

THE COMPANIES ACTS 1985 - 2006

Company Number: 05775392

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

DAVENTRY & DISTRICT HOUSING LIMITED

**ARTICLES
OF ASSOCIATION**

NAME

1. The name of the Company is **Daventry & District Housing Limited**.

INTERPRETATION

2. For the purpose of these Articles:-

“the Act”	Means the Companies Acts (as defined in section 2 of the Companies Act 2006) insofar as they apply to the Company including any statutory modification or re-enactment thereof for the time being in force;
“the Articles”	Means these articles of association of the Company as originally adopted or as altered from time to time;
“Authorised Signatory”	Means any person authorised by the Board to execute documents using the Seal;
"Board"	Means the board of the Company from time to time appointed in accordance with the Articles of Association;
"Board Director"	Means the directors of the Company from time to time appointed and shall include any Executive Board Director and shall exclude any co-optees;
“Chair”	Means the Chair appointed by the Board in accordance with the Article 75 ;
“clear days”	In relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Company"	Means Daventry & District Housing Limited;
“Company Secretary”	Means the secretary (if any) 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;
“Connected Person”	Means in relation to a Board Director or co-optee, a person with whom the Board Director or co-optee shares a common interest such that the Board Director or co-optee may reasonably be regarded as benefitting directly or indirectly from any material benefit received by that person, being either a member of the Board Director's or co-optee's family or household, or a person or body who is a business associate of the Board Director or co-optee, but (for the avoidance of doubt) does not include a company with which the Board Director's or co-optee's only connection is as the owner or controller of more than 2% of a company the shares in which are publicly quoted or less than 10% of any other company;
“co-optee”	Means a person co-opted to the Board pursuant to Article 47;
“Executive Board Director”	Means any director appointed in accordance with Article 37 who is a member of the Company's senior management team from time to time;
Group	Means: <ul style="list-style-type: none">a) The Company;b) The Parent (or any company of which the Company is a subsidiary from time to time (its holding company)); orc) Any other subsidiaries of the Parent (or such holding company) or any subsidiary of any other

	subsidiaries of any such holding company or any subsidiary of any subsidiary from time to time.
"Hostel"	Is as defined in Section 2 of the Housing and Regeneration Act 2008;
"House"	Is as defined in Section 2 of the Housing and Regeneration Act 2008;
"Local Authority Person"	Means a person: (i) who is or has been a member of a Relevant Local Authority or the spouse, partner or close relative of such a person in the preceding four years; or (ii) who is an officer of a Relevant Local Authority or the spouse, partner or close relative of such person which for these purposes shall not include employees with non-managerial posts apart from housing employees; or (iii) who is or has been both an employee and either a director, manager, secretary or other similar officer of a company which is under the control of a Relevant Local Authority in the preceding four years; or (iv) who is associated with a local authority by virtue of an order made by the Secretary of State pursuant to or in accordance with section 69 of the Local Government and Housing Act 1989;
"Member"	Means a person, corporate body or unincorporated body admitted to membership in accordance with the provisions of the Articles;
"Non-Executive Board Director"	Means a Board Director who is not an Executive Board Director.
"Office"	Means the registered office of the

	Company;
"Parent"	Means Futures Housing Group Limited (Company No 0594313) or any successor body of which the Company is a subsidiary from time to time;
"Property"	Means any residential property owned or managed by the Company;
"Registered Provider"	Means a provider of social housing as defined in Section 80 of the Housing and Regeneration Act 2008;
"Regulator"	Means the Regulation Committee established by the Homes and Communities Agency pursuant to the Housing and Regeneration Act 2008 or any future body or authority (including any statutory successor) carrying on a similar regulatory or supervisory functions;
"Relevant Local Authority"	Means a local authority as defined in Section 1 of the Housing Act 1985 (as amended or re-enacted from time to time) that has previously managed for rent a substantial part (being more than 20 percent) of the rented housing provided by the Company;
"the Rules"	Means any rules and bylaws adopted by the Company from time to time in accordance with Article 101;
"the Seal"	Means the common seal of the Company if it has one;
"social housing"	Has the same meaning as set out in section 68 to 70 of the Housing and Regeneration Act 2008 as may be amended or re-enacted from time to time;
"Tenant"	Means any person occupying residential

	property owned or managed by the Company under a tenancy or lease, or any person occupying any other property of the Company as a licensee;
"the United Kingdom"	Means Great Britain and Northern Ireland; and
"Vice Chair"	Means the Vice Chair of the Board appointed in accordance with Article 75.

In these Articles words importing individuals shall, except where the context otherwise requires, include corporations and words importing the singular shall include the plural vice versa and words importing the masculine gender shall include all other genders.

Subject as aforesaid, words or expressions contained in the 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 on the Company.

REGISTERED OFFICE

3. The registered office of the Company will be situated in England .

4. OBJECTS AND POWERS

4.1 The Company shall not trade for profit. The Company's objects shall be to carry on for the benefit of the community the business of:-

4.1.1 providing houses, hostels or any other housing accommodation, including the provision of social housing, and any associated amenities, services, advice or assistance for persons:

- in necessitous circumstances upon terms appropriate to their means;
- who are aged, disabled (whether mentally or physically), or chronically sick, and are in need of the accommodation or other benefits provided by virtue of their condition;
- for whom it would be charitable to provide houses, hostels or other housing accommodation.

- 4.1.2 providing services, advice or assistance upon terms appropriate to their means to aged, disabled (whether mentally or physically) or chronically sick persons in need thereof in arranging or carrying out works of improvement repair or maintenance to homes occupied by them and providing any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
- 4.1.3 providing facilities in the interests of social welfare or recreation, with the object of improving the conditions of life for the community;
- 4.1.4 promoting or carrying out any other charitable purpose that can be carried out by a company which is also a Registered Provider;
- 4.1.5 assisting or advising any other charity or non-profit distributing body with similar objects to the above.

For the purposes of this Article 4:

"block of flats"	Means a building containing two or more flats which are held on leases or other lettings and which are occupied or intended to be occupied wholly or mainly for residential purposes;
"disposed of on shared ownership terms"	means disposed of on a lease; (a) granted on a payment of a premium, calculated by reference to a percentage of the value of the house or of the cost of providing it, or (b) under which the tenant (or his personal representatives) will or may be entitled to a sum calculated by reference directly or indirectly to the value of the house;
"letting"	Includes the grant of a licence to occupy;
"Residents"	Means persons occupying a House or Hostel provided or managed by the Company.

- 4.2 Without limit to its general powers under Article 2, and only so far as it is necessary or expedient to achieve its objects, the Company shall have the power

- 4.2.1 To acquire commercial premises or businesses as an incidental part of a project or series of projects;
- 4.2.2 To house people who are providing services who are themselves in need of housing in order that they may carry out charitable activities for the benefit of others;
- 4.2.3 To repair, improve or convert commercial premises acquired as mentioned in Article 4.2.1 or to carry on for a limited period any business so acquired;
- 4.2.4 To repair or improve Houses, or buildings in which Houses are situated, after a disposal of the Houses by the Company by way of sale or lease;
- 4.2.5 To enter contracts and arrangements of any nature with any person or corporation whether carried on for profit or not;
- 4.2.6 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;
- 4.2.7 To invest funds in housing and properties;
- 4.2.8 To purchase or otherwise acquire land of any tenure or any interest in land;
- 4.2.9 To dispose of or grant any interest in land to any person
- 4.2.10 Subject to such consents as may be required by law, to borrow money, issue loan stock or raise money in such manner as the Company shall think fit and to secure the repayment of any money borrowed raised or owing by such security as the Company shall see fit (including by way of floating charge) upon the whole or any part of the Company's property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it (in accordance with Articles 4.2.11 and 4.2.12);
- 4.2.11 To grant or enter into any charge, mortgage, legal or equitable assignment or any other security (including any floating charge) in respect of all or part of the assets (including any contracts, debts, bank accounts, land or other property and whether present or future) of the Company in support of or for the purpose of securing any borrowing of the Company on such terms as the Company sees fit or for such other purposes and on such terms as the Company sees fit;

- 4.2.12 To enter into any guarantees or contract of indemnity or suretyship, and to provide security including the guarantee and provision of security for the performance of the obligations of (including to indemnify against the consequences of default), or the payments of any money by any Registered Provider which is for the time being a subsidiary or associate of the Parent (as such term is defined by Section 271 of the Housing and Regeneration Act 2008 or Section 1159 of the Companies Act 2006) or, for the purposes of or otherwise pursuant to various agreements relating to a transfer of properties entered into between Daventry District Council and the Company on or about December 2007, for the performance of the obligations of (including to indemnify against the consequences of default) Daventry District Council or any other relevant authority, with or without the Company receiving any consideration or advantage, and whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future), of the Company;
- 4.2.13 To purchase, hire or otherwise acquire and hold any property; to maintain and alter any such property and to sell, lease or otherwise dispose of or mortgage any such property;
- 4.2.14 To appoint and employ staff, consultants, agents or contractors to perform any function of the Company;
- 4.2.15 To grant pensions to employees and to pay to funds or schemes, whether established by the Company or not, for the provision of pension and retirement benefits in respect of employees of the Company and their widows and children or other dependants;
- 4.2.16 To insure and arrange insurance cover for, and to indemnify its Members, Board Directors, co-optees, staff members and voluntary workers against, all such risks incurred in the proper performance of their duties as the Company shall consider appropriate, and to pay any premium in relation to indemnify insurance in respect of liabilities of its Board 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 no such insurance or indemnity shall extend to any liability in respect of any act or omission which such Board Director or Board Directors knew or ought reasonably to have known was a breach of

duty or trust or which was committed by such Board Director or Board Directors recklessly without due regard as to whether such act or omission might be a breach of duty or trust including any claim arising from fraud, wrong-doings or wilful neglect or default on the part of the Members, Board Directors, co-optees, staff members and voluntary workers or any of them;

- 4.2.17 To establish or support any charitable trusts, associations or institutions formed for all or any of the Objects;
 - 4.2.18 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;
 - 4.2.19 To provide land, amenities or services for its Tenants or Residents, either exclusively or together with other persons;
 - 4.2.20 To enter into joint venture agreements with any person or corporation and to subscribe for shares in any company or other corporate entity;
 - 4.2.21 To appoint and remove any person or corporation as an investment manager on such terms as shall be agreed by the Company, including terms as to the holding and custody of any assets and dealings in any assets or investment;
 - 4.2.22 To exercise any other power falling within Chapter 2 of the Housing and Regeneration Act 2008 or Section 126(2) of the Housing Grants, Construction and Regeneration Act 1996 (as amended or re-enacted from time to time);
 - 4.2.23 To provide and manage other community properties and facilities including shops and community centres transferred to, vested in, or otherwise acquired by the Company;
 - 4.2.24 To secure the regeneration of communities and estates through investment, demolition, new build, or community interaction;
 - 4.2.25 To do all such other lawful acts and things as are necessary or desirable for the attainment of any of the objects of the Company or the exercise of any of its powers.
- 4.3 The Company shall have power to enter into and perform a rate cap transaction, or series of rate cap transactions, where the Board (or a duly authorised committee established under the Articles) considers entry by the Company into such transaction(s) to be in the best interest of the Company, provided that at the time of entry into any such transaction(s) the sum of the Calculation Amount of any rate cap transaction previously entered into and

remaining in effect and the Calculation Amount of the proposed rate cap transaction(s) shall not exceed the lower of:

- 4.3.1 any limit imposed on the borrowing power of the Company; or
 - 4.3.2 the aggregate amount of the Company's Variable Rate Borrowing then drawn down, plus the amount of any existing contractually committed loan facilities not yet drawn down in respect of amounts which the Company intends at the Effective Date when drawn will become Variable Rate Borrowings and,
 - 4.3.3 the counter-party to each rate cap transaction is the floating rate payer.
- 4.4 Prior to exercising its power under Article 4.3, the Company shall obtain and consider proper advice on the question of whether the rate cap transaction is satisfactory having regard to:
- 4.4.1 the possible fluctuations in the rate of interest payable by the Company under its Variable Rate Borrowings during the term of the rate cap transaction(s);
 - 4.4.2 the Company's ability to meet its payment obligations under the Variable Rate Borrowings during the term of the rate cap transaction(s) if that transaction was not entered into;
 - 4.4.3 the payment obligations under the rate cap transaction(s); and
 - 4.4.4 the Company's actual and projected annual income and expenditure position.
- 4.5 For the purposes of Article 4.4, proper advice is the advice of a person who is reasonably believed by the governing body to be qualified by their ability in, and practical experience of, financial matters and rate cap transactions and is properly authorised to give such advice under the provisions of the Financial Services and Markets Act 2000. Such advice may be given by a person, notwithstanding that they give it in the course of their employment as an Officer.
- 4.6 A person entering into a rate cap transaction as Floating Rate Payer with the Company, and who has received a written certificate signed by the Company Secretary confirming the Company's compliance with Articles 4.3 and 4.4, shall not be concerned to enquire further whether or not the Company has complied with the provisions of Articles 4.3 and 4.4 and such rate cap transaction shall be valid at the date it is entered into and throughout its term in favour of such person (or any assignee or successor in title) whether or not the provisions of Articles 4.3 and 4.4 have been complied with.

For the purposes of Articles 4.3 to 4.6:

"Calculation Amount", "Effective Date", "Floating Rate Payer", "Term" and "Termination Date"	Have the respective meanings given in the 2000 ISDA Definitions as amended from time to time;
"Variable Rate Borrowing"	Means any borrowing by the Company pursuant to Article 4.2 in respect of which the rate of interest has not been fixed shall exclude any borrowing where the rate of interest is indexed in accordance with a retail prices index or other published index;
"Rate Cap Transaction"	Means a cap transaction within the meaning of "swap transaction", as defined in the 2000 ISDA Definitions as amended from time to time.

- 4.7 The Company shall have power to invest any sums not required for the immediate needs of the Company and may appoint and act upon the advice of an Investment Manager, whom they reasonably believe by virtue of his qualifications and experience to be qualified to advise in relation to investment matters.
- 4.8 In relation to the investment of assets of the Company, the Company may use the services of custodians and nominee companies supplied by an investment manager or other party.

5 APPLICATION OF ASSETS

5.1 The income and property of the Company shall be applied solely towards the promotion of its Objects set forth in the Articles and under general charitable law. No part shall be paid or transferred, directly or indirectly, save as provided below, by way of dividend, bonus, loan or otherwise to Members or Board Directors and, save as permitted by this Article 5, no Board Director shall be appointed to any office of the Company paid by salary or fees or receive remuneration or other benefit or money or money's worth from the Company **provided that** nothing herein shall prevent any payment permitted by section 122 of the Housing and Regeneration Act 2008 in good faith by the Company except that the Company may make payment:-

- 5.1.1 of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension

policies and terminal grants and gratuities) following appropriate advice in return for any services rendered to the Company by any Member, officer or employee of the Company who is not a Board Director, with the exception of any Executive Board Director or any employee who is co-opted to the Board in which case such payments are permitted;

5.1.2 to any Board Director or co-optee, except any Executive Board Director, of reasonable and proper out-of pocket expenses or any other sums as the Board may from time to time decide after obtaining advice from an independent remuneration committee;

5.1.3 of premiums for insurance as provided in Article 4.2.16;

AND PROVIDED FURTHER THAT nothing shall prevent a disposal by the Company of a Property or interest in a Property whether by way of 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 Director or the retention of a Property or interest in a Property by such a person. 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 Director **subject to** the proviso that any Board Director who is a beneficiary of the Company shall not be entitled to speak in any debate or cast his/her vote in respect of any matter relating solely to the property of which he/she is lessee, tenant or licensee and shall absent himself/herself from such proceedings but such Board Director shall be entitled to speak and vote in respect of matters which relate not only to such property but also to other properties owned or managed by the Company.

5.2 This clause may not be amended without the prior written consent of the Charity Commission

LIMITATION OF LIABILITY

6 The liability of the Members is limited.

GUARANTEE

7 Every Member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and

liabilities of the Company contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £1.00 (one pound).

DISSOLUTION

- 8 If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, it shall not be paid to or distributed among the Members, but shall be paid or transferred to some other charitable institution or institutions having objects similar to the objects of the Company and which shall prohibit the distribution of its or their income and property to an extent at least as great as is imposed on the Company under or by Article 5 above. The decision as to which such institution or institutions is to be determined by the Members at or before the time of dissolution, and in so far as effect cannot be given to such provision, then to some other similar object **provided that** if the Company is registered as a non-profit registered provider of social housing such disposal shall be governed by Section 167 of the Housing and Regeneration Act 2008 (as re-enacted or amended from time to time).

NON-DISCRIMINATION

- 9 The affairs of the Company shall at all times be carried out in relation to all persons irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability,

10 MEMBERS

- 10.1 The Members of the Company shall be:-
- (i) the Parent; and
 - (ii) Such other persons or organisations as are admitted to membership by the Board in accordance with any Rules adopted by the Board from time to time.
- 10.2 A corporate body can be a Member. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing and given to the Company Secretary.
- 10.3 Every application to become a Member shall be considered by the Board in accordance with Article 10.1(ii) and must be approved in writing by the Parent.

CESSATION OF MEMBERSHIP

- 11 A Member may resign from the Company by giving notice in writing duly signed to the Company Secretary (or, if there is no Company Secretary, to the Chair or Vice-Chair as appropriate) and shall cease to be a Member from the date of receipt of such notice.
- 12 A Member (except for the Parent which may not be expelled) may be removed from the Company by a resolution 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 has been sent to the Member concerned and to all other Members. The notice shall specify the intention to propose such resolution and include the grounds on which it is proposed. The Member whose removal is proposed or their representative for this purpose shall be entitled to attend and be heard by the meeting. The Parent cannot be removed as a member.
- 13 Member's rights are personal, may not be transferred and (other than the Parent) shall automatically cease if the Member becomes insolvent, bankrupt, incapable, is removed in accordance with Article 48, dies or is wound up.
- 14 The cessations referred to in Articles 11 to 13 shall take place upon the occurrence of the events set out herein and without any notice being given to the Member concerned.

GENERAL MEETINGS

- 15 The Parent or the Board Directors 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 Board Directors to call a general meeting, any Board Director or any Member may call a general meeting.

NOTICE OF GENERAL MEETINGS

- 16 A general meeting shall be called by giving at least fourteen clear days' notice but 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, being a majority together holding not less than 90% (ninety per cent) of the total voting rights at the meeting of all the Members.

- 17 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 any annual general meeting, shall specify the meeting as such. The notice shall be given to all the Members and to the Board Directors and auditors.
- 18 Any Member entitled to attend 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 and to vote at the meeting. The proxy is however bound to vote in the way authorised by the appointing Member.
- 19 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 20 No business shall be transacted at any general meeting unless a quorum is present. A quorum is present if four Members are present in person or by proxy including a duly authorised representative of the Parent.
- 21 For the avoidance of doubt a Member will be present in person if he or she can see or hear and vote and generally participate in the meeting.
- 22 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such time and places as the Board Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour of the time appointed for the meeting, the Members present shall constitute a quorum.
- 23 The Chair or Vice Chair or in their absence, some other Board Director nominated by the Board Directors shall preside as Chair of the meeting, but if no such person can be so nominated within fifteen minutes after the time appointed for holding the meeting and willing to act, the Board Directors present shall elect one of their number to be Chair and, if there is only one Board Director present and willing to act, he shall be Chair.
- 24 If no Board Director is willing to act as Chair, or if no Board 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 Chair.
- 25 A Board Director shall, notwithstanding that he is not a Member, be entitled to attend and speak at any general meeting.

- 26 The Chair may, with the consent of a meeting at which a quorum is present (and 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 clear days' 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.
- 27 The Chair may also, with the consent of the Parent (via its representative) but without the consent of the rest of the meeting, adjourn the meeting (whether or not it has commenced or is quorate) either indefinitely or to such other time and place as he decides if it appears to him that:
- 27.1 the number of persons wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, or
- 27.2 the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly holding or continuance of the meeting, or
- 27.3 an adjournment is otherwise necessary for the business of the meeting to be properly conducted, or
- 27.4 a proposal of such importance is made that the consideration of a larger number of Members is desirable.
- 28 If the Chair considers that the meeting place specified in the notice convening the meeting is inadequate to accommodate all those entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid **provided that** the Chair and the Parent (via its representative) are satisfied that adequate facilities are available to ensure that Members who cannot be accommodated are able to participate in the business of the meeting and to see and comprehend all persons present who speak (whether by the use of microphones, loud-speakers, audio visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be seen and understood by all other persons in the same manner.

VOTES OF MEMBERS

- 29 Resolutions to amend the Articles, wind up the Company, or under section 168 of the Act (to remove a Board Director) shall require the Parent to vote in favour in order to be validly passed.
- 30 On any resolution in general meeting each Member present in person or by proxy shall have one vote. A proxy can be appointed by delivering a written

appointment (in a form prescribed by the Board from time to time) to the registered office not less than twenty four hours before the date and time for holding the meeting at which the proxy is authorised to vote. It must be signed by the Member or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any questions as to the validity of a proxy shall be determined by the Chair of the meeting whose decision shall be final. A proxy need not be a Member of the Company.

- 31 In the case of an equality of votes the Parent shall have a casting vote.
- 32 No objection shall be raised to the qualification of any vote 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 Chair whose decision shall be final and conclusive. The Parent's vote cannot be objected.
- 33 A vote given shall be valid notwithstanding the previous determination of the authority of the person voting unless notice of the determination was received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the vote is given.
- 34 Any organisation which is a Member of the Company may by resolution of its council or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the organisation which he represents as the organisation could exercise if it were an individual Member of the Company. Any such authorisation shall be notified to the Company Secretary in writing.

WRITTEN RESOLUTIONS

- 35 A written resolution approved by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of eligible Members (provided that those Members would constitute a quorum at a general meeting) is as valid as if it had been passed at a general meeting provided that:
 - 35.1 a copy of the proposed resolution has been sent to every eligible Member;
 - 35.2 a simple majority (or in the case of a special resolution a majority of not less than 75% including the Parent) of Members have signified their agreement to the resolution; and
 - 35.3 such agreement is contained in an authenticated document that has been received at the Office within the period of 56 days beginning with the circulation date.

- 36 A resolution under Article 35 may consist of several documents in similar form each approved by one or more Members. In the case of a Member that is an organisation, its authorised representative may signify its agreement.

BOARD DIRECTORS

- 37 The business of the Group shall be directed by the Board. There shall be a Board consisting of up to 12 Board Directors appointed by the Parent in accordance with Article 38 on the basis of relevant skills and experience in accordance with the procedures set out in Rules adopted by the Parent from time to time.
- 38 Board Directors shall always be removed and appointed by the Parent in accordance with Article 74.
- 39 Within the permitted maximum number of Board Directors pursuant to Article 37, the Parent may appoint up to 2 Executive Board Directors. Any Board Director who is not an Executive Board Director shall be a Non-Executive Board Director.
- 40 The number of Local Authority Persons appointed to the Board shall at no time be more than 49 per cent or such as would at any time cause the Company to be treated as a regulated company within the meaning of the Local Government and Housing Act 1989 or the Local Authorities (Companies) Order 1995.
- 41 The number of Board Directors who are Tenants shall at no time be more than 49 per cent of the total number of Board Directors except in circumstances in which a casual vacancy has arisen.
- 42 The number of Board Directors who are Tenants or Local Authority Persons shall not exceed two-thirds of the total number of Board Directors except in circumstances in which a casual vacancy has arisen.
- 43 Any person, except the Parent, who has made a loan currently outstanding to the Company may not be appointed as a Board Director without the express authority of the Board.
- 44 A person who is appointed as a Non-Executive Board Director shall remain in office for a term of three years which will begin on the date they are appointed to the Board. Subject to Article 45, a Non-Executive Board Director completing their three year term of office may be eligible for re-election, re-selection or re-appointment for another term of office.
- 45 Any Non-Executive Board Director having completed nine or more years' consecutive service on any of the Group's Boards shall retire at the next general meeting and shall not be eligible for re-appointment until a period of one year has passed.

CASUAL VACANCIES AND CO-OPTIONS

- 46 With the prior approval of the Parent, the Board may appoint a person who is willing to act to be a Board Director to fill a casual vacancy.
- 47 With the prior approval of the Parent, the Board may from time to time co-opt any person, including any of the Company's senior management team, to the Board or any committee of the Board in a non-voting capacity and may at any time revoke such co-option.

DISQUALIFICATION AND REMOVAL OF BOARD DIRECTORS

- 48 A person shall be ineligible to be a Board Director or co-optee and if already appointed shall immediately cease to be a Board Director or co-optee if the relevant individual;
- 48.1 is or becomes an undischarged bankrupt or makes any arrangement or composition with his creditors;
 - 48.2 ceases to be eligible to be, or ceases to be a Board Director by virtue of any provision of the Act or becomes prohibited by law from being a Board Director or charity trustee;
 - 48.3 has become physically incapable of acting a Board Director and may remain so for a period of a least three months (as evidenced by a written opinion to the Company by a registered medical practitioner who is treating that person); or
 - 48.4 becomes, in the opinion of the Board, incapable of managing and administering his property and affairs;
 - 48.5 was a Tenant at the date he became a Board Director and ceases to be a Tenant;
 - 48.6 is a Tenant and is the subject of an order for possession of the Property of which he is the Tenant;
 - 48.7 is a Tenant and is (in the reasonable opinion of a majority of Board Directors) in serious breach of his obligations as a Tenant;
 - 48.8 is an Executive Board Director and ceases to be an employee of the Company or ceases to be a member of the Company's senior management team;
 - 48.9 is convicted of any criminal act or omission unless the Board determines otherwise;
 - 48.10 resigns from office by giving written notice to the Company;

- 48.11 is removed by a resolution of (or written notice signed by) the Members (except in the case of a Board Director appointed by the Parent);
- 48.12 (except in the case of a Board Director appointed by the Parent) is removed by resolution of the Board Directors of (or written notice signed by) at least three quarters of all the other Board Directors from time to time.
- 48.13 Fails to attend three consecutive Board meetings or fails to attend any Board meeting for a period of three months (whichever is the longer period) and the Board determines that he shall be removed from the Board;
- 48.14 has been a Non-Executive Board Director (and/or a member of the board of another Group Member) for 9 or more consecutive years in accordance with Article 45 in which case that Board Director shall cease to be a Board Director in accordance with Article 45;
- 48.15 dies;
- 48.16 is a Non-Executive Board Director and becomes a Local Authority Person leading to a breach of Articles 43 and 44;
- 48.17 is or becomes a Tenant leading to a breach of the limits in Article 42;
- 48.18 breaches the terms of the provisions of Appendix 1 or any codes of conduct adopted by the Company or the Board Directors from time to time and the Parent determines that he shall be removed from the Board; or
- 48.19 fails to comply with or participate in any appraisal system adopted by the Company or the Board Directors from time to time and the Parent determines that he shall be removed from the Board;
- 48.20 is a co-optee and his co-option is revoked by the Board; or
- 48.21 is suspended from office for a specified period of time by resolution of the Parent from time to time.

- 49 The Board Directors shall comply at all times with the provisions set out in Appendix 1 to the Articles and with any codes of conduct adopted by the Company or by the Board Directors.

BOARD DIRECTORS' INTERESTS

- 50 No Board Director, co-optee or member of a committee shall have any financial interest in any contract or other transaction with any Group member, or be granted a benefit by the Group, unless such interest or benefit:

50.1 Is expressly permitted by these articles of association or under any determination or guidance by the Regulator from time to time; or

50.2 Would not be in breach of, and would not be inconsistent with, any determination, guidance, standard or code published by the Regulator or any code of conduct and/or governance adopted by the Board.

- 51 There shall be maintained a register of Board Directors' interests and Board Directors shall be obliged to enter into the register particulars of any matter relevant to the affairs of the Company. A Board Director or co-optee who has an interest in any matter which is under discussion by the Board shall disclose the nature and extent of his interest and the interest of any Connected Person in that matter before the matter is discussed by the Board; and

51.1 unless it is expressly permitted by these rules they shall not remain present during the Board's discussion of such matter (unless requested to do by the Chair) remain present;

51.2 and (if a Board Director) they shall not vote on that matter in question.

- 52 If a Board Director inadvertently votes on a matter to which this Article applies, his or her vote shall not be counted.

- 53 For the purposes of Articles 50 and 51 an interest of a Connected Person shall be treated as an interest for the relevant Board Director or co-optee.

- 54 Provided that he has disclosed to the Board the nature and extent of his interest and subject to the provisions of the Act, a Board Director may, subject to the discretion of the Chair,:

54.1 be a director or other officer of or employed by any body corporate which is a Group Member;

54.2 be a member of or officer or other representative of the Relevant Local Authority; or

54.3 be a Tenant;

and remain speak and vote at the meeting and be counted in the quorum, but a Tenant Board Director may not remain, speak or vote in any Board meeting whilst matters relating specifically to his or her tenancy are being dealt with.

- 55 A Board Director (or co-optee) shall not be treated as having an interest of which the Board Director (or co-optee) has no knowledge and of which it is unreasonable to expect him or her to have knowledge.
- 56 If an actually or potential conflict of interest arises for a Board Director or co-optee 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 these Articles, the unconflicted Board Directors may authorise such a conflict of interests provided that:
- 56.1 Any conflicted Board Director is not to be counted in the quorum of Board Directors at the meeting where the conflict is to be authorised,
- 56.2 The unconflicted Board Directors consider it is in the interests of the Company to authorise the conflict of interest in the circumstances applying, and
- 56.3 A condition is attached to the authorisation requiring that Article 51 is complied with every time the authorised conflict arises for any conflicted Board Directors or co-optees at a Board Director meeting.
- 57 Any authorisation of a matter under Articles 50 and 56 shall be on such terms and/or conditions as the Board Directors (excluding the conflicted Board Director(s)) may determine, whether at the time such authorisation is given or subsequently, and may be varied or terminated by the Board Directors (excluding the conflicted Board Director(s)) at any time. 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 Board Director(s) or co-optees from all information and discussion of the matter in question. A Board Director or co-optee shall comply with any obligations imposed on him pursuant to any such authorisation.
- 58 The Board Directors should consider whether any actual or potential conflicts should be authorised in accordance with Article 57 each time:
- 58.1 A new Board Director or co-optee is appointed;
- 58.2 A new situation arises for an existing Board Director or co-optee that gives rise to an actual or potential conflict of interests.
- 59 Any decision of the Board shall not be invalid because of the subsequent discovery of an interest which should have been declared.

- 60 Every Board Director, co-optee and member of a committee shall ensure that the secretary at all times has a list of:
- 60.1 All other bodies in which they have an interest as:
 - 60.1.1 A director or officer or
 - 60.1.2 A member of a firm or
 - 60.1.3 An official or elected member of any statutory body or
 - 60.1.4 The owner or controller of more than two per cent of a company the shares in which are publicly quoted or more than ten per cent of any other company;
 - 60.2 Any other significant or material interest.
61. A Board Director or co-optee or member of a committee shall not be deemed to have an interest as a board director or officer of any other Group member.

POWERS OF BOARD DIRECTORS

62. Subject to the provisions of the Act and the Articles and to any directions given by resolution of the Members, the business of the Company shall be managed by the Board Directors 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 Directors which would have been valid if that alteration had not been made or that direction had not been given.
63. The powers given by this Article shall not be limited by any special power given to the Board Directors by the Articles and a meeting of Board Directors at which a quorum is present may exercise all the powers exercisable by the Board Directors.
64. The Board shall have the power to delegate, in writing, subject to Articles 78-84, the exercise of any of its powers to committees and to employees of the Group or of any Group member on such terms as it determines. Such delegation may include any of the powers and discretions of the Board.
65. In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the Articles the Board Directors shall have the following powers, namely:
- 65.1 to expend the funds of the Company in such manner as they shall consider most beneficial for the achievement of its 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; and

- 65.2 to enter into contracts on behalf of the Company; and
- 65.3 to borrow money without limit as to amount and upon such terms and in such manner as they think fit; and
- 65.4 to agree the amount and terms of interest rates applying to such borrowings (and whether by reference to a fixed or floating rates of interest) as they think fit; and
- 65.5 to grant any mortgage, charge or other security over its undertaking, property and assets, or any part thereof, and
- 65.6 to issue any debenture or grant any guarantee or any indemnity, whether outright or as security for any debt, liability or obligation of the Company, or of any Registered Provider or, to such extent allowed pursuant to the Articles.

BOARD DIRECTORS' EXPENSES AND REMUNERATION

- 66 Subject to the provisions of Article 5, the Board Directors may, following appropriate independent advice, be paid such reasonable and proper sums as the Board shall from time to time decide and all reasonable and proper travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Board Directors or committees of Board Directors or general meetings or otherwise in connection with the discharge of their duties subject to the production of satisfactory receipts or otherwise.
- 67 Except to the extent permitted by Article 5, no Board Director shall take or hold any interest in property belonging to the Company or receive remuneration or be interested otherwise than as a Board Director in any other contract to which the Company is a party save that a Tenant Board Director shall not be prevented from remaining a Board Director or a Tenant or from exercising any right accruing to him in that capacity.

PROCEEDINGS OF BOARD DIRECTORS

- 68 Subject to the provisions of the Articles, the Board Directors may regulate their proceedings as they think fit and may adopt standing orders and codes of conduct governing their affairs. A Board Director may, and any Company Secretary at the request of a Board Director shall, call a meeting of the Board Directors. It shall not be necessary to give notice of a meeting to a Board Director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. Each Board Director shall have

one vote, save that in the case of an equality of votes, the Chair shall have a second or casting vote.

- 69 The quorum for the transaction of the business of the Board Directors may be fixed by the Board Directors but shall not be less than four. Co-optees may not count towards the quorum.
- 70 No meeting of the Board Directors shall be quorate if more than 49% of those persons present are:
- 70.1 Local Authority Persons; or
 - 70.2 Tenants or
 - 70.3 Executive Board Directors.
- 71 If a majority of Board Directors are appointed by the Parent then two such appointees must be included to form a quorum. The Board may decide a higher number.
- 72 The Board Directors may act notwithstanding any vacancies in their number, but, if the number of Board Directors is less than the number fixed as the quorum, the continuing Board Directors or Board Director may act only for the purpose of filling vacancies or of calling a general meeting.
- 73 By notice in writing the Parent may remove and appoint a majority of Board Directors. In selecting Board Directors the Parent shall endeavour to ensure that the Board possesses the quality, skills and experience which the Company has from time to time determined that it requires.

APPOINTMENT OF CHAIR AND VICE CHAIR

- 74 The Parent shall appoint one of the Board Directors (being a Non-Executive Board Director) to be the Chair of the Board. The Parent must decide the period during which he is to hold office, whether the appointment is to be confirmed annually by the Parent and the precise point at which his term of office ends.
- 75 The Board may appoint a Vice Chair or Vice Chairs to act in the absence of the Chair on such terms as the Board shall think fit. The duties of the Chair and Vice Chair shall be as set out in the Appendix 2 and Appendix 3 respectively to the Articles.
- 76 The Chair and Vice Chair may resign from their positions at any time (without necessarily resigning as Board Directors). The Chair and any Vice Chair may be removed from their respective positions by the Parent.
- 77 The Chair or, in his absence, the Vice Chair shall preside at every meeting of the Board Directors and of the Members of the Company at which he is present. If there is at any time no Chair or Vice Chair, or if the Chair and Vice Chair are not

present within ten minutes after the time appointed for the meeting, the Board Directors present may appoint one of their number to chair the meeting.

MANAGEMENT AND DELEGATION

- 78 The Board may delegate any of the Board's powers under written terms of reference to committees of the Company or of the Group, or to officers or employees of the Company or of the Group or of any Group member. Those powers shall be exercised in accordance with any written instructions given by the Board.
- 79 The Board may reserve to itself certain significant matters that cannot be delegated to committees of employees.
- 80 The membership of any committee of the Company shall be determined by the Board. Every committee of the Company shall include one Board Director or co-optee to the Board. The Board will appoint the Chair of any committee and shall specify the quorum.
- 81 All acts and proceedings of any committee of the Company shall be reported to the Board.
- 82 No committee of the Company can incur expenditure on behalf of the Company unless at least one Board Director or co-optee of the Board on the committee has voted in favour of the resolution and the Board has previously approved a budget for the relevant expenditure.
- 83 For the purposes of the Housing and Regeneration Act 2008 any member of a committee shall be an officer.
- 84 All acts done by a meeting of Board Directors, or of a committee, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Board 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 Board Director and had been entitled to vote.

MISCELLANEOUS

- 85 Any bank account in which any part of the assets of the Company is deposited shall be operated by the Board Directors and shall include the name of the Company. All cheques and orders for the payment of money from such account shall be signed by at least two Board Directors or such other persons as are authorised from time to time by the Board.

WRITTEN RESOLUTIONS

- 86 A written resolution of the Members of the Company, proposed in accordance with section 288(3) of the Companies Act 2006, 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).
- 87 A resolution in writing sent to all the Board Directors or members of a committee entitled to receive notice of a meeting of the Board or of a committee of the Board and approved by the required majority to pass the relevant resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each approved by one or more Board Directors or members of a committee. Approval for the purposes of this Article may be given by electronic means.

COMPANY SECRETARY

- 88 Subject to the provisions of the Act, a Company Secretary, including any deputy or alternate secretary, may, following appropriate independent advice, be appointed by the Board Directors for such term, at such reasonable and proper remuneration and upon such reasonable and proper conditions as they may think fit; and any Company Secretary, including any deputy or alternate secretary, so appointed may be removed by them.

MINUTES

- 89 The Board Directors shall keep minutes in books kept for the purpose:
- 89.1 of all appointments of officers made by the Board Directors; and
 - 89.2 of all proceedings at meetings of the Company and of the Board Directors and of committees of the Company including the names of the Board Directors present at each such meeting.

THE SEAL

- 90 If the Company has a Seal it shall only be used by the authority of the Board Directors or of a committee of Board Directors or other persons authorised by the Board Directors. The Board Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise determined it shall be signed by (i) a Board Director and by the Company Secretary (if any) or by (ii) two Board Directors or by (iii) a Board Director and a witness or by (iv) an Authorised Signatory.

ACCOUNTS

- 91 Accounts shall be prepared in accordance with the provisions of the Act and with the requirements of the Regulator and any other regulatory body to which the Company shall be subject

NOTICES

- 92 Any notice to be given to or by any person pursuant to the Articles shall be in writing or, to the extent permitted by the Act and subject to this Article 92, contained in an electronic communication, except that a notice calling a meeting of the Board Directors need not be in writing.
- 93 The Company may give any notice to a Member or a Board Director either:
- 93.1 personally; or
 - 93.2 by sending it by post in a prepaid envelope addressed to the Member or Board Director at his registered address or by leaving it at that address; or
 - 93.3 by suitable electronic means.
- 94 A Member or Board Director whose registered address is not within the United Kingdom and who gives to the Company an address (whether postal or electronic) 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 or Board Director shall be entitled to receive any notice from the Company.
- 95 A Member or Board Director present in person or by proxy at any meeting of the Company or Board meeting shall be deemed to have received notice of the meeting and, where necessary, of the purposes for which it was called.
- 96 Any notice in writing, or other communication shall be deemed duly served:
- 96.1 in the case of personal service, at the time of delivery;
 - 96.2 in the case of service by post, 48 hours after the date of posting;
 - 96.3 in the case of service by electronic means (including through any relevant system) 24 hours after the time at which the electronic communication was sent by or on behalf of the Company; or
 - 96.4 in the case of service by facsimile transmission, at the time of despatch.
- 97 Proof that:
- 97.1 an envelope containing a notice was properly addressed, prepaid and posted by first class post;

97.2 a facsimile transmission setting out terms of the notice was properly despatched; or

97.3 a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators;

is conclusive evidence that the notice was given.

INDEMNITY

98 Subject to the provisions of the Act every Board Director or other 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.

99 The Board shall have the power to purchase and maintain for any Board Director, co-optee or officer of the Company insurance against any such liability as is referred to in the Act.

RULES

100 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:

100.1 the admission and classification of Members of the Company (including the admission of organisations to membership) and the rights and privileges of such Members, and the conditions of membership and the terms on which Members may resign or have their membership terminated and the entrance fees, subscriptions and other fees or payments to be made by Members insofar as these are not provided in the Articles;

100.2 the conduct of Members and Board Directors of the Company in relation to one another, and to the Company's officers;

100.3 the setting aside of the whole or any part of parts of the Company's premises at any particular time or times or for any particular purpose or purposes:

100.4 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;

100.5 generally, all such matters as are commonly the subject matter of Company rules.

101 The Company in general meeting shall have power to alter, add to or repeal the rules or bye laws and the Board shall adopt such means as they think sufficient to bring to the notice of Members of the Company all such rules or bye laws which shall be binding on all Members of the Company PROVIDED THAT no rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in the Articles nor with any requirements of general charitable law.

ALTERATIONS

102 The provisions of the Articles of Association of the Company may be amended only with the prior written consent of the Parent and by a resolution agreed by:

102.1 not less than three-quarters of the Members present whether in person or by proxy and voting at a meeting for the purpose of considering the resolution of which not less than 14 clear days' notice shall have been given;

102.2 written resolution; and

102.3 not less than three-quarters of the Board present at the meeting called to consider the amendments.

APPENDIX 1 TO ARTICLES OF ASSOCIATION

Responsibilities of the Board Directors

The Board Directors shall direct the affairs of the Company in accordance with its objects. Amongst their functions shall be to:

- (1) define and ensure compliance with the values and objectives of the Company and ensure these are set out in each annual report;
- (2) establish policies and plans to achieve those objectives;
- (3) approve each year's budget and accounts prior to publication;
- (4) establish and oversee a framework of delegation and systems of control;
- (5) agree policies and make decisions on all matters that create significant financial or other risk to the Company or which raise material issues of principle.
- (6) monitor the Company's performance in relation to plans, budget controls and decisions;
- (7) satisfy itself that the Company's affairs are conducted lawfully and in accordance with generally accepted standards of performance and propriety;
- (8) take professional advice where appropriate and when the Board Directors are in any doubt as to the nature or extent of their duties.
- (9) undertake a regular appraisal of the performance of the Board and of individual Board Directors and of the Chair.

APPENDIX 2 TO ARTICLES OF ASSOCIATION

The Chair's Responsibilities

The Chair shall seek to ensure that:-

- (1) the Board's business and the Company's general meetings are conducted efficiently so that there is an appropriate balance of attention to strategy, policy, finance and key decisions;
- (2) all Board Directors are given the opportunity to express their views;
- (3) a constructive working relationship is established with, and support provided for the Chief Executive and the board of management of the Parent;
- (4) the Board delegates sufficient authority to its committees, the Chair, the Executive Board Director (if any), and any other Group Members to enable the business of the Company to be carried on effectively between Board meetings;
- (5) the Board Directors receive professional advice when it is needed;
- (6) the affairs of the Company are conducted in accordance with generally accepted codes of performance and propriety and the Board complies with its objectives, terms of reference and protocols, thus fulfilling its responsibilities for the governance of the organisation;
- (7) the agenda is agreed for each meeting;
- (8) the draft minutes are received;
- (9) decisions made by the Board are delegated to officers for follow up;
- (10) there is established a constructive working relationship with, and support provided for the Chief Executive and officer team so that they achieve the aims of the organisation;
- (11) the performance of the Chief Executive is appraised;
- (12) he take decisions delegated to the Chair - preferably in consultation with at least one other Board Director and with the advice of the Chief Executive ;
- (13) where emergency decisions are taken by the Chair, account is taken of the views of the Board if known and a full report detailing the decision taken and any consequences is provided to the Board at the next Board meeting where the Board should ratify the Chair's decision. The report should also include an explanation as to why an emergency decision had to be taken by the Chair;
- (14) the Board is represented at key external meetings, for example with funders and any regulators, with other Board Directors as appropriate;

- (15) the training needs of individual Board Directors, and the Board as a whole, are addressed.
- (16) ensure that the Board makes proper and appropriate arrangements for its own appraisal and that of Board Directors including the Chair's own appraisal and for implementing a succession plan for Board Directorship.
- (17) ensure that the level of any agreed Board Director remuneration results from an approved process that minimises the potential for conflicts of interest.
- (18) ensure the Board agrees the roles of Vice Chair.

The Chair shall seek to ensure that there is a written statement of the Chair's responsibilities that shall be agreed with the Board Directors and reviewed from time to time.

APPENDIX 3

The Vice-Chair's Responsibilities

The duties of the Vice-Chair shall be to deputise for the Chair in his absence and to carry out such other functions as the Board may from time to time agree.

In the absence of the Chair at a general meeting or Board meeting, the Vice-Chair shall have all the responsibilities of the Chair, as set out in the Articles of Association of the Company.

The Chair and Vice-Chair may agree to apportion responsibility for certain elements of their functions, in order to maximise the benefit to the Company of their expertise and experience.