

Memorandum and Articles
of Association

of

Steadings Community Management Trust

COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL

THE COMPANIES ACT 2006

As amended by special resolution on 25th March 2022

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Ref: 44043.0004

COMPANY NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

Steadings Community Management Trust

PART A. INTRODUCTION

1 INTERPRETATION

1.1 In 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 and any statutory modification or re-enactment thereof for the time being in force
“Area of Benefit”	means the area of the Development known as the Steadings as delineated on the plan attached as Appendix 1 and the surrounding area
“the Articles”	means these Articles of Association of the Company
“the Board”	means the board of Directors of the Company and (where appropriate) includes a Committee and the Directors acting by written resolution
“Board Meeting”	means a meeting of the Board
“Business Day”	means any day other than a Saturday, Sunday, bank holiday or public holiday
“Chair”	means (subject to the context) either the person elected as chair of the Company under Article 27 or where the chair of the Company is not present or has not taken the chair at a meeting means the person who is chairing a Board Meeting or General Meeting at the time
“the Company”	means the company intended to be regulated by the Articles
“Charity Commission”	means the Charity Commission for England and Wales
“Clear Days”	in relation to a period of notice means the period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

“Committee”	means a committee of the Board exercising powers delegated to it by the Board
“Companies House”	means the office of the Registrar of Companies
“Community Charge”	means a charge payable to the Company in relation to services provided by the Company (referred to as the “Estate Rentcharge Scheme” within the S106 Agreement)
“the Developer”	means Bathurst Development Limited a company registered with number 08527773 at the Bathurst Estate Office, Cirencester Park, Cirencester, Gloucestershire, GL7 2BU
“the Development”	means the Steadings development subject to the S106 Agreement
“Director”	means any director of the Company who is appointed under Article 19
“the District Council”	means Cotswold District Council of Trinity Road, Cirencester, GL7 1PX or such other body as may succeed to its functions or any statutory successors.
“Dwelling”	means a residential unit, the ownership of which creates an obligation to pay a Community Charge
“General Meeting”	means a meeting of Members
“including”	means “including without limitation” and “include” and “includes” are to be construed accordingly
“Management Group Sub Committee”	means the committee set up under Article 28.2, the terms of reference for which are appended to the Articles as Appendix 2 but which may be varied by the Board by means of a Special Decision, and CDC will have the right to appoint two members of such committee at any time. This right shall apply in addition to a Director appointed by CDC under Article 19.3.2 if the Director is a member of the committee.
“Member”	means a member for the time being of the Company who is admitted under Article 6
“the Memorandum”	means the Memorandum of Association of the Company
“Non-Resident Owner”	means an owner of a Dwelling who does not live in it
“the Objects”	means the objects of the Company set out in Article 3
“Observers”	means those persons (other than Directors) present

under Article 29 at a Board Meeting

“Occupation”	means the beneficial occupation (excluding squatters and trespassers) of any building comprising part of the Development for its designated planning use but for the avoidance of doubt shall not include occupation or occupants who occupy for the purposes of construction, fitting out, decoration, commissioning, advertising, marketing, security, display, management of the Area of Benefit or parking relating to those purposes and “Occupy” “Occupiers” “Occupancy” and “Occupied” shall be construed accordingly
“Ordinary Decision”	means decisions of the Board that are not Special Decisions nor required to be passed as a special resolution under the Act
“Phase 1”	means the phase until the 100 th Dwelling is in Occupation
“Phase 2”	means the phase between Occupation of the 101 st Dwelling until the 1000 th Dwelling is in Occupation
“Phase 3”	means the phase between Occupation of the 1001 st Dwelling until the 1800 th Dwelling is in Occupation
“Phase 4”	means the phase after the 1801 st Dwelling is in Occupation
“Registered Office”	means the registered office of the Company
“Registered Providers”	means the registered providers for social housing in the Area of Benefit
“Resident”	means a person who occupies a Dwelling within the Area of Benefit
“Secretary”	means the secretary of the Company including a joint, assistant or deputy secretary
“Section 106 Agreement”	means the agreement under s.106 of the Planning Act dated 3 rd April 2019.
“Senior Officers”	means the lead officer for the Company and such other positions as the Board may designate as such
“Special Decisions”	decisions on the following matters, where defined terms have the same meaning as in the S106 Agreement: <ol style="list-style-type: none"> 1) the Company’s consultation response on the proposed specification and layout of the “Community Centre” building(s) 2) whether to accept transfer of the completed “Community Centre” building(s) 3) the Company’s consultation response on the

proposed specification and layout of the “Temporary Meeting Space and Temporary Community Coffee Bar Scheme - Option 2” building(s) (if triggered)

4) whether to accept transfer of the completed “Temporary Meeting Space and Temporary Community Coffee Bar Scheme - Option 2” building(s) (if triggered)

5) allocating the £100k “Community Development Initiatives Contribution”

6) allocating the £100k “Public Art and Cultural Initiatives Contribution”

7) which “Endowment Asset” to select from the “CMT Endowment Scheme”

8) the Company’s consultation response on the proposed specification and layout of the selected “Endowment Asset”

9) how best to use the £200k “CMT Establishment Sum”

10) whether the Company Board should agree/support any future proposals from the Developer for changes to the Endowment Scheme and/or to the Business Plan, prior to such proposals being submitted to the District Council for approval

11) the membership of the Management Sub Committee

12) any amendment to the terms of reference of the Management Sub Committee

13) any proposal that the responsibility for the whole or a substantive part of the work of the Company in maintenance and management of the Development be transferred to a third party

“the Town Council”	means Cirencester Town Council of Bingham House, 1 Dyer Street, Cirencester, GL7 2PP
“United Kingdom”	means Great Britain and Northern Ireland
“VCF”	means the voluntary, community or faith sector
“Vice-Chair”	means a person elected as a Vice-Chair of the Company under Article 27
“Working Party”	means a body established by the Board to make recommendations to the Board but without decision-making powers

1.2 In the Articles:

1.2.1 terms defined in the Act are to have the same meaning;

1.2.2 references to the singular include the plural and vice-versa and to the masculine include the feminine and neuter and vice-versa;

1.2.3 references to “organisations” or “persons” include corporate bodies, public bodies, unincorporated associations and partnerships;

1.2.4 references to legislation, regulations, determinations and directions include all amendments, replacements or re-enactments and references to legislation (where appropriate) include all regulations, determinations and directions made or given under it;

1.2.5 references to articles are to those within the Articles; and

1.2.6 headings are not to affect the interpretation of the Articles.

1.3 For the avoidance of doubt the system of law governing the Memorandum and the Articles is the law of England and Wales.

1.4 None of the model articles in the Companies (Model Articles) Regulations 2008 apply to the Company.

2 NAME

The name of the Company is Steadings Community Management Trust.

3 OBJECTS

The Company's Objects are specifically restricted to the following:

3.1 to promote the benefit of the residents of the Steadings and surrounding areas without distinction of sex, sexual orientation, race, or of political, religious, or other opinions by associating together with the said residents, the local authorities, voluntary, and other organisations, with a common effort to:

3.1.1 to provide and maintain accessible green open spaces;

3.1.2 to promote the conservation, protection, management maintenance and improvement of the physical and natural environment;

3.1.3 to provide facilities in the interest of social welfare for education, recreation, mental and physical health and well-being and leisure time occupation with the object of improving the conditions of life for the said inhabitants; and

3.2 the advancement of community development and citizenship for the public benefit in the Steadings and surrounding areas, by the promotion of good citizenship and volunteering by encouraging local people to take an active interest in the civic, cultural and social welfare of the community.

4 POWERS

The Company may do anything that a natural or corporate person can lawfully do which is not expressly prohibited by the Articles in order to further the Objects (but not otherwise) and in particular it has powers:

Staff and Volunteers

4.1 to employ staff or engage consultants and advisers on such terms as the Board

thinks fit and to provide pensions to staff, their relatives and dependants;

- 4.2 to recruit or assist in recruiting and managing voluntary workers, including paying their reasonable expenses;

Property

- 4.3 to purchase, lease, exchange, hire or otherwise acquire any real or personal property rights or privileges (including shared or contingent interests);
- 4.4 to construct, alter, improve, convert, maintain, equip, furnish and/or demolish any buildings, structures or property;
- 4.5 to sell, lease, license, exchange, dispose of or otherwise deal with property (subject to the restrictions in the Charities Act 2011);
- 4.6 to provide accommodation for any other charitable organisation on such terms as the Board decides (including rent-free or at nominal or non-commercial rents) subject to the restrictions in the Charities Act 2011;

Borrowing

- 4.7 to borrow and give security for loans;

Grants and Loans

- 4.8 to make grants, donations or loans, to give guarantees and to give security for those guarantees (subject to the restrictions in the Charities Act 2011);

Fund Raising

- 4.9 to raise funds, to invite and receive contributions;

Trading

- 4.10 to trade in the course of carrying out the Objects and to charge for services;

Publicity

- 4.11 to hold, conduct or promote meetings, conferences, lectures, exhibitions or training courses and to disseminate information to publicise the work of the Company and other organisations operating in similar fields;
- 4.12 to promote or carry out research and publish the results of it;

Contracts

- 4.13 to co-operate with and enter into contracts with any person;

Bank or building society accounts

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

Investments

4.15 to:-

4.15.1 deposit or invest funds;

4.15.2 employ a professional fund-manager; and

4.15.3 arrange for the investments or other property of the Company to be held in the name of a nominee

in the same manner and subject to the same conditions as trustees of a trust are permitted to do by the Trustee Act 2000.

Insurance

4.16 to insure the assets of the Company to such amount and on such terms as the Board decides, to pay premiums out of income or capital and to use any insurance proceeds as the Board decides (without necessarily having to restore the asset);

4.17 to insure and to indemnify the Company's employees and voluntary workers from and against all risks incurred in the proper performance of their duties;

4.18 to take out insurance to protect the Company and those who use premises owned by or let or hired to the Company;

4.19 to provide indemnity insurance for the Directors in accordance with, and subject to the conditions in, section 189 of the Charities Act 2011;

Other Organisations

4.20 to establish, promote, assist or support (financially or otherwise) any trusts, companies, community benefit societies, associations or institutions which have purposes which include the Objects or to carry on any other relevant charitable purposes;

4.21 to co-operate or join with any Company, voluntary body or public or statutory authority or any other organisation in any location whatsoever in furthering the Objects or allied charitable purposes, to exchange information and advice and to undertake joint activities with them;

4.22 to amalgamate with any Company which has objects similar to the Objects;

4.23 to undertake and execute any charitable trusts;

4.24 to affiliate, register, subscribe to or join any organisation;

4.25 to act as agent or trustee for any organisation;

Reserves

4.26 to accumulate income in order to set aside funds for special purposes or as reserves against future expenditure;

Formation expenses

- 4.27 to pay the costs of forming the Company and of complying with all relevant registration requirements; and

General

- 4.28 to do anything else within the law which is incidental and conducive to the Objects.

5 APPLICATION OF FUNDS

5.1 General

The income and property of the Company must be applied solely towards promoting the Objects and (except to the extent authorised by this Article 5):

- 5.1.1 no part may be paid or transferred directly or indirectly by dividend bonus or profit to a Member; and
- 5.1.2 a Director may not directly or indirectly receive any payment of money or benefit from the Company.

5.2 Benefits to Members

Notwithstanding Article 5.1, the Company may make the following payments or grant the following benefits to Members:

Interest and Rent

- 5.2.1 reasonable and proper interest on money lent by any Member to the Company;
- 5.2.2 reasonable rent, service charges or other payments properly payable under the provisions of any lease, agreement for lease or licence in respect of premises let by any Member to the Company or a reasonable hiring fee for premises hired by any Member to the Company;

Supply of Goods or Services

- 5.2.3 reasonable payments to a Member in return for goods and/or services supplied to the Company pursuant to a contract;

Out of Pocket Expenses

- 5.2.4 reasonable and proper out of pocket expenses to Members who are engaged by the Company as volunteers in the work of the Company and which are actually incurred by them in carrying out their work as volunteers; and

Benefits to Members

- 5.2.5 the grant of a benefit to a Member who is a beneficiary of the Company in the furtherance of the Objects.

5.3 Benefits to Directors

Notwithstanding Article 5.1, the Company may make the following payments or grant the following benefits to Directors:

Out of pocket expenses

5.3.1 the reimbursement of reasonable and proper out-of-pocket expenses (including travel and dependants' care costs) actually incurred in enabling them to carry out their duties as Directors;

5.3.2 reasonable and proper out of pocket expenses to those Directors who are engaged by the Company as volunteers in the work of the Company and which are actually incurred by them in carrying out their work as volunteers;

Indemnity

5.3.3 an indemnity in respect of any liabilities properly incurred in running the Company (including the costs of a successful defence to criminal proceedings);

5.3.4 the benefit of indemnity insurance under Article 4.19;

Fees to companies in which Directors have negligible interests

5.3.5 a payment to a company in which a Director has no more than a 1% shareholding;

Interest and Rent

5.3.6 reasonable and proper interest on money lent by any Director to the Company;

5.3.7 reasonable rent, service charges or other payments properly payable under the provisions of any lease, agreement for lease or licence in respect of premises let by any Director to the Company or a reasonable hiring fee for premises hired by any Director to the Company;

Beneficiaries

5.3.8 benefits provided in furtherance of the Objects to Directors who are beneficiaries of the Company where those benefits are the same as or similar to benefits provided to other beneficiaries;

Employment/Supply of Goods and Services

5.3.9 payments to a Director who is employed by the Company or who enters into a contract for the supply of goods or services to the Company (other than for acting as a Director) provided that:

5.3.9.1 the remuneration or other sums paid to the Director do not exceed an amount that is reasonable in all the circumstances;

5.3.9.2 the Director is absent from the part of any meeting at which there is a discussion of his employment or remuneration or any matter

concerning the contract, his performance in the employment or his performance of the contract, any proposal to enter into any other contract or arrangement with him or to confer any benefit upon him and/or any other matter relating to payment or the conferring any benefit to him;

5.3.9.3 the Director does not vote on any such matter and is not counted when calculating whether a quorum of Directors is present at the meeting;

5.3.9.4 the other Directors are satisfied that it is in the interests of the Company to employ or to contract with the Director rather than with someone who is not a Director. In reaching that decision the Directors must balance the advantage of employing or contracting with a Director against the disadvantages of doing so (especially the loss of the Director's services as a result of dealing with the Director's conflict of interest);

5.3.9.5 the reason for the Directors' decision is recorded in the minutes of the Board meeting; and

5.3.9.6 at no time shall a majority of the Directors receive payment pursuant to this Article 5.3.9.

The employment or remuneration of a Director pursuant to this Article includes the engagement or remuneration of any firm or company in which the Director is a partner, an employee, a consultant, a director (except when he is not paid as a director) or a shareholder, unless the shares of the company are listed on a recognised stock exchange and the Director holds less than 1% of the issued capital; and

Exceptional Circumstances

5.3.10 other payments or benefits (approved in writing in advance by the Charity Commission) in exceptional cases.

5.4 The provisions in this Article 5 on the making of payments and the granting of benefits by the Company to Directors shall also extend to payments made to Directors by any other company in which the Company

5.4.1 holds more than 50% of the shares; or

5.4.2 controls more than 50% of the voting rights attached to the shares; or

5.4.3 has the right to appoint more than 50% of the directors to its board.

5.5 For the purposes of Article 5.3 a payment to or a benefit granted to a dependant relative or the spouse of the Director or any person living with the Director as his partner shall be deemed to be a payment to the Director and shall be permitted to the same extent that payments to or benefits granted to Directors are permitted.

5.6 Amendments

This Article may not be amended without the prior written consent of the Charity Commission.

PART B. COMPANY MEMBERSHIP

6 MEMBERS

The Members are:-

6.1 the subscribers to the Memorandum; and

6.2 others admitted to membership of the Company by the Board under the Articles.

7 ADMISSION OF MEMBERS

7.1 A person may not be admitted by the Board as a Member:-

7.1.1 unless he has signed a written application in such form as the Board may adopt to become a Member and paid any membership fee in such amount as the Board requires (though in the case of Residents and Non-Resident Owners the payment of the Community Charge shall be deemed to be payment of the management fee);

7.1.2 if he has ceased to be a Member by reason of his being removed as a Director under Article 21.1.9 or Article 21.1.11 or Article 21.1.12 or Article 21.1.13;

7.1.3 if he is in arrears of payments due to the Company by 90 days or more in respect of the Community Charge, service charge and/ or any other charges or sums owed to the Company;

7.1.4 if he is a Resident and there is already a Company Member that is a member of the same household;

7.1.5 unless he is aged 18 or over; or

7.1.6 if he would immediately cease to be a Member or, being also appointed as a Director, a Director under the Articles.

7.2 Subject to Article 7.1, all persons becoming Directors under Article 19.3 (save for those appointed as Directors under Articles 19.3.4) shall be deemed also appointed as Members.

7.3 Subject to Article 7.1, if a person is a Resident or a Non-Resident Owner and has signed a written application pursuant to Article 7.1.1 then the Board shall admit him as a Member.

7.4 The Board may, at its discretion, admit other persons or organisations in support of the Company's work as Members.

7.5 Membership is personal and not transferable.

8 TERMINATION OF MEMBERSHIP

A person will cease to be a Member:-

- 8.1 on delivering written notice of resignation to the Registered Office;
- 8.2 if he dies, or, being an organisation passes a resolution for winding up or otherwise ceases to exist;
- 8.3 if, having been a Resident on becoming a Company Member, he ceases to be a Resident (unless he is also a Director appointed under Articles 19.3.1 to 19.3.3);
- 8.4 if, having been a Non-Resident Owner on becoming a Company Member, he ceases to be a Non-Resident Owner (unless he is also a Director appointed under Articles 19.3.1 to 19.3.3);
- 8.5 if he became a Company Member by virtue of his appointment as a Director under Article 19.3, and ceases to hold office as a Director (unless he is also a Resident);
- 8.6 if, being a Resident and not being a Director, he is or becomes in arrears of payments due to the Company by 90 days or more in respect of Community Charge, service charge and/or any other charges or sums owed to the Company provided that he shall first have had reasonable opportunity to explain to the Board why he should not be removed; or
- 8.7 if, not being a Director, the Board resolves to terminate his membership due to his conduct being detrimental to the interests of the Company provided that he shall first have had reasonable opportunity to explain to the Board why he should not be removed.

9 LIABILITY OF MEMBERS

- 9.1 The liability of the Members is limited.
- 9.2 Every Member promises, if the Company is wound up whilst he is a Member or within one year after ceasing to be a Member, to contribute such amount as is required up to a maximum of £1 towards:
 - 9.2.1 winding up the Company;
 - 9.2.2 the payment of the debts and the payment of the costs, charges and expenses of liabilities incurred whilst the contributor was a Member; and
 - 9.2.3 the adjustment of the rights of the contributories among themselves.

PART C. GENERAL MEETINGS

10 GENERAL MEETINGS

10.1 The Company shall hold an Annual General Meeting each calendar year, to be held at such time and place as the Board decides subject to Article 11. The business of the Annual General Meeting shall be:

10.1.1 to (re-)appoint Directors (if necessary);

10.1.2 to receive the annual ' report of the Board;

10.1.3 to consider the accounts and the auditors' report;

10.1.4 to appoint the auditors (if necessary); and

10.1.5 to transact any other business specified in the notice convening the meeting

10.2 Any other meeting of the Members other than the Annual General Meeting shall be called a General Meeting. The Board may call a General Meeting at any time, to be held at such time and place as the Board decides subject to Article 11.

10.2 On receiving a requisition from the percentage of Members required under the Act the Board must promptly convene a General Meeting.

11 NOTICE OF GENERAL MEETINGS

11.1 Every General Meeting must be called by at least 14 Clear Days' notice.

11.2 A General Meeting may be called by shorter notice if this is agreed by a majority in number of the Members who may attend and vote and who together hold 90% or more of the total voting rights of all of the Members at the General Meeting.

11.3 The notice must specify:-

11.3.1 the time, date and place of the General Meeting;

11.3.2 if it is the Annual General Meeting, that it is such;

11.3.3 the general nature of the business to be transacted; and

11.3.4 if a special resolution is proposed, the fact that the proposed resolution is a special resolution and the wording of the resolution.

11.4 Subject to the Act no business may be transacted at a General Meeting except that specified in the notice convening the meeting.

11.5 Notice of a General Meeting must be given to all of the Members, the Directors and the Company's auditors (if any).

11.6 The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by, any person entitled to receive notice will not

invalidate the proceedings at that General Meeting.

12 QUORUM

- 12.1 No business may be transacted at a General Meeting unless a quorum is present.
- 12.2 The quorum for General Meetings is 5% or five of the Members for the time being, whichever is greater, present in person or by proxy always provided at least one person who is a Member by virtue of being appointed as a Director under Articles 19.3.1 to Articles 19.3.3 is present.
- 12.3 A Member may be part of the quorum at a General Meeting if he can hear, comment and vote on the proceedings through telephone, video conferencing or other communications equipment.
- 12.4 If a quorum is not present within 15 minutes from the time of the General Meeting or a quorum ceases to be present during a General Meeting it must be adjourned to such time and place as the Board decides.
- 12.5 If at the adjourned meeting there are again insufficient Members present within 15 minutes from the time of the adjourned General Meeting to constitute a quorum then those Members who are present (provided that they number at least three) shall constitute a quorum for the purpose of allowing any business of the adjourned meeting to be conducted.
- 12.6 Reasonable notice of an adjournment of a General Meeting because of a lack of quorum and the time and place of the adjourned General Meeting must be given to all Members.

13 CHAIR AT GENERAL MEETINGS

- 13.1 The Chair is to chair General Meetings.
- 13.2 If the Chair is not present within 15 minutes from the time of the General Meeting or is unwilling to act then the Vice-Chair, if any, must chair the General Meeting.
- 13.3 If neither the Chair nor the Vice-Chair, if any, is present and willing to act within 15 minutes from the time of the General Meeting, the Members present must choose one of their number to chair the General Meeting.

14 ADJOURNMENT OF GENERAL MEETINGS

- 14.1 The Chair may, with the consent of a General Meeting at which a quorum is present (and must if so directed by the General Meeting), adjourn it to a time and place agreed by the General Meeting.
- 14.2 The Chair may also adjourn a General Meeting if it appears to the Chair that for any other reason an adjournment is necessary for the business of the meeting to be properly conducted.
- 14.3 The only business that may be transacted at an adjourned General Meeting is that left unfinished from the General Meeting that was adjourned.

14.4 It is not necessary to give notice of a General Meeting which is adjourned under Article 14.1 or 14.2 unless it is adjourned for 30 days or more in which case 7 Clear Days' notice must be given.

14.5 Resolutions passed at an adjourned General Meeting are to be treated as having been passed on the date on which they were actually passed.

15 VOTING AT GENERAL MEETINGS

15.1 Resolutions at a General Meeting are to be decided on a show of hands unless a ballot is properly demanded.

15.2 Each Member present in person or by proxy has one vote both on a show of hands and a ballot.

15.3 If there is an equality of votes on a show of hands or a ballot the Chair is not entitled to a second or casting vote and resolutions which fail to achieve the required majority will be lost.

15.4 An objection to the qualification of any voter may only be raised at the General Meeting at which the vote objected to is tendered. Every vote not disallowed at the General Meeting is valid. An objection made in time must be referred to the Chair whose decision is final.

15.5 A declaration by the Chair that a resolution has been carried (or not carried) unanimously, or by a particular majority, which is entered into the minutes of the meeting is conclusive evidence of the fact unless a ballot is demanded.

15.6 No resolution of the Members, whether on a show of hands, a ballot, or by way of written special resolution, shall be passed unless a majority of those who are Members by virtue of being appointed as Directors under Articles 19.3.1 to Articles 19.3.3 vote in favour of the resolution.

16 BALLOTS

16.1 A ballot may be demanded by the Chair or by any two Members before or on the declaration of the result of a show of hands.

16.2 A demand for a ballot may be withdrawn before the ballot is taken. If the demand for a ballot is withdrawn the result of the show of hands will stand.

16.3 The demand for a ballot will not prevent the General Meeting continuing to transact business other than in relation to the question on which the ballot is demanded.

16.4 A ballot is to be taken as the Chair directs. The Chair may appoint scrutineers (who need not be Members) and set a time and place to declare the result. The result will be the resolution of the General Meeting at which the ballot was demanded but will be treated as passed when the result is declared.

16.5 A ballot on the election of a chair or an adjournment must be taken immediately. A ballot on any other question may be taken either immediately or at such time and place as the Chair directs.

- 16.6 At least 7 Clear Days' notice must be given of the time and place at which the ballot is to be taken unless the time and place are announced at the General Meeting at which it is demanded.

17 PROXIES

- 17.1 A Member may validly appoint a proxy by notice in writing which
- 17.1.1 states the name and address of the member appointing the proxy;
 - 17.1.2 identifies the person appointed to be that member's proxy and the General Meeting in relation to which that person is appointed;
 - 17.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - 17.1.4 is delivered to the Company in accordance with the articles and any instructions contained in the notice of the General Meeting to which they relate.
- 17.2 A proxy need not be a Member. The Board may from time to time prescribe a form to appoint a proxy by standing orders made under Article 38. A proxy may not appoint another proxy.
- 17.3 The document appointing a proxy may instruct the proxy which way to vote on particular resolutions.
- 17.4 A proxy will only be valid if the document appointing a proxy (and any power of attorney or other authority (if any) under which it is signed) or a properly certified copy is deposited at the Registered Office at least 24 hours before the starting time for the General Meeting or adjourned General Meeting at which the proxy proposes to vote.
- 17.5 No document appointing a proxy will be valid for more than 12 months.
- 17.6 A vote given or ballot demanded by proxy is to be valid despite:-
- 17.6.1 the revocation of the proxy; or
 - 17.6.2 the death or insanity of the principal
- unless written notice of the death, insanity or revocation is received at the Registered Office before the start of the General Meeting or adjourned General Meeting at which the proxy is used.
- 17.7 A proxy form will not be valid for any part of a General Meeting at which the Member who appointed the proxy is present.

18 MEMBERS' WRITTEN RESOLUTIONS

- 18.1 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:

- 18.1.1 a copy of the proposed resolution has been sent to every eligible Member;
 - 18.1.2 a simple majority (or in the case of a special resolution a majority of not less than 75%) of Members have signified their agreement to the resolution; and
 - 18.1.3 such agreement is contained in an authenticated document that has been received at the Registered Office within the period of 28 days beginning with the circulation date.
- 18.2 A resolution under Article 18.1 may consist of several documents in similar form each approved by one or more Members.

PART D. DIRECTORS

19 APPOINTMENT OF DIRECTORS

- 19.1 The first Directors shall be those named in the registration documents as sent to Companies House.
- 19.2 On or before the appointment of a person as a Director the person must confirm his consent to be appointed as a Director in whatever format the Board may require and provide the information necessary to register the person online at Companies House as a director. The appointment of any person as a Director, who has not complied with the requirements of this Article 19.2 within one month of appointment, is to lapse unless the Board resolves that there is good cause for the delay.
- 19.3 Subject to Article 19.4:
- 19.3.1 during Phase 1 and Phase 2, the Developer may appoint up to three persons as Directors. During Phase 3 the Developer may appoint up to four persons as Directors. During Phase 4 the Developer may appoint one person as a Director but, if the Developer declines to do so, then the Board may appoint one person as a Director for their skills or experience in business matters. In each case, the Developer shall appoint such persons by written notice to the Company;
- 19.3.2 the District Council may appoint one person as a Director. Such appointment shall be made in writing addressed to the Company Secretary at the Registered Office. The appointment of a such a Director shall be effective from the date it is delivered in accordance with Article 37. The District Council shall have one nominated Director on the Board at all times;
- 19.3.3 the Town Council may appoint one person as a Director. Such appointment shall be made in writing addressed to the Company Secretary at the Registered Office. The appointment of a such a Director shall be effective from the date when it is delivered in accordance with Article 37. The Town Council shall have one nominated Director on the Board at all times;
- 19.3.4 during Phase 2 and Phase 3, one Resident shall be appointed as a Director by the Board, following such open process of selection as the Board may determine. In Phase 4, this number shall rise to 4 Residents;
- 19.3.5 during Phase 3, the Board shall use reasonable endeavours to appoint one additional Director who may be either a Resident, a person with skills and experience in the VCF, or a person nominated by the Registered Provider, rising to two Directors with skills and experience in the VCF in Phase 4;
- 19.3.6 during Phase 4, the Board shall seek nominations from the Registered Providers so that they may nominate one person as a Director. Such nomination shall be made in writing to the Company. The appointment of a such a Director shall be effective when the Board confirms the nomination and the period of appointment. Should the Board refuse the nomination, then the Board shall provide reasons for the refusal to the Registered Providers and ask the Registered Providers to make a fresh nomination under this Article;

19.3.7 during Phase 4, the Board shall use reasonable endeavours to appoint up to two persons with skills or experience which in the reasonable opinion of the Board may assist the Company.

19.4 A person may not be appointed as a Director:

19.4.1 unless he is 18 or over; or

19.4.2 if he would immediately cease to hold office under the Articles.

19.5 During Phases 2 and 3, Directors who are Residents or nominated under Article 19.3.5:

19.5.1 must be serving on the Management Group Sub-Committee at the time of their appointment;

19.5.2 shall serve until the AGM following their appointment, where their re-appointment may be confirmed by the Company up to a maximum of three one-year terms.

19.6 Directors appointed under Article 19.3.2 and 19.3.3 shall continuously hold office until the first Board Meeting in Phase 4 unless they retire or are removed under Article 21. From the start of Phase 4 onwards, Article 19.7 shall apply to terms of office of Directors appointed under 19.3.2 and 19.3.3.

19.7 Subject to Article 19.5 and 19.6, each Director appointed under Article 19.3 is to hold office until the start of the first Board Meeting more than three years after his appointment but shall be eligible for reappointment in the same manner as set out in that Article up to a maximum of three terms.

20 OBLIGATIONS OF DIRECTORS

20.1 The Board must set out in writing the principal obligations of every Director to the Board and to the Company. The statement of Directors' obligations is not intended to be exhaustive and the Board may review and amend it from time to time.

20.2 The statement of the obligations of the Directors to the Company must include:-

20.2.1 a commitment to its values and objectives;

20.2.2 an obligation to contribute to and share responsibility for the Board's decisions;

20.2.3 an obligation to read Board papers and to attend meetings, training sessions and other relevant events;

20.2.4 an obligation to declare relevant interests;

20.2.5 an obligation (subject to any overriding legally binding requirement to the contrary) to keep confidential the affairs of the Board;

20.2.6 an obligation to comply with statutory and fiduciary duties, including:-

20.2.6.1 to act in the best interests of the Company;

- 20.2.6.2 to declare any interests a Director may have in matters to be discussed at Board meetings and not put himself in a position where his personal interest or a duty owed to another conflicts with the duties owed to the Company;
- 20.2.6.3 to secure the proper and effective use of the Company's property;
- 20.2.6.4 to act personally;
- 20.2.6.5 to act within the scope of any authority given;
- 20.2.6.6 to use the proper degree of skill and care when making decisions particularly when investing funds; and
- 20.2.6.7 to act in accordance with the Articles; and

20.2.7 a reference to obligations under the general law.

- 20.3 A Director must sign and deliver to the Board a statement confirming he will meet his obligations to the Board and to the Company within one month of his appointment.

21 RETIREMENT AND REMOVAL OF DIRECTORS

- 21.1 A Director will cease to hold office if he:-

- 21.1.1 dies;
- 21.1.2 is removed by the body which appointed or nominated him in accordance with Article 19.3;
- 21.1.3 being a Resident appointed as a Director in accordance with Article 19.3 ceases to be a Resident and/or a Member;
- 21.1.4 at the end of Phase 3, is a Director appointed by the Developer and is not appointed by the Developer as the single Director who may be so appointed in Phase 4;
- 21.1.5 ceases to be a director under the Act, is prohibited by law from being Director or is disqualified from acting as a charity trustee under the Charities Act 2011;
- 21.1.6 in the reasonable opinion of the Board, becomes incapable of fulfilling his duties and responsibilities as a Director because of illness or injury and the Board resolves that he be removed as a Director;
- 21.1.7 is declared bankrupt or makes any arrangement or composition with his creditors;
- 21.1.8 is in the opinion of the Board guilty of conduct detrimental to the interests of the Company and the Board resolves by a 75% majority of the Directors present and voting at a properly convened Board Meeting that he should be removed provided that the Director concerned has first been given an

opportunity to put his case and to justify why he should not be removed as a Director;

21.1.9 if he is or becomes in arrears of payments due to the Company by 90 days or more in respect of Community Charge, service charge and/or any other charges or sums owed to the Company provided that he shall first have had reasonable opportunity to explain to the Board why he should not be removed;

21.1.10 resigns by written notice to the Company at the Registered Office;

21.1.11 is absent without good reason from three consecutive Board Meetings held no more frequently than once per month and the Board resolves (by a 75% majority of the Directors present and voting at a properly convened Board Meeting) that he should cease to be a Director;

21.1.12 fails to sign a statement of his obligations under Article 20 within one month of his appointment and the Board resolves that he be removed;

21.1.13 subject to Article 19.6, his term of office comes to an end and he is not re-appointed in accordance with Article 19.

22 CONFLICTS OF INTEREST AND BOARD MEMBER CONDUCT

22.1 Declaration of interests

22.1.1 If a Director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other Directors.

22.1.2 In accordance with the Act, the declaration may be made at a Board Meeting or by written notice.

22.1.3 If a declaration of interest proves to be or becomes inaccurate or incomplete a further declaration must be made.

22.1.4 Any required declaration of interest must be made before the Company enters into the transaction or arrangement.

22.1.5 A declaration is not required in relation to an interest of which the Director or is not aware or where the Director is not aware of the transaction or arrangement in question. For this purpose a Director is treated as being aware of matters of which he ought reasonably to be aware.

22.1.6 A Director need not declare an interest:-

22.1.6.1 if it cannot reasonably be regarded as likely to give rise to a conflict of interests; or

22.1.6.2 if, and to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as being aware of anything of which they ought reasonably to be aware).

22.1.6.3 where he is appointed by the Town Council, the District Council

or the Developer, in any transaction or arrangement with the appointing body in which the Director does not have an interest otherwise than as a director or as an employee of the relevant body provided the transaction or arrangement does not confer a personal benefit on the Director, and in such circumstances the Director concerned will be deemed not to have an interest for the purposes of the Acts and these Articles.

22.2 Authorisation of direct conflicts of interest

A Director may enter into a transaction or arrangement with the Company only if and to the extent that such an arrangement is authorised by Article 5.

22.3 Authorisation of indirect conflicts of interest

22.3.1 Save where the interest is one that does not need to be declared under Article 22.1.6 where, for whatever reason, a Director has any form of indirect interest in relation to a transaction or arrangement with the Company (which shall include a conflict of duty) and the transaction or arrangement is not authorised by virtue of any other provision in the Articles then it may be authorised by those Directors not having a conflict provided that:-

22.3.1.1 the Director with the conflict (and any other interested Director) is not counted when considering whether or not there is a valid quorum for that part of the meeting and does not vote in relation to the matter giving rise to the conflict; and

22.3.1.2 the Directors who do not have a conflict in relation to the matter in question consider it is in the best interests of the Company to authorise the transaction.

22.3.2 The Directors who do not have a conflict in relation to the matter in question may, in their absolute discretion, determine that the Director with the conflict and/or any other interested Director should absent himself from the part of the meeting at which there is discussion concerning the transaction or arrangement giving rise to the conflict.

22.4 Complaints about conduct

22.4.1 If the Chair receives a written complaint identifying the complainant and alleging conduct by a Director that in his reasonable opinion is detrimental to the interests of the Company and in his opinion suggests that there is a prima facie case for the complaint to be investigated in accordance with the provisions of this Article he may suspend the Director concerned.

22.4.2 Conduct detrimental to the interests of the Company includes:

22.4.2.1 any breach of a Director's obligations as set out in the statement of obligations of Directors signed by him under Article 20 or otherwise; and

22.4.2.2 conviction of any offence which has or is likely to bring the Company into disrepute.

- 22.4.3 Where the Chair is absent or unable or unwilling to act in relation to the complaint or the complaint is about the Chair then the Vice Chair may exercise the power to suspend the Chair or a Director under Article 22.4.1 in the same circumstances as the Chair.
- 22.4.4 The Director whose conduct is complained of must immediately be notified in writing either by the Secretary (if any) or by the Chair or the Vice Chair of the complaint and of any suspension which if exercised under Article 22.4.1 or Article 22.4.3 will be effective from the date of the notice. During the period of any suspension the Director must not:
- 22.4.4.1 participate in a Board Meeting;
 - 22.4.4.2 authorise or incur expenditure on behalf of the Company;
 - 22.4.4.3 make use of any property belonging to or in use by the Company in his capacity as a Director;
 - 22.4.4.4 hold himself out as a Director of the Company; or
 - 22.4.4.5 seek to commit the Company to any obligation.
- 22.4.5 On receipt of a complaint under Article 22.4.1 the Chair or the Vice Chair must immediately refer the matter for a fair process of investigation, which may be carried out by a panel established for the purpose, an independent person or persons, or such other body as the Chair or Vice Chair acting reasonably shall appoint, including under such procedure for dealing with complaints as the Board may from time to time approve.

PART E. BOARD MEETINGS

23 FUNCTIONS OF THE BOARD

The Board must direct the Company's affairs in such a way as to promote the Objects. The Board's functions include:-

- 23.1 defining and ensuring compliance with the values and objectives of the Company;
- 23.2 establishing policies and plans to achieve those objectives;
- 23.3 approving each year's budget and accounts before publication;
- 23.4 establishing and overseeing a framework of delegation of its powers to Committees and Working Parties (under Article 28) and employees with proper systems of control;
- 23.5 monitoring the Company's performance in relation to its plans budget controls and decisions;
- 23.6 appointing (and if necessary removing) Senior Officers;
- 23.7 satisfying itself that the Company's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
- 23.8 ensuring that appropriate advice is taken on the items listed in Articles 23.1 to 23.7 and in particular on matters of legal compliance and financial viability.

24 POWERS OF THE BOARD

- 24.1 Subject to the Act and the Articles, the business of the Company is to be managed by the Board who may exercise all of the powers of the Company.
- 24.2 An alteration to the Articles does not invalidate earlier acts of the Board which would have been valid without the alteration.

25 BOARD MEETINGS

- 25.1 Subject to the Articles, the Board may regulate Board Meetings as it wishes.
- 25.2 Board Meetings may be called by any Director or the Secretary (if appointed).
- 25.3 7 days' notice of Board Meetings must be given to each of the Directors but it is not necessary to give notice of a Board Meeting to a Director who is out of the United Kingdom, save where the Board Meeting is to consider a Special Decision, where the notice for Board Meetings must be 14 days.
- 25.4 A Board Meeting which is called on shorter notice than required under Article 25.3 is deemed to have been duly called if at least two Directors certify in writing that because of special circumstances it ought to be called as a matter of urgency.

- 25.5 Matters arising at a Board Meeting are to be decided by a simple majority of votes and each Director is to have one vote.
- 25.6 During Phases 1 to 3, if there is an equality of votes the Chair is entitled to a second or casting vote.
- 25.7 In relation to Special Decisions, in order for a resolution to be passed, a 75% majority of the eligible votes, including any casting vote, is required. The following majorities shall apply depending on the number of votes cast:
 - 25.7.1 where three votes are cast, all votes must be in favour with no votes against;
 - 25.7.2 where four votes are cast, at least three votes must be in favour with no more than one vote against;
 - 25.7.3 where five votes are cast, at least four votes must be in favour with no more than one vote against;
 - 25.7.4 where six votes are cast, at least five votes must be in favour with no more than one vote against;
 - 25.7.5 where seven votes are cast, at least six votes must be in favour with no more than one vote against;
 - 25.7.6 where eight votes are cast, at least six votes must be in favour with no more than two votes against;
 - 25.7.7 where nine votes are cast, at least seven votes must be in favour with no more than two votes against.
- 25.8 A technical defect in the appointment of a Director or in the delegation of powers to a Committee of which the Board is unaware at the time does not invalidate decisions taken in good faith.

26 QUORUM FOR BOARD MEETINGS

- 26.1 During Phase 1:
 - 26.1.1 the quorum for an Ordinary Decision is three Directors;
 - 26.1.2 the quorum for a Special Decision is that all Directors eligible to vote must be present, and the number of eligible Directors to vote must not be less than three.
- 26.2 During Phase 2:
 - 26.2.1 the quorum for an Ordinary Decision is four Directors;
 - 26.2.2 the quorum for a Special Decision is that all Directors eligible to vote must be present, and the number of eligible Directors to vote must not be less than three.
- 26.3 During Phase 3
 - 26.3.1 the quorum for an Ordinary Decision is five Directors;
 - 26.3.2 the quorum for a Special Decision is that all Directors eligible to vote must be present, and the number of eligible Directors to vote must not be less than four.

- 26.4 During Phase 4, the quorum for Board Meetings is 50% of the Directors for the time being.
- 26.5 A Director may be part of the quorum at a Board Meeting if he can hear comment and vote on the proceedings through telephone, video conferencing or other communications equipment.
- 26.6 The Board may act despite vacancies in its number but if the number of Directors is less than five then the Board may act only to admit Members under Article 19.
- 26.7 At a Board Meeting which remains inquorate for 15 minutes after its starting time or one which becomes inquorate for more than 15 minutes the Directors present may act only to:
 - 26.7.1 adjourn it to such other time and place as they decide; or
 - 26.7.2 call a General Meeting; or
 - 26.7.3 seek the appointment of Directors in accordance with Article 19.
- 26.8 If at the adjourned Board Meeting there are again insufficient Directors present within 15 minutes from the time of the adjourned Board Meeting to constitute a quorum then the Board Meeting shall be dissolved.

27 CHAIR AND VICE-CHAIR

- 27.1 The Company must have a Chair and a Vice-Chair. During Phase 4, the Board may appoint any Director to act as Chair or Vice Chair and shall decide their period of office. During Phases 1 to 3:
 - 27.1.1 the Developer may appoint one of the Directors it has appointed to act as Chair; and
 - 27.1.2 the Board may appoint one of the Directors nominated by the Town Council or the District Council as Vice Chair.
- 27.2 Where there is no Chair the first item of business at a Board Meeting must be to elect a Chair in accordance with Article 27.1.
- 27.3 The Chair and the Vice-Chair, if any, may be removed only at a Board Meeting called for the purpose at which a resolution with a majority in favour is passed. The Chair or the Vice-Chair (as the case may be) must be given an opportunity to say why he should not be removed.
- 27.4 The Chair is to chair all Board Meetings and General Meetings at which he is present unless he does not wish or is not able to do so.
- 27.5 If the Chair is not present within 5 minutes after the starting time of a Board Meeting, or is unwilling or unable to chair a Board Meeting, then the Vice-Chair, if any, must chair the Board Meeting unless he is unwilling or unable to do so.
- 27.6 If both the Chair and the Vice-Chair, if any, are not present within 5 minutes after the starting time of a Board Meeting or both are unwilling or unable to chair the

meeting then the Board must elect one of the Directors who is present to chair the Board Meeting.

27.7 The functions of the Chair are:

27.7.1 to ensure that Board Meetings and General Meetings are conducted efficiently;

27.7.2 to give all Directors an opportunity to express their views;

27.7.3 to establish a constructive working relationship with and to provide support for the employees;

27.7.4 where necessary (and in conjunction with the other Directors) to ensure that, where the post of any employee is or is due to become vacant, a replacement is found in a timely and orderly fashion;

27.7.5 to encourage the Board to delegate sufficient authority to its Committees to enable the business of the Company to be carried on effectively between Board Meetings;

27.7.6 to ensure that the Board monitors the use of delegated powers; and

27.7.7 to encourage the Board to take professional advice when it is needed and particularly before considering the dismissal of an employee.

27.8 The role of the Vice-Chair, if any, is to deputise for the Chair during any period of his absence and, for that period, his functions shall be the same as those of the Chair.

28 COMMITTEES AND WORKING PARTIES

28.1 The Board may:

28.1.1 establish Committees consisting of those persons whom the Board decide;

28.1.2 delegate to a Committee any of its powers save for the making of any Special Decision, which shall be reserved to the Board; and

28.1.3 revoke a delegation at any time and reverse any decision made under powers delegated pursuant to this Article.

28.2 The Board shall establish a Management Group Sub-Committee prior to Occupation of the first Dwelling with terms of reference defined by the Board.

28.3 The Board may establish Working Parties consisting of those persons whom the Board decide. A Working Party may not take decisions on behalf of the Board but may consider issues in depth with a view to making recommendations to the Board.

28.4 The members of a Committee or a Working Party are to be appointed by the Board but the Board may give a Committee or a Working Party the right to co-opt individuals to its membership. The Board is to determine the chair of each Committee or Working Party.

- 28.5 Each member of a Committee or Working Party (including the chair) is to hold office from the date of his appointment until the term of office for which he has been appointed expires or until he resigns or is removed by the Board from the Committee or Working Party.
- 28.6 The Board must determine the quorum for each Committee and Working Party it establishes.
- 28.7 The Board must specify the financial limits within which any Committee may function. A Working Party can have no authority to incur expenditure.
- 28.8 Every Committee or Working Party must report its proceedings and decisions to the Board as the Board determines.

29 OBSERVERS

- 29.1 Subject to Article 29.4, the Board may allow individuals who are not Directors to attend Board Meetings as Observers on whatever terms the Board decides.
- 29.2 Observers may not vote but may take part in discussions with the prior consent of the Chair.
- 29.3 The Board may exclude Observers from any part of a Board Meeting where the Board considers the business is private.
- 29.4 The Board must exclude an Observer from any Board Meeting at which a possible personal benefit to him is being considered.

30 DIRECTORS' WRITTEN RESOLUTIONS

- 30.1 A written resolution approved by all of the Directors entitled to receive notice of a Board Meeting (provided they would constitute a quorum at a Board Meeting) is as valid as if it had been passed at a Board Meeting.
- 30.2 A written resolution approved by a simple majority of the members of a Committee (provided they would constitute a quorum of that Committee) is as valid as if it had been passed at a meeting of that Committee.
- 30.3 A resolution under Articles 30.1 or 30.2 may consist of several documents in similar form each approved by one or more of the Directors or Committee Members.

PART F. OFFICERS

31 THE SECRETARY

- 31.1 The Board may decide whether or not a Secretary is appointed.
- 31.2 Where appointed, a Secretary may be removed by the Board at any time.
- 31.3 If a Director is appointed as Secretary he may not receive any remuneration for acting in that capacity.

32 INDEMNITIES FOR OFFICERS AND EMPLOYEES

- 32.1 The Company may indemnify any officer or employee (other than a Director) against any liability incurred by him in his capacity as such except when that liability is due to his own dishonesty or gross negligence.
- 32.2 Subject to the Act (in particular sections 232-238 or any section of any other statute amending or replacing sections 232-238) and Article 32.3, the Company may indemnify any Director against any liability incurred by him in his capacity as such.
- 32.3 The indemnity provided to a Director in accordance with Article 32.2 may not include any indemnity against liability:
 - 32.3.1 to the Company or a company associated with it;
 - 32.3.2 for fines or penalties; or
 - 32.3.3 incurred as a result of his unsuccessful defence of criminal or civil proceedings.
- 32.4 The indemnity provided to a Director in accordance with Article 32.2 may include the provision of funds to cover his legal costs as they fall due on terms that the Director in question will repay the funds if he is unsuccessful in his defence of the criminal or civil proceedings to which these costs relate
- 32.5 In respect to its auditor the Company may:
 - 32.5.1 purchase and maintain insurance for his benefit against any liability incurred by him in his capacity as such; and
 - 32.5.2 indemnify him against any liability incurred in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under Section 1157 of the Act or any section of any other statute amending or replacing Section 1157 in which relief is granted to him by the Court.

PART G. STATUTORY AND MISCELLANEOUS

33 MINUTES

- 33.1 The Board must arrange for minutes to be kept of all General Meetings and Board Meetings. The names of the Directors present must be included in the minutes.
- 33.2 Copies of the draft minutes of Board Meetings must be distributed to the Directors as soon as reasonably possible after the meeting and in any case seven days before the next Board Meeting (unless the next Board Meeting is an urgent Board Meeting).
- 33.3 Minutes must be approved as a correct record at the next General Meeting (as regards minutes of General Meetings) or Board Meeting (as regards minutes of Board Meetings). Once approved they must be signed by the person chairing the meeting at which they are approved.
- 33.4 The Board must keep minutes of all of the appointments made by the Board.

34 ACCOUNTS, ANNUAL RETURN AND CONFIRMATION STATEMENT

- 34.1 The Company must comply with the Charities Act 2011 and the Directors must comply with their obligations as charity trustees under the Charities Act 2011 including preparing and filing an annual return, an annual Directors' report and annual accounts with the Charity Commission.
- 34.2 The Company must comply with the Act and the Directors must comply with their obligations as company directors under the Act including preparing and filing the annual accounts and annual confirmation statement with the Registrar of Companies.
- 34.3 The Company must comply with the Act in relation to the audit or examination of accounts (to the extent that the law requires).
- 34.4 The annual Directors' report and accounts must contain:
 - 34.4.1 revenue accounts and balance sheet for the last accounting period;
 - 34.4.2 the auditor's report on those accounts (if applicable); and
 - 34.4.3 the Board's report on the affairs of the Company.
- 34.5 The accounting records of the Company must always be open to inspection by a Director.

35 BANK AND BUILDING SOCIETY ACCOUNTS

- 35.1 All bank and building society accounts must be controlled by the Board and must include the name of the Company.
- 35.2 A cheque or order for the payment of money must be signed in accordance with the

Board's instructions.

36 EXECUTION OF DOCUMENTS

Unless the Board decides otherwise, documents which are executed as deeds must be signed by:

- 36.1 two Directors;
- 36.2 one Director and the Secretary (where appointed); or
- 36.3 one Director in the presence of a witness who attests the Director's signature.

37 NOTICES

- 37.1 Except for notices calling Board Meetings (which may be in writing but do not have to be) notices under the Articles must be in writing. In this Article writing includes facsimile transmission or email.
- 37.2 A Member present in person at a General Meeting is deemed to have received notice of the General Meeting and (where necessary) of the purposes for which it was called.
- 37.3 The Company may give a notice to a Member, Director or auditor either:
 - 37.3.1 personally;
 - 37.3.2 by sending it by post in a prepaid envelope;
 - 37.3.3 by facsimile transmission;
 - 37.3.4 by leaving it at his address; or
 - 37.3.5 by email.
- 37.4 Notices under Article 37.3.2 to 37.3.5 may be sent: -
 - 37.4.1 to an address in the United Kingdom which that person has given the Company;
 - 37.4.2 to the last known home or business address of the person to be served; or
 - 37.4.3 to that person's address in the Company's register of Members.
- 37.5 Proof that an envelope containing a notice was properly addressed prepaid and posted is conclusive evidence that the notice was given 48 hours after it was posted.
- 37.6 Proof that a facsimile transmission was made is conclusive evidence that the notice was given at the time stated on the transmission report.
- 37.7 A copy of the notification from the system used by the Company to send emails, that the email has been sent to the particular person, will be conclusive evidence that the notice was sent and such notice will be deemed to have been delivered 24 hours after it was sent.

37.8 A notice may be served on the Company by delivering it or sending it to the Registered Office.

37.9 The Board may make standing orders to define other acceptable methods of delivering notices.

38 STANDING ORDERS

38.1 Subject to Article 38.4:

38.1.1 the Board may from time to time make, alter, add to or repeal standing orders for the proper conduct and management of the Company; and

38.1.2 the Company in General Meeting may alter, add to or repeal the standing orders.

38.2 The Board must adopt such means as they think sufficient to bring the standing orders to the notice of Members.

38.3 Standing orders are binding on all Members and Directors.

38.4 No standing order may be inconsistent with or may affect or repeal anything in the Articles.

39 WINDING UP

39.1 The Members may at any time before, and in expectation of, its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision has been made for them, shall on or before the dissolution of the Company be applied or transferred in any of the following ways:

39.1.1 directly for the Objects; or

39.1.2 by transfer to any charity or charities for purposes similar to the Objects; or

39.1.3 to any charity or charities for use for particular purposes that fall within the Objects.

39.2 Subject to any such resolution of the Members, the Directors may at any time before and in expectation of its dissolution resolve that any net assets of the Company after all its debts and liabilities have been paid, or provision made for them, shall on dissolution of the Company be applied or transferred:

39.2.1 directly for the Objects; or

39.2.2 by transfer to any charity or charities for purposes similar to the Objects; or

39.2.3 to any charity or charities for use for particular purposes that fall within the Objects.

39.3 In no circumstances shall the net assets of the Company be paid to or distributed among the Members (except to a Member that is itself a Company) and if no

resolution is passed by the Members or the Directors the net assets of the Company shall be applied for charitable purposes as directed by the court or the Charity Commission.

Appendix 1

The Steadings



Appendix 2

Draft Terms of Reference for Management Group Sub-Committee

1. NAME OF THE SUB-COMMITTEE

The CMT Board sub-group will be known as “The Management Group Sub-Committee.”

2. AIMS AND FUNCTIONS

a) The Management Group Sub-Committee shall have the following aims:

- i) plan and prepare operational plans to support the delivery of the CMT’s Business Plan;
- ii) inform and advise the annual business plan by proposing details of relevant work streams and associated activities and outputs, identifying any gaps in community provision;
- iii) plan, inform and support the implementation of the day to day activities and management of the CMT;
- iv) advise on the financial and personnel resource requirements to deliver the projects and outputs within the annual business plan;
- v) provide advice on the sources and deployment of income, funding and in-kind resources, including the CMT Endowment Scheme planning obligations as part of the formal process between CDC, BDL and the CMT, to assist the CMT Board to determine the most appropriate Endowment Asset option that will best serve the CMT’s Objects and financial sustainability;
- vi) act as a focus for communication and community consultation and engagement with regard to all aspects of the CMT’s activity programme; and
- vii) advise the CMT Board on the design and operation of community facilities;

b) The Management Group Sub-Committee will achieve this by:

- i) Holding meetings at least quarterly to discuss the detailed aspects of the CMT’s planned activities and any proposals for future developments;
- ii) Supporting the CMT’s executive staff and working with any delivery partners; and
- iii) Sub-Committee members taking a special interest in the service delivery of the CMT, and Trustee members speaking on such matters at main CMT board meetings.

3. MEMBERSHIP

The Management Group Sub-Committee will be made up of up to four nominated members from The Board of Trustees of the CMT and up to six officers or members from the core delivery partners, including two individuals appointed by the District Council.

3.1 Term of Office

The initial Sub-Committee will be appointed for fifteen months for the period up to the CMT’s next AGM, at which time its membership and this Terms of Reference will be reviewed by the CMT Board.

The two individuals appointed by the District Council shall continuously hold their membership on the Management Group Sub-Committee until the first Board meeting in Phase 4, unless they are removed by the District Council.

For the avoidance of doubt, the District Council shall have at least two appointed members on the Management Group Sub-Committee at all times up to practical completion of the Development.

3.2 Convening meetings

Meetings be planned, convened and appropriately serviced to dovetail with the CMT Board meeting cycle.

3.3 Decision-making

Decisions at meetings shall be reached by consensus. Where there is no consensus a majority vote shall decide. The quorum is four members.

3.4 Accountability

The Sub-Committee shall report back regularly to the main CMT board.

3.5 Meetings

The Sub-Committee meetings will be held at least quarterly, and are to be planned with at least four weeks' notice, and at times to suit the majority of participants. The venues for meetings shall be fully accessible, where possible.

The agenda will include any item of business submitted in writing to the secretariat prior to the next meeting and which is received at least six days before the date of the intended meeting. The final agenda will be agreed by the Chair.

The order of business at a meeting of the Sub- Group shall be as follows:

- i) minutes of the previous meeting;
- ii) matters arising from the minutes; and
- iii) items of business as set out in the Agenda.

4. CHAIR AND VICE-CHAIR

Candidates for the Chair and Vice-chair of the Sub-Committee will be limited to members of the Sub-Committee. They will be elected at the first full meeting of The Sub-Committee.

The Chair shall, if present, preside at every meeting of the Sub-Committee. In the absence of the chair, the Vice-chair shall if present, preside. In the absence of both the Chair and the Vice-chair, the Sub-Committee shall reconvene. The person presiding at the meeting shall decide all matters of order, competence, relevancy, and interpretation of rules or procedure.

5. OFFICER SUPPORT

The Sub-Committee will be serviced as required. The nominated individual(s) to have the following

duties:

- i) to call meetings;
- ii) to send out agendas and supporting information and papers;
- iii) to take minutes of the meetings; and
- iv) to support in the feedback to the Board of the conclusions and implications of advice and recommendations of the Sub-Committee.

6. CODE OF CONDUCT

Discussions at and communications arising from Sub-Committee meetings will treat members of all partners with respect and without discrimination.

Sub-Committee members are not to exclusively champion their individual or particular cause or organisation, but are to declare any interests where appropriate and to look to the wider interests of the local community.

7. CONFIDENTIALITY

The Sub-Committee will receive information which is not in the public domain often relating to individuals, organisations or financial matters. It is the responsibility of each individual to ensure that this information remains confidential to the meeting unless prior authorisation has been given by the Chair for this to be discussed elsewhere or are required to do so by law. Individuals must never use confidential information for their personal advantage or the advantage or disadvantage of anyone known to them or to disadvantage or discredit the CMT.