the other terms of the lease are reasonable and proper and provided that the director concerned shall withdraw from any meeting at which such a proposal or the rent or other terms of the lease are under discussion.

7.2.1.7 The directors may arrange for the purchase, out of the funds of the Company, of insurance designed to indemnify the directors in accordance with the terms of, and subject to the conditions in, section 73F of the Charities Act 1993.

7.2.1.8 A director or connected person may take part in the normal trading and fundraising activities of the Company on the same terms as members of the public.

7.3 **Payment for supply of goods only – controls**

7.3.1 The Company and its directors may only rely upon the authority provided by Article 7.2.1.5 if each of the following conditions is satisfied:

7.3.1.1 the amount or maximum amount of the payment for the goods is set out in an agreement in writing between:

(a) the Company or its directors (as the case may be);
and

(b) the director or connected person supplying the goods (the “**supplier**”) under which the supplier is to supply the goods in question to or on behalf of the Company.

- 7.3.1.2 The amount or maximum amount of the payment for the goods does not exceed what is reasonable in the circumstances for the supply of the goods in question.
- 7.3.1.3 The other directors are satisfied that it is in the best interests of the Company to contract with the supplier rather than with someone who is not a director or connected person. In reaching that decision the directors must balance the advantage of contracting with a director or connected person against the disadvantages of doing so.
- 7.3.1.4 The supplier is absent from the part of any meeting at which there is discussion of the proposal to enter into a contract or arrangement with him or her or it with regard to the supply of goods to the Company.
- 7.3.1.5 The supplier does not vote on any such matter and is not to be counted when calculating whether a quorum of directors is present at the meeting.
- 7.3.1.6 The reason for their decision is recorded by the directors in the minute book.
- 7.3.1.7 A majority of the directors then in office are not in receipt of remuneration or payments authorised by Article 7.2.1
- 7.3.2 In Articles 7.1.2 – 7.3.1 of this Article 7 “**Company**” shall include any company in which the Company:
 - 7.3.2.1 holds more than 50% of the shares; or
 - 7.3.2.2 controls more than 50% of the voting rights attached to the shares; or
 - 7.3.2.3 has the right to appoint one or more directors to the board of the company;
- 7.3.3 In Articles 7.2.1 – 7.3 of this Article 7, Article 28.2 and Article 29.2 “**connected person**” means:
 - 7.3.3.1 a child, parent, grandchild, grandparent, brother or sister of the director;
 - 7.3.3.2 the spouse or civil partner of the director or of any person falling within Article 7.3.3.1 above;

7.3.3.3 a person carrying on business in partnership with the director or with any person falling within Article 7.3.3.1 or 7.3.3.2 above;

7.3.3.4 an institution which is controlled:

(a) by the director or any connected person falling within Article 7.3.3.1, 7.3.3.2, or 7.3.3.3 above; or

(b) by two or more persons falling within Article 7.3.3.1, when taken together;

(c) a body corporate in which:

(i) the director or any connected person falling within Articles 7.3.3.1 to 7.3.3.3 has a substantial interest; or

(ii) two or more persons falling within subparagraph 7.3.3.1 who, when taken together, have a substantial interest.

7.3.4 Paragraphs 2 to 4 of Schedule 5 to the Charities Act 1993 apply for the purposes of interpreting the terms used in this paragraph.

8 MEMBERS

8.1 The subscribers to the memorandum are first Members of the Company.

8.2 Membership is open to other individuals only who:

8.2.1 apply to the Company in the form required by the directors;

8.2.2 support the objects of the Company; and

8.2.3 are approved by the directors.

8.3 The directors may only refuse an application for membership if, acting reasonably and properly, they consider it to be in the best interests of the Company to refuse the application, which may include a refusal because in their reasonable opinion, the applicant does not support the objects of the Company.

8.4 The directors must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.

8.5 The directors must consider any written representations the applicant may make about the decision. The directors' decision following any written representations must be notified to the applicant in writing but shall be final.

8.6 Membership is not transferable.

8.7 The directors must keep a register of names and addresses of the Members.

9 CESSATION OF MEMBERSHIP

Membership is terminated if:

- 9.1 the Member dies;
- 9.2 the Member resigns by written notice to the Company unless, after the resignation, there would be fewer than two Members;
- 9.3 any sum due from the Member to the Company is not paid in full within six months of it falling due;
- 9.4 The Member is removed from membership by a resolution of the directors that it is in the best interests of the Company that his or her or its membership is terminated, and such resolution may be passed because in the directors reasonable opinion the Member does not support the objects of the Company. A resolution to remove a Member from membership may only be passed if:
 - 9.4.1 the Member has been given at least twenty-one days' notice in writing of the meeting of the directors at which the resolution will be proposed and the reasons why it is to be proposed; and
 - 9.4.2 the Member or, at the option of the Member, the Member's representative (who need not be a Member of the Company) has been allowed to make representations to the meeting;
- 9.5 Member's rights are personal, may not be transferred and shall automatically cease if the Member becomes insolvent, bankrupt, incapable, dies or is wound up.

10 GENERAL MEETINGS

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

11 ANNUAL GENERAL MEETING

- 11.1 The Company shall hold an annual general meeting each year in addition to any other meetings held that year and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and the next.
- 11.2 The functions of the annual general meeting shall be:
 - 11.2.1 to receive the annual report which shall contain:
 - 11.2.1.1 the revenue accounts and balance sheets for the last accounting period;
 - 11.2.1.2 the auditor's report on those accounts and balance sheets(where required); and

- 11.2.1.3 (and if the Company has been registered as a Charity, the Board's report on the affairs of the Company and how it has met the Public Benefit Requirement);
- 11.2.2 to appoint the auditors;
- 11.2.3 to elect Board Members; and
- 11.2.4 to transact any other general business of the Company included in the notice convening the meeting.

12 NOTICE OF GENERAL MEETINGS

- 12.1 The minimum periods of notice required to hold a general meeting of the Company are:
 - 12.1.1 twenty-one clear days for an annual general meeting or a general meeting called for the passing of a special resolution;
 - 12.1.2 fourteen clear days for all other general meetings.
- 12.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of Members having a right to attend and vote at the meeting, being a majority who together hold not less than 90 percent of the total voting rights.
- 12.3 The notice must specify the date time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an annual general meeting, the notice must say so. The notice must also contain a statement setting out the right of Members to appoint a proxy under section 324 of the Companies Act 2006 and Article 17.
- 12.4 The notice must be given to all the Members and to the directors and auditors.
- 12.5 The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the Company.

13 PROCEEDINGS AT GENERAL MEETINGS

- 13.1 No business shall be transacted at any general meeting unless a quorum is present.
- 13.2 A quorum is three Members of which two must be present and entitled to vote upon the business to be conducted at the meeting or one tenth of the total membership at the time whichever is the greater.
- 13.3 If:
 - 13.3.1 a quorum is not present within half an hour from the time appointed for the meeting; or
 - 13.3.2 during a meeting a quorum ceases to be present;

the meeting shall be adjourned to such time and place as the directors shall determine.

- 13.4 The directors must reconvene the meeting and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.
- 13.5 If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting the Members present in person or by proxy at that time shall constitute the quorum for that meeting.

14 CHAIR

- 14.1 General meetings shall be chaired by the person who has been appointed to chair meetings of the directors.
- 14.2 If there is no such person or he or she is not present within fifteen minutes of the time appointed for the meeting a director nominated by the directors shall chair the meeting.
- 14.3 If there is only one director present and willing to act, he or she shall chair the meeting.
- 14.4 If no director is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the meeting shall be adjourned, however the directors must reconvene the meeting within a reasonable time and must give at least seven clear days' notice of the reconvened meeting stating the date, time and place of the meeting.
- 14.5 If no quorum is present at the reconvened meeting within fifteen minutes of the time specified for the start of the meeting the Members present in person or by proxy at that time shall constitute the quorum for that meeting.
- 14.6 the Members present in person or by proxy and entitled to vote must choose one of their number to chair the meeting.
- 14.7 The Members present in person or by proxy at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
- 14.8 The person who is chairing the meeting must decide the date, time and place at which the meeting is to be reconvened unless those details are specified in the resolution.
- 14.9 No business shall be conducted at a reconvened meeting unless it could properly have been conducted at the meeting had the adjournment not taken place.

- 14.10 If a meeting is adjourned by a resolution of the Members for more than seven days, at least seven clear days' notice shall be given of the reconvened meeting stating the date, time and place of the meeting.

15 VOTES OF MEMBERS

- 15.1 Any vote at a meeting shall be decided by a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded:
- 15.1.1 by the person chairing the meeting; or
 - 15.1.2 by at least two Members present in person or by proxy and having the right to vote at the meeting; or
 - 15.1.3 by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting.
- 15.2 On a show of hands, every Member present in person shall have one vote.
- 15.3 On a poll every Member present in person or by proxy shall have one vote.
- 15.4 .
- 15.5 Any Objection to the qualification of any voter must be raised at the meeting at which the vote is tendered and the decision of the person who is chairing the meeting shall be final.
- 15.6 The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.
- 15.7 The result of the vote must be recorded in the minutes of the Company but the number or proportion of votes cast need not be recorded.
- 15.8 A demand for a poll may be withdrawn, before the poll is taken, but only with the consent of the person who is chairing the meeting. If the demand for a poll is so withdrawn the demand shall not invalidate the result of a show of hands declared before the demand was made.
- 15.9 A poll must be taken as the person who is chairing the meeting directs, who may appoint scrutineers (who need not be Members) and who may fix a time and place for declaring the results of the poll.
- 15.10 The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- 15.11 A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.

- 15.12 A poll demanded on any other question must be taken either immediately or at such time and place as the person who is chairing the meeting directs.
- 15.13 The poll must be taken within thirty days after it has been demanded.
- 15.14 If the poll is not taken immediately at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 15.15 If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.

16 WRITTEN RESOLUTIONS

- 16.1 A resolution in writing of the Members who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:
 - 16.1.1 a copy of the proposed resolution has been sent to every eligible Member;
 - 16.1.2 a simple majority (or in the case of a special resolution a majority of not less than 75%) of Members has signified its agreement to the resolution; and
 - 16.1.3 it is contained in an authenticated document which has been received at the registered office within the period of 28 days beginning with the circulation date.
- 16.2 A resolution in writing may comprise several copies to which one or more Members have signified their agreement.

17 APPOINTMENT OF PROXIES

- 17.1 Proxies may only validly be appointed by a notice in writing (a “**proxy notice**”) which:
 - 17.1.1 states the name and address of the Member appointing the proxy;
 - 17.1.2 identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;
 - 17.1.3 is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 17.1.4 is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 17.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 17.3 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.

- 17.4 Unless a proxy notice indicates otherwise, it must be treated as -
- 17.4.1 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
 - 17.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 17.5 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a 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.
- 17.6 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.
- 17.7 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.
- 17.8 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.

18 **DIRECTORS**

- 18.1 A director must be a natural person aged 16 years or older.
- 18.2 No one may be appointed a director if he or she would be disqualified from acting under the provisions of Article 22.
- 18.3 The Board shall consist of between three and seven Board Members (excluding Co-opted Board Members). If the number of Board Members shall fall below the number required for a full Board, the remaining Board Members may continue to act. The Board will use all reasonable endeavours to find replacements as soon as possible.
- 18.4 The first directors shall be those persons notified to Companies House as the first directors of the Company.
- 18.5 A director may not appoint an alternative director or anyone to act on his or her behalf at meetings of the directors.

19 **APPOINTMENT OF DIRECTORS**

- 19.1 The Company may by ordinary resolution:
- 19.1.1 appoint a person who is willing to act to be a director; and
 - 19.1.2 determine the rotation in which any additional directors are to retire.

- 19.2 No person other than a director retiring by rotation may be appointed a director at any general meeting unless:
- 19.2.1 he or she is recommended for re-election by the directors; or
 - 19.2.2 not less than fourteen nor more than thirty-five clear days before the date of the meeting, the Company is given a notice that:
 - 19.2.2.1 is signed by a Member entitled to vote at the meeting;
 - 19.2.2.2 states the Member's intention to propose the appointment of a person as a director;
 - 19.2.2.3 contains the details that, if the person were to be appointed, the Company would have to file at Companies House; and
 - 19.2.2.4 is signed by the person who is to be proposed to show his or her willingness to be appointed.
- 19.3 All Members who are entitled to receive notice of a general meeting must be given not fewer than seven nor more than twenty-eight clear days' notice of any resolution to be put to the meeting to appoint a director other than a director who is to retire by rotation.
- 19.4 The directors may appoint a person who is willing to act to be a director.
- 19.5 A director appointed by a resolution of the other directors must retire at the next annual general meeting and must not be taken into account in determining the directors who are to retire by rotation.
- 19.6 The appointment of a director, whether by the Company in general meeting or by the other directors, must not cause the number of directors to exceed any number fixed as the maximum number of directors.
- 19.7 The Board Members shall be elected in accordance with a procedure set out by the Board (who may vary or amend it from time to time). The Board may set selection criteria for Board Members seeking to ensure that they have adequate and suitable expertise. The chosen candidates shall be put forward to the relevant annual general meeting as the candidates for election as Board Members. The Members shall vote on the election of the candidates put forward at the relevant annual general meeting. In doing so, the Members shall use their reasonable endeavours to ensure that the successful candidates have the requisite skills and experience as may be requested by the Board. Each successful candidate shall become a Board Member and serve for a term of three years, expiring at the annual general meeting in their third year of office.

19.8 A vacancy for a Board Member arising because there were insufficient candidates elected at the relevant annual general meeting, or because of a retirement or for whatever other reason may be filled by the Board and such replacement shall hold office for the remainder of the period of office of his/her predecessor. If a Board Member retires at an annual general meeting in accordance with these Articles and the meeting does not fill the vacancy, the retiring Board Member shall, if willing, be deemed to have been reappointed unless a resolution for his/her reappointment is put to the meeting and lost.

20 **CO-OPTED BOARD MEMBERS**

The Board may from time to time co-opt up to a maximum of three persons to the Board, and the Board may at any time revoke such co-option.

21 **RETIREMENT OF DIRECTORS**

21.1 At the second annual general meeting all the directors must retire from office unless by the close of the meeting the Members have failed to elect sufficient directors to hold a quorate meeting of the directors. At each subsequent annual general meeting one-third of the directors or, if their number is not three or a multiple of three, the number nearest to one-third, must retire from office. If there is only one director he or she must retire.

21.2 The directors to retire by rotation shall be those who have been longest in office since their last appointment. If any directors became or were appointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

21.3 If a director is required to retire at an annual general meeting by a provision of the Articles the retirement shall take effect upon the conclusion of the meeting.

22 **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

22.1 A director shall cease to hold office if he or she:

22.1.1 ceases to be a director by virtue of any provision in the Companies Acts or is prohibited by law from being a director;

22.1.2 is disqualified from acting as a Company by virtue of section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision);

22.1.3 ceases to be a Member of the Company;

22.1.4 becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;

- 22.1.5 resigns as a director 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
- 22.1.6 is absent without the permission of the directors from all their meetings held within a period of six consecutive months and the directors resolve that his or her office be vacated;
- 22.1.7 they are (in the reasonable opinion of a majority of Board Members) in breach of the Company's code of conduct for Board Members;
- 22.1.8 they are a Resident and (in the reasonable opinion of a majority of Board Members) they are in breach of their tenancy agreement, lease or licence;
- 22.1.9 they are subject to a custodial sentence imposed by a Court in respect of any criminal act or omission, unless the Board resolves that they should remain a Board Member; and/or
- 22.1.10 they are convicted of any other indictable offence and the Board resolves that they should cease to be a Board Member.

23 **POWERS OF DIRECTORS**

- 23.1 The directors shall manage the business of the Company and may exercise all the powers of the Company unless they are subject to any restrictions imposed by the Companies Acts, the Articles or any special resolution.
- 23.2 No alteration of the Articles or any special resolution shall have retrospective effect to invalidate any prior act of the directors.
- 23.3 Any meeting of directors at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the directors.

24 **REMUNERATION OF DIRECTORS**

The directors must not be paid any remuneration unless it is authorised by Article 6.

25 **PROCEEDINGS OF DIRECTORS**

- 25.1 The directors may regulate their proceedings as they think fit, subject to the provisions of the Articles.
- 25.2 Any director may call a meeting of the directors.
- 25.3 The secretary (if any) must call a meeting of the directors if requested to do so by a director.
- 25.4 Questions arising at a meeting shall be decided by a majority of votes.

- 25.5 .
- 25.6 No decision may be made by a meeting of the directors unless a quorum is present at the time the decision is purported to be made. The quorum shall be two or the number nearest to one-third of the total number of directors, whichever is the greater, or such larger number as may be decided from time to time by the directors.
- 25.7 A director shall not be counted in the quorum present when any decision is made about a matter upon which that director is not entitled to vote.
- 25.8 If the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
- 25.9 The directors shall by majority vote at their first meeting after an annual general meeting appoint one of their number to chair their meetings until the next annual general meeting, such appointment may be revoked by a majority vote of directors calling for a general meeting at which a special resolution to such effect may be put to the members..
- 25.10 If no-one has been appointed to chair meetings of the directors or if the person appointed is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the directors present may appoint one of their number to chair that meeting.
- 25.11 The person appointed to chair meetings of the directors shall have no functions or powers except those conferred by the Articles or delegated to him or her by the directors.
- 25.12 The resolution in writing may comprise several documents containing the text of the resolution in like form to each of which one or more directors has signified their agreement.

26 **DELEGATION**

- 26.1 The directors may delegate any of their powers or functions to a committee of two or more directors but the terms of any delegation must be recorded in the minute book.
- 26.2 The directors may impose conditions when delegating, including the conditions that:
- 26.2.1 the relevant powers are to be exercised exclusively by the committee to whom they delegate;
- 26.2.2 no expenditure may be incurred on behalf of the company except in accordance with a budget previously agreed with the directors.
- 26.3 The directors may revoke or alter a delegation.

26.4 All acts and proceedings of any committees must be fully and promptly reported to the directors.

27 **DECLARATION OF DIRECTORS' INTERESTS**

A director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the company or in any transaction or arrangement entered into by the director which has not previously been declared. A director must absent himself or herself from any discussions of the directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the director and any personal interest (including but not limited to any personal financial interest).

28 **CONFLICTS OF INTERESTS**

28.1 If a conflict of interests arises for a director 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, the unconflicted directors may authorise such a conflict of interests where the following conditions apply:

28.1.1 the conflicted director is absent from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other organisation or person;

28.1.2 the conflicted director does not vote on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting; and

28.1.3 the unconflicted directors consider it is in the interests of the Company to authorise the conflict of interests in the circumstances applying.

28.2 In this Article a conflict of interests arising because of a duty of loyalty owed to another organisation or person only refers to such a conflict which does not involve a direct or indirect benefit of any nature to a director or to a connected person.

29 **VALIDITY OF DIRECTORS' DECISIONS**

29.1 Subject to Article 29.2, all acts done by a meeting of directors, or of a committee of directors, shall be valid notwithstanding the participation in any vote of a director:

29.1.1 who was disqualified from holding office;

29.1.2 who had previously retired or who had been obliged by the constitution to vacate office;

29.1.3 who was not entitled to vote on the matter, whether by reason of a conflict of interests or otherwise;

if without:

29.1.4 the vote of that director; and

29.1.5 that director being counted in the quorum;

the decision has been made by a majority of the directors at a quorate meeting.

29.2 Article 29.1 does not permit a director or a connected person to keep any benefit that may be conferred upon him or her by a resolution of the directors or of a committee of directors if, but for Article 29.1, the resolution would have been void, or if the director has not complied with Article 27.

30 **SEAL**

If the Company has a seal it must only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary (if any) or by a second director.

31 **MINUTES**

The directors must keep minutes of all:

31.1 appointments of officers made by the directors;

31.2 proceedings at meetings of the Company;

31.3 meetings of the directors and committees of directors including:

31.3.1 the names of the directors present at the meeting;

31.3.2 the decisions made at the meetings; and

31.3.3 where appropriate the reasons for the decisions.

32 **ACCOUNTS**

32.1 The directors must prepare for each financial year accounts as required by the Companies Acts. The accounts must be prepared to show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice.

32.2 The directors must keep accounting records as required by the Companies Acts.

33 **ANNUAL REPORT AND RETURN AND REGISTER OF CHARITIES**

33.1 The directors must comply with the requirements of the Charities Act 1993 with regard to the:

33.1.1 transmission of a copy of the statements of account to the Commission;

- 33.1.2 preparation of an Annual Report and the transmission of a copy of it to the Commission;
- 33.1.3 preparation of an Annual Return and its transmission to the Commission.
- 33.2 The directors must notify the Commission promptly of any changes to the Company's entry on the Central Register of Charities.

34 **MEANS OF COMMUNICATION TO BE USED**

- 34.1 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 Companies Act 2006 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.
- 34.2 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 34.3 Any notice to be given to or by any person pursuant to the Articles:
 - 34.3.1 must be in writing; or
 - 34.3.2 must be given in electronic form.
- 34.4 The Company may give any notice to a Member either:
 - 34.4.1 personally; or
 - 34.4.2 by sending it by post in a prepaid envelope addressed to the Member at his or her address; or
 - 34.4.3 by leaving it at the address of the Member; or
 - 34.4.4 by giving it in electronic form to the Member's address.
 - 34.4.5 by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place date and time of the meeting.
- 34.5 A Member who does not register an address with the Company or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Company.
- 34.6 A Member present in person at any meeting of the Company shall be deemed to have received notice of the meeting and of the purposes for which it was called.

- 34.7 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- 34.8 Proof that an electronic form of notice was given shall be conclusive where the Company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.
- 34.9 In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:
- 34.9.1 48 hours after the envelope containing it was posted; or
 - 34.9.2 in the case of an electronic form of communication, 48 hours after it was sent.

35 INDEMNITY

- 35.1 The Company may indemnify any director against any liability incurred by him or her or it in that capacity, to the extent permitted by sections 232 to 234 of the Companies Act 2006.
- 35.2 In this Article a “**relevant director**” means any director or former director of the Company.

36 RULES

- 36.1 The directors may from time to time make such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of the Company.
- 36.2 The bye laws may regulate the following matters but are not restricted to them:
- 36.2.1 the admission of Members of the Company (including the admission of organisations to membership) and the rights and privileges of such Members, and the entrance fees, subscriptions and other fees or payments to be made by Members;
 - 36.2.2 the conduct of Members of the Company in relation to one another, and to the Company’s employees and volunteers;
 - 36.2.3 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;
 - 36.2.4 the procedure at general meetings and meetings of the directors in so far as such procedure is not regulated by the Companies Acts or by the Articles;

- 36.2.5 generally, all such matters as are commonly the subject matter of company rules.
- 36.3 The Company in general meeting has the power to alter, add to or repeal the rules or bye laws.
- 36.4 The directors must adopt such means as they think sufficient to bring the rules and bye laws to the notice of Members of the Company.
- 36.5 The rules or bye laws shall be binding on all Members of the Company. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the Articles.

37 **DISSOLUTION AND ASSET LOCK**

- 37.1 The Members of the Company may at any time before, and in expectation of, its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Company be applied or transferred in any of the following ways:
 - 37.1.1 directly for the Objects; or
 - 37.1.2 by transfer to any charity or charities for purposes similar to the Objects;
or
 - 37.1.3 to any charity or charities for use for particular purposes that fall within the Objects.
- 37.2 Subject to any such resolution of the Members of the Company, the directors of the company may at any time before and in expectation of its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision made for them, shall on or before dissolution of the Company be applied or transferred:
 - 37.2.1 directly for the Objects; or
 - 37.2.2 by transfer to any charity or charities for purposes similar to the Objects;
or
 - 37.2.3 to any charity or charities for use for particular purposes that fall within the Objects.
- 37.3 In no circumstances shall the net assets of the Company be paid to or distributed among the Members of the Company (except to a Member that is itself a charity) and if no resolution in accordance with Article 37.1 is passed by the Members or the directors the net assets of the Company shall be applied for charitable purposes as directed by the Court or the Commission.