

## THE COMPANIES ACT 2006

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

#### ARTICLES OF ASSOCIATION OF NACRO

##### 1 Name

The name of the company is **Nacro** ("the Charity")

##### 2 Interpretation

###### 2.1 In these articles:

"2008 Act"	means the Housing and Regeneration Act 2008;
"the Act"	means the Companies Act 2006;
"Accommodation"	means houses, homes, flats hostels and clubs;
"address"	means a postal address or, for the purposes of electronic communication, a fax number, an e-mail address or a text message number in each case registered with the Charity;
"the Charity"	means the company intended to be regulated by these articles;
"clear days"	in relation to the period of a notice means a period excluding: <ul style="list-style-type: none"><li>• the day when the notice is given or deemed to be given; and</li><li>• the day for which it is given or on which it is to take effect;</li></ul>
"the Commission"	means the Charity Commissioners for England and Wales;
"the Council Members"	means the Council Members of the charity (being "Charity Trustees" as defined by Section 177 of the Charities Act 2011);
"the memorandum"	means the memorandum of association of the Charity;
"officers"	includes the Council Members and the secretary;
"regulator"	means the Social Housing Regulator established pursuant to the Housing and Regeneration Act 2008 and currently the body defined so the Homes and Communities Agency acting through its Regulation Committee in England and / or any successor to its functions in whole or in part from time to time;

"the seal"	means the common seal of the Charity if it has one;
"secretary"	means the secretary of the Charity or any other person appointed to perform the duties of the secretary of the Charity, including a joint, assistant or deputy secretary;
"social housing"	means low cost rental accommodation and low cost home ownership accommodation as defined in sections 68 and 77 of the Housing and Regeneration Act 2008; and
"the United Kingdom"	means Great Britain and Northern Ireland.

2.2 Words importing one gender shall include all genders, and the singular includes the plural and vice versa.

2.3 Unless the context otherwise requires words or expressions contained in these articles have the same meaning as in the Act but excluding any statutory modification not in force when this constitution becomes binding on the Charity.

2.4 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.

2.5 No regulations set out in any schedule to any of the statutes shall apply as the regulations or Articles of Association of the Charity.

### **3 Registered office**

The registered office of the Charity is to be in England.

### **4 The charitable not-for-profit Objects of the Charity are:**

4.1 The care and resettlement and rehabilitation of offenders, and those at risk of offending, and their families and dependants;

4.2 To further and promote the study of and research into all aspects and methods of the prevention of crime, social exclusion and delinquency and to obtain and make records of and disseminate information concerning the same;

4.3 To provide, promote, support or organise the recruitment, education and training of any offender, and those at risk of offending and to assist them in finding employment and Accommodation and to rehabilitate themselves;

4.4 For the public benefit to advance the education of people in such ways as the Council Members may think fit (including, for example, the provision of vocational training);

4.5 To promote support or carry on either alone or in co-operation with any other body authority or person any project or scheme in connection with any methods of the prevention of crime and social exclusion and to provide money for such purposes whether by loan or otherwise;

4.6 Establishing, managing, improving and constructing accommodation and other facilities for offenders (including but not limited to social housing and those at risk of offending and their families and dependants and assisting with monetary grants;

- 4.7 the business of providing and managing housing and social housing and providing assistance to help house people and associated facilities and amenities or services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people;
- 4.8 any other charitable object that can be carried out from time to time by a charitable company which is registered as a provider of social housing with the regulator.

## **5 Powers**

- 5.1 The Charity shall have the power to do any thing that a natural or corporate person may lawfully do which is necessary or expedient in furtherance of its Objects (and is within any relevant parameters set by the regulator) unless prohibited in these Articles.
- 5.2 Without limiting the scope of Article 5.1, the Charity has the following powers, which may be exercised in order to further the Objects (but not for any other purpose):
- (a) purchase, acquire or dispose of all of or take or grant or otherwise deal with any interest or security interest in land;
  - (b) to carry on, assist or promote the establishment, support, provision and maintenance of schools, hostels, homes, clubs, housing associations, institutions, workshops, training establishments, libraries, clinics, and other places in connection with the furtherance of the objects of the Charity , and to provide services at or in connection with such places, either free or otherwise;
  - (c) to raise funds, provided that in doing so, the Charity must not undertake any taxable trading activity and must comply with any relevant statutory regulations;
  - (d) to buy, take on lease or in exchange, hire or otherwise acquire any property and to maintain and equip it for use;
  - (e) to sell, lease or otherwise dispose of all or any part of the property belonging to the Charity. In exercising this power, the Charity must comply as appropriate with Charities Act 2011;
  - (f) to lend or borrow money (for any purpose including investment) and to charge the whole or any part of the property belonging to the Charity as security for repayment of the money borrowed, provided that the Charity must comply as appropriate with the Charities Act 2011;
  - (g) to co-operate with other charities, voluntary bodies, not-for-profit organisations and statutory authorities and to exchange information and advice with them;
  - (h) to establish or support any charitable trusts, associations or institutions formed for any of the charitable purposes included in the Objects;
  - (i) to acquire, merge with or enter into any partnership or joint venture arrangement with any other charity and/or corporate body formed for any of the Objects;
  - (j) to set aside income as a reserve against future expenditure but only in accordance with a written policy about reserves;

- (k) to employ and remunerate such staff (subject to section 122 of the Housing and Regeneration Act 2008) as are necessary for carrying out the work of the Charity;
- (l) to:
  - (i) deposit or invest funds;
  - (ii) employ a professional fund-manager; and
  - (iii) arrange for the investments or other property of the Charity to be held in the name of the nominee;

in the same manner and subject to the same conditions as the Trustees of a trust are permitted to do so by the Trustee Act 2000;
- (m) to provide indemnity insurance for the Council Members or any other officer of the Charity in relation to any such liability as is mentioned in this Article 5.2, but subject to the restrictions specified in this Article 5;
- (n) to do all such other lawful things as are necessary or expedient for the achievements of the Objects.

5.3 The liabilities referred to in Article 5.2 (l) are:

- (a) any liability that by virtue of any rule of law would otherwise attach to a Council Member of a company in respect of any negligence, default breach of duty or breach of trust of which he or she may be guilty in relation to the Charity;
- (b) the liability to make a contribution to the Charity's assets as specified in section 214 of the Insolvency Act 1986 (wrongful trading).

5.4 The following liabilities are excluded from Article 5.3 (a):

- (i) fines;
  - (ii) costs of unsuccessfully defending criminal prosecutions
  - (iii) liabilities to the Charity that result from conduct that the Council Member or other officer knew or must be assumed to have known was not in the best interests of the Charity or about which the person concerned did not care whether it was in the best interests of the Charity or not.
- (b) There is excluded from Article 5.3 (b) any liability to make such a contribution where the basis of the Council Member's liability is his or her knowledge prior to the insolvent liquidation of the Charity (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Charity would avoid going into insolvent liquidation.

## **6 Benefits to Members and Council Members**

6.1 The income and property of the Charity shall be applied solely towards the promotion of the Objects.

- (a) A Council Member is entitled to be reimbursed from the property of the Charity or may pay out of such property reasonable expenses properly incurred by him or her when acting on behalf of the Charity.
- (b) Subject to the restrictions in Article 6.4(b) and 6.4 (c), a Council Member may benefit from Trustee indemnity insurance cover purchased at the Charity's expense
- (c) A Council Member may receive an indemnity from the Charity in the circumstances specified in Article 61, provided in each case that any such reimbursements, repayment of expenses or payment of indemnities or insurance premiums shall be made subject to section 122 of the Housing and Regeneration Act 2008.

6.2 None of the income or property of the Charity may be paid for or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the Charity. This does not prevent a member who is not also a Council Member receiving:

- (a) a benefit from the Charity in the capacity of a beneficiary of the Charity;
- (b) reasonable and proper remuneration for any goods or services supplied to the Charity, always provided that benefits and remunerations shall be paid in accordance with section 122 of the Housing and Regeneration Act 2008.

6.3 No Council Member may;

- (a) buy goods or services from the Charity;
- (b) sell goods, services or any interest in land to the Charity;
- (c) be employed by, or receive any remuneration from the Charity;
- (d) receive any other financial benefit from the Charity;

unless:

- (i) the payment is permitted by Article 6.5 and meets the requirements set out in Article 6.6; or
- (ii) the Council receives the prior written approval of the Commission and comply with any procedures it prescribes.
- (iii) does not contravene any regulatory requirements from time to time and which is not prohibited by section 122 of the Housing and Regeneration Act 2008.

6.4

- (a) A Council Member may receive a benefit from the Charity in the capacity of a beneficiary of the Charity
- (b) A Council Member may enter into a contract for the supply of goods or services to the Charity, other than for acting as a Council Member.
- (c) A Council Member may receive interest on money lent to the Charity at a reasonable and proper rate not exceeding 2% per annum below the base rate of a clearing bank to be selected by the Council Members.

- (d) A company of which a Council Member is a member may receive fees remuneration or other benefit in money or money's worth provided that the shares of the company are listed on a recognised stock exchange and the Council Member holds no more than 1% of the issued capital of that company.
- (e) A Council Member may receive rent for premises let by the Council Member to the Charity if the amount of the rent and the other terms of the lease are reasonable and proper.

6.5

- (a) The Charity and its Council Members may only rely upon the authority provided by Article 6.5 if each of the following conditions is satisfied:
  - (i) The sums paid to the Council Member do not exceed an amount that is reasonable in all the circumstances
  - (ii) The Council Member is absent from the part of any meeting at which there is discussion of:
    - any proposal to enter into any other contract or arrangement with him or her to confer any benefit upon him or her that would be permitted under Article 6.5; or
    - any other matter relating to a payment or the conferring of any benefit permitted by Article 6.5
  - (iii) The Council Member does not vote on any such matter and is not to be counted when calculating whether a quorum of Council Members is present at the meeting.
  - (iv) The other Council Members are satisfied that it is in the interests of the Charity to contract with that Council Member rather than with someone who is not a Council Member. In reaching that decision the Council Members must balance the advantage of employing a Council Member against that disadvantages of doing so (especially the loss of the Council Member's services as a result of dealing with the Council Member's conflict of interest).
  - (v) The reason for their decision is recorded by the Council Members in the minute book.
  - (vi) A majority of the Council Members then in office have received no such payments.
- (b) The remuneration of a Council Member includes the engagement or remuneration of any firm or company in which the Council Member is:
  - (i) a partner;
  - (ii) an employee;
  - (iii) a consultant;
  - (iv) a Council Member; or

- (v) a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Council Member holds less than 1% of the issued capital.

6.6 In articles 6.2 to 6.6 :

- (a) "Charity" shall include any company in which the Charity:
  - (i) holds more than 50% of the shares; or
  - (ii) controls more than 50% of the voting rights attached to the shares; or
  - (iii) has the right to appoint one or more directors to the board of the company;
- (b) "Council Member" shall include any child, parent, grandchild, grandparent, brother, sister or spouse of the Council Member or any person living with the Council Member as his or her partner.

## **7 Limited Liability**

The liability of the members is limited.

## **8 Guarantee**

Every member promises, if the Charity is dissolved while he, or she or it remains a member or within twelve months afterwards to pay up to 50 p towards the costs of dissolution and the liabilities incurred by the Charity while the contributor was a member.

## **9 Dissolution**

- (1) If the Charity is dissolved the assets (if any) remaining after provision has been made for all its liabilities must be applied in one or more of the following ways:
  - (a) by transfer to one or more other bodies established for exclusively charitable purposes with the same or similar Objects,
  - (b) directly for the Objects or charitable purposes within or similar to the Objects,
  - (c) in such other manner consistent with charitable status as the Charity Commission approve in writing in advance,

always provided that if the Charity is registered as a private non-profit provider of social housing with the regulator, such disposal shall be governed by section 167 of the Housing and Regeneration Act 2008.

- (2) A final report and statement of account must be sent to the Charity Commission.

## **10 Members**

10.1 The subscribers to the memorandum are the first members of the Charity.

10.2 Membership is open to other individuals or organisations who:

- (a) apply to the Charity in the form required by the Council Members; and

(b) are approved by the Council Members

- 10.3 The Council Members may only refuse an application for membership if, acting reasonably and properly, they consider it to be in the best interests of the Charity to refuse an application.
- 10.4 The Council Members must inform the applicant in writing of the reasons for the refusal within twenty-one days of the decision.
- 10.5 The Council Members must consider any written representations the applicant may make about the decision. The Council Members' decision following any written representations must be notified to the applicant in writing but shall be final.
- 10.6 Membership is not transferable to anyone else.
- 10.7 The Council Members must keep a register of names and addresses of the members.
- 10.8 Any subsidiary of the Charity will have two Council Members of the Charity on the subsidiary charity's board as representatives of the Charity.

## **11 Classes of Membership**

- 11.1 The Council Members may establish classes of membership with different rights and obligations and shall record the rights and obligations in the register of members.
- 11.2 The Council Members may not directly or indirectly alter the rights or obligations attached to a class of membership.
- 11.3 The rights attached to a class of membership may only be varied if:
- (a) three-quarters of the members of that class consent in writing to the variation; or
  - (b) a special resolution is passed at a separate general meeting of the members of that class agreeing to the variation.
- 11.4 The provisions in these articles about general meetings shall apply to any meeting relating to the variation of the rights of any class of members.

## **12 Termination of Membership**

Membership is terminated if:

- 12.1 the member dies or, if it is an organisation, ceases to exist;
- 12.2 the member resigns by written notice to the Charity unless, after the resignation, there would be less than two members;
- 12.3 any sum due from the member to the Charity is not paid in full within six months of it falling due;
- 12.4 the member is removed from membership by a resolution of the Council Members that it is in the best interests of the Charity that his or her membership is terminated. A resolution to remove a member from membership may only be passed if:

- (a) the member has been given at least twenty-one days' notice in writing of the meeting of the Council Members at which the resolution will be proposed and the reasons why it is to be proposed;
- (b) the member or, at the option of the member, the member's representative (who need not be a member of the Charity) has been allowed to make representations to the meeting.

### **13 General meetings**

- 13.1 The Charity must hold its first annual general meeting within eighteen months after the date of its incorporation.
- 13.2 An annual general meeting must be held in each subsequent year and not more than fifteen months may elapse between successive annual general meetings.
- 13.3 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 13.4 The Council Members may call an extraordinary general meeting at any time.

### **Notice of general meetings**

- 14 The minimum period of notice required to hold a general meeting of the Charity is fourteen clear days.
- 15 A general meeting may be called by shorter notice if it is so agreed:
  - 15.1 in the case of an annual general meeting, by all the members entitled to attend and vote; and
  - 15.2 in the case of an general meeting, by a majority in number of members having a right to attend and vote at the meeting who together hold not less than 95 percent of the total voting rights.
- 16 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.
- 17 The notice must be given to all the members and to the Council Members and auditors.
- 18 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 Charity.

### **19 Proceedings at general meetings**

- 19.1 No business shall be transacted at any general meeting unless a quorum is present.
- 19.2 A quorum is nine members entitled to vote upon the business to be conducted at the meeting.
- 19.3 The authorised representative of a member organisation shall be counted in the quorum.

- 20 (1) If:
- (a) a quorum is not present within half an hour from the time appointed for the meeting; or
  - (b) during a meeting a quorum ceases to be present;
- The meeting shall be adjourned to such time and place as the Council Members shall determine.
- (2) The Council Members 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.
- (3) If no quorum is present at the reconvened meeting with fifteen minutes of the time specified for the start of the meeting, the members present at that time shall constitute the quorum for that meeting.
- 21 (1) General meetings shall be chaired by the person who has been appointed to chair meetings of the Council Members.
- (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 Council Member nominated by the Council Members shall chair the meeting.
- (3) If there is only one Council Member present and willing to act, he or she shall chair the meeting.
- (4) If no Council Member is present and willing to chair the meeting within fifteen minutes after the time appointed for holding it, the members present and entitled to vote must choose one of their number to chair the meeting.
- 22 (1) The members present at a meeting may resolve by ordinary resolution that the meeting shall be adjourned.
- (2) 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.
- (3) 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.
- (4) 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.
- 23 (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:
- (a) by the person chairing the meeting; or
  - (b) by at least two members having the right to vote at the meeting; or
  - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

- (2) (a) The declaration by the person who is chairing the meeting of the result of a vote shall be conclusive unless a poll is demanded.
- (b) The result of the vote must be recorded in the minutes of the Charity but the number or proportion of votes cast need not be recorded.
- (3) (a) 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.
- (b) If the demand for a poll is withdrawn the demand shall not invalidate the result of a show of hands declared before the demand was made.
- (4) (a) 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.
- (b) The result of the poll shall be deemed to be the resolution of the meeting at which the poll is demanded.
- (5) (a) A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately.
- (b) 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.
- (c) The poll must be taken within thirty days after it has been demanded.
- (d) 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.
- (e) If a poll is demanded the meeting may continue to deal with any other business that may be conducted at the meeting.

24 If there is an equality of votes, whether on a show of hands or on a poll, the person who is chairing the meeting shall have a casting vote in addition to any other vote he or she may have.

25 A resolution in writing may be passed by the Charity in compliance with the Act.

### **Votes of members**

26 (1) Subject to Articles 23 and 24 and the next paragraph, every member, whether an individual or an organisation shall have one vote.

(2) No member shall be entitled to vote at any general meeting or at any adjourned meeting if he or she owes any money to the Charity.

27 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.

28 (1) Any organisation that is a member of the Charity may nominate any person to act as its representative at any meeting of the Charity.

(2) The organisation must give written notice to the Charity of the name of its representative. The nominee shall not be entitled to represent the organisation at any meeting unless the notice has been received by the Charity. The nominee may

continue to represent the organisation until written notice to the contrary is received by the Charity.

- (3) Any notice given to the Charity will be conclusive evidence that the nominee is entitled to represent the organisation or that his or her authority has been revoked. The Charity shall not be required to consider whether the nominee has been properly appointed by the organisation.

### **Council Members**

- 29 (1) A Council Member must be a natural person aged 18 years or older.
- (2) No one may be appointed a Council Member if he or she would be disqualified from acting under the provisions of Article 42.
- 30 The number of Council Members shall not be less than eight but no more than fourteen.
- 31 The first Council Members shall be those persons notified to Companies House as the first Council Members of the Charity.
- 32 A Council Member may not appoint an alternate to act on his or her behalf at meetings of the Council Members.

### **Power of Council Members**

- 33 (1) The Council Members shall manage the business of the Charity and may exercise all the powers of the Charity unless they are subject to any restrictions imposed by the Act, the memorandum, these articles or any special resolution.
- (2) No alteration of the memorandum or these articles or any special resolution shall have retrospective effect to invalidate any prior act of the Council Members.
- (3) Any meeting of Council Members at which a quorum is present at the time the relevant decision is made may exercise all the powers exercisable by the Council Members.

### **Retirement**

- 34 At the first annual general meeting all the Council Members must retire from office unless by close of the meeting the members have failed to elect sufficient Council Members to hold a quorate meeting of the Council Members. At each subsequent annual general meeting one-third of the Council Members or, if their number is not three or a multiple of three, the number nearest to one third must retire from the office. If there is only one Council Member he or she must retire.
- 35 (1) The Council Members to retire by rotation shall be those who have been longest in office since their last appointment. If any Council Members became or were appointed Council Members on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- (2) If a Council Member is required at an annual general meeting by a provision of these articles the retirement shall take effect upon the conclusion of the meeting.

### **The Appointment of Council Members**

- 36 The Charity may by ordinary resolution:
- (a) appoint a person who is willing to act to be a Council Member; and
  - (b) determine the rotation in which any additional Council Members are to retire.
- 37 No person other than a Council Member retiring by rotation may be appointed a Council Member at any general meeting unless:
- (1) he or she is recommended for re-election by the Council Members; or
  - (2) not less than fourteen nor more than thirty-five clear days before the date of the meeting, the Charity is given notice that:
    - (a) is signed by a member entitled to vote at the meeting;
    - (b) states the member's intention to propose the appointment of a person as a Council Member;
    - (c) contains the details that, if the person were to be appointed, the Charity would have to file at Companies House; and
    - (d) is signed by the person who is to be proposed to show his or her willingness to be appointed.
- 38 All members who are entitled to receive notice of a general meeting must be given not less than seven nor more than twenty-eight clear days' notice of any resolution to be put to the meeting to appoint a Council Member other than a Council Member who is to retire by rotation.
- 39
- (1) The Council Members may appoint a person who is willing to act to be a Council Member.
  - (2) A Council Member appointed by a resolution of the other Council Members must retire at the next annual general meeting and must not be taken into account in determining the Council Members who are to retire by rotation.
- 40 The appointment of a Council Member, whether by the Charity in general meeting or by the other Council Members, must not cause the number of Council Members to exceed any number fixed as the maximum number of Council Members.
- 41 A Council Member may not serve more than three consecutive terms of office as a Council Member, and, subject to Articles 40 and 42, any Council Member shall retire at the end of the annual general meeting in the year in which the ninth anniversary of their first appointment, election or co-option (whichever is the earlier) falls.

#### **Disqualification and removal of Council Members**

- 42 A Council Member shall cease to hold office if he or she:
- (1) ceases to be a Council Member by virtue of any provision in the Act or is prohibited by law from being a Council Member;
  - (2) is disqualified from acting as a Trustee by virtue of section 72 of the Charities Act 1993 (or any statutory re-enactment or modification of that provision);

- (3) ceases to be a member of the Charity;
- (4) becomes incapable by reason of mental disorder, illness or injury of managing and administering his or her own affairs;
- (5) resigns as a Council Member by notice to the Charity (but only if at least two Council Members will remain in office when the notice of resignation is to take effect); or
- (6) is absent without the permission of the Council Members from all their meetings held within a period of six consecutive months and the Council Members resolve that his or her office be vacated.

### **Council Members' remuneration**

- 43 The Council Members must not be paid any remuneration unless it is authorised by these Articles of Association.

### **Proceedings of Council Members**

- 44
- (1) The Council Members must hold at least four meetings each year
  - (2) The Council Members may regulate their proceedings as they think fit, subject to the provisions of the articles.
  - (3) Any Council Member may call a meeting of the Council Members.
  - (4) The secretary must call a meeting of the Council Members if requested to do so by a Council Member.
  - (5) Questions arising at a meeting shall be decided by a majority of votes.
  - (6) In the case of an equality of votes, the person who chairs the meeting shall have a second or casting vote.
- 45
- (1) No decision may be made by a meeting of the Council Members unless a quorum is present at the time the decision is purported to be made.
  - (2) The quorum shall be four or the number nearest to one third of total number of Council Members, whichever is the greater, or such larger number as may be decided from time to time by the Council Members.
  - (3) A Council Member shall not be counted in the quorum present when any decision is made about a matter upon which that Council Member is not entitled to vote.
- 46 If the number of Council Members is less than the number fixed as the quorum, the continuing Council Members or Council Member may act only for the purpose of filling vacancies or of calling a general meeting.
- 47
- (1) The Council Members shall elect a Council Member to chair their meetings and may at any time revoke such appointment.
  - (2) If no-one has been appointed to chair meetings of the Council Members or if the person appointed is unwilling to preside or is not present within ten minutes after the time appointed for the meeting, the Council Members present may appoint one of their number to chair that meeting.

- (3) The person appointed to chair meetings of the Council Members shall have no functions or powers except those conferred by these articles or delegated to him or her by the Council Members.
- 48 (1) A resolution in writing signed by all the Council Members entitled to receive notice of a meeting of Council Members or of a committee of Council Members and to vote upon the resolution shall be as valid and effectual as if it had been passed at a meeting of the Council Members or (as the case may be) a committee of Council Members duly convened and held,
- (2) The resolution in writing may comprise several documents containing the text of the resolution in like form each signed by one or more Council Members.
- (3) Any Council Member or other person may participate in a meeting of the Council Members or a committee of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other. Resolutions and decisions of the kind normally made or taken at a physical meeting of the Council Members or a committee in accordance with these Articles can accordingly be so made or taken even if no persons so participating are physically present with each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is (and it shall be deemed to be a meeting even if there is only one person physically present where it is deemed to take place). In determining whether the quorum requirements fixed by, or in accordance with, these Articles are fulfilled all s participating in the meeting in accordance with these Articles shall be counted in the quorum.

### **Delegation**

- 49 (1) The Council Members may delegate any of their powers or functions to a committee of two or more Council Members but the terms of any delegation must be recorded in the minute book.
- (2) The Council Members may impose conditions when delegating, including the conditions that:
- the relevant powers are to be exercised exclusively by the committee to whom they delegate;
  - no expenditure may be incurred on behalf of the Charity except in accordance with a budget previously agreed with the Council Members.
- (3) The Council Members may revoke or later a delegation.
- (4) All acts and proceedings of any committees must be fully and promptly reported to the Council Members.

- 50 A Council Member must absent himself or herself from any discussions of the Council Members in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Charity and any personal interest (including but not limited to any personal financial interest).
- 51 (1) Subject to paragraph 40(2), all acts done by a meeting of Council Members, or of a committee of Council Members, shall be valid notwithstanding the participation in any vote of a Council Member:
- who was disqualified from holding office;
  - who had previously retired or who had been obliged by the constitution to vacate office;
  - who was not entitled to vote on the matter, whether by reason of a conflict of interest or otherwise;
- if without:
- the vote of that Council Member; and
  - that Council Member being counted in the quorum;
  - the decision has been made by a majority of the Council Members at a quorate meeting.
- (2) Paragraph 40(1) does not permit a Council Member to keep any benefit that may be conferred upon him or her by a resolution of the Council Members or of a committee of Council Members if, but for paragraph 40(1), the resolution would have been void, or if the Council Members has not complied with article 39.

### **Seal**

- 52 If the Charity has a seal it must only be used by the authority of the Council Members or of a committee of Council Members authorised by the Council Members. The Council Members may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Council Member and by the secretary or by a second Council Member.

### **Minutes**

- 53 The Council Members must keep minutes of all:
- (1) appointments of officers made by the Council Members;
  - (2) proceedings at meetings of the Charity;
  - (3) meetings of the Council Members and committees of Council Members including:
    - the names of the Council Members present at the meeting
    - the decisions made at the meetings; and
    - where appropriate the reasons for the decisions

### **Accounts**

- 54 (1) The Council Members must prepare for each financial year accounts as required by section 226 (or, if applicable, section 227) of the Act. 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.
- (2) The Council Members must keep accounting records as required by sections 221 and 222 of the Act.

### **Annual report and Return and Register of Charities**

- 55 (1) The Council Members must comply with the requirements of the Charities Act 2011 with regard to:
- (a) the transmission of the statements of account to the Charity;
  - (b) the preparation of an annual report and its transmission to the Commission;
  - (c) the preparation of an annual return and its transmission to the Commission.
- (2) The Council Members must notify the Commission promptly of any changes to the Charity's entry on the Central Register of Charities.
- 56 The Council Members must comply with the requirements of the Housing and Regeneration Act 2008 with regard to the submission of statements of account and annual returns to the regulator.
- 57 Any notice to be given to or by any person pursuant to the articles:
- (1) must be in writing; or
  - (2) must be given using electronic communications.
- 58 (1) The Charity may give notice to a member either:
- (a) personally; or
  - (b) by sending it by post in a prepaid envelope addressed to the member at his or her address; or
  - (c) by leaving it at the address of the member; or
  - (d) by giving it using electronic communications to the member's address.
- (2) A member who does not register an address with the Charity or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Charity.
- 59 A member present in person at any meeting of the Charity shall be deemed to have received notice of the meeting and of the purposes for which it was called.

- 60 (1) Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- (2) Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.
- (3) A notice shall be deemed to be given:
- (a) 48 hours after the envelope containing it was posted; or
  - (b) in the case of an electronic communication, 48 hours after it was sent.

### **Indemnity**

- 61 The Charity may indemnify any Council Member, Auditor, Reporting Accountant or other officer of the Charity against any liability incurred by him or her in that capacity to the extent permitted by sections 232 to 234 of the Act.

### **Rules**

- 62 (1) The Council Members 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 Charity.
- (2) The bye laws may regulate the following matters but are not restricted to them:
- (a) the admission of members of the Charity (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;
  - (b) the conduct of members of the Charity in relation to one another, and to the Charity's employees and volunteers;
  - (c) the setting aside of the whole or any part or parts of the Charity's premises at any particular time or times or for any particular purpose or purposes;
  - (d) the procedure at general meetings and meetings of the Council Members in so far as such procedure is not regulated by the Act or by these Articles;
  - (e) generally, all such matters as are commonly the subject matter of company rules.
- (3) The Charity in general meeting has the power to alter, add to or repeal the rules or bye laws.
- (4) The Council Members must adopt such means as they think sufficient to bring the rules and bye laws to the notice of members of the Charity.
- (5) The rules or bye laws shall be binding on all members of the Charity. No rule or bye law shall be inconsistent with, or shall affect or repeal anything contained in, the memorandum or the articles.