

**THE COMPANIES ACT 1985**

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

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**MEMORANDUM OF ASSOCIATION**

**-of-**

**HOMES MK LIMITED**

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1. **NAME**

The name of the company is Homes MK Limited

2. **REGISTERED OFFICE**

Homes MK's registered office is to be located in **Saxon Court, PO Box ???, Avebury Boulevard, Central Milton Keynes, MK9 3HS.**

3. **OBJECTS**

The objects of Homes MK shall be in the areas where Milton Keynes Council own or manage housing stock to:

- (1) provide, manage, maintain, improve, demolish or convert the housing stock owned or managed by Milton Keynes Council from time to time together with any other amenities or facilities for the benefit of residents of such housing stock either exclusively or together with persons who are not residents of such housing stock;
- (2) provide amenities and services of any description for residents of housing stock owned or managed by Milton Keynes Council from time to time either exclusively or together with persons who are not residents of such housing stock;
- (3) provide advice and assistance to all tenants, leaseholders, and licensees, of Milton Keynes Council and applicants for housing and applicants for housing advice in respect of local authority Milton Keynes Council housing;

- (4) carry out any activity which contributes to the regeneration of or development in the area of Milton Keynes (within the meaning of Section 126 of the Housing Grants Construction and Regeneration Act 1996) including but not limited to:-
  - (a) ensuring that land and buildings are brought into effective use;
  - (b) contributing to or encouraging economic development;
  - (c) creating an attractive and safe environment;
  - (d) preventing crime or reducing the fear of crime;
  - (e) providing or improving housing or social and recreational facilities for the purpose of encouraging people to live or work in the said area or for the purpose of benefiting people who live there;
  - (f) providing employment for local people;
  - (g) providing or improving training, educational facilities or health services for local people;
  - (h) assisting local people to make use of opportunities for education, training or employment;
  - (i) meeting the special needs of local people which arise because of disability or because of their sex or the racial group to which they belong.
- (5) provide, construct, improve or manage housing to be kept available for letting or hostels;
- (6) provide, manage, maintain or improve accommodation required from time to time for the benefit of persons who require temporary accommodation;
- (7) in agreement with Milton Keynes Council provide services of any description for Milton Keynes Council;
- (8) assess applications by residents of housing stock owned or managed by Milton Keynes Council to exercise the right to buy under Part V of the Housing Act 1985;
- (9) enabling or assisting any residents of the housing stock owned or managed by either Milton Keynes Council or Homes MK to acquire, or to acquire and enter into occupation of, houses.

4. **POWERS**

Subject to Clause 6 Homes MK shall have power to do any thing that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects unless prohibited by this Memorandum

5. Subject to Clause 6 and without limiting the powers described in Clause 4 Homes MK shall have power to:

- (1) carry out works to land, buildings or other property;
- (2) contract with Milton Keynes Council in furtherance of its objects;
- (3) subject to the prior written consent of Milton Keynes Council and to such consents as may be required by law borrow money issue loan stock or raise money in such manner as Homes MK shall think fit and to secure the repayment of any money borrowed raised or owing by such security as Homes MK shall see fit (including by way of floating charge) upon the whole or any part of Homes MK property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by Homes MK of any obligation or liability it may undertake or which may become binding on it;
- (4) insure and arrange insurance cover for Homes MK from and against all such risks as the Board may think fit and to pay any premium in respect of such insurance;
- (5) insure and arrange insurance cover for and to indemnify its employees and voluntary workers and Milton Keynes Council from and against all such risks incurred in the proper performance of their duties as it shall consider appropriate and to pay any premium in relation to indemnity insurance in respect of liabilities of its Board Members or any of them which would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in respect of Homes MK PROVIDED THAT such insurance shall not extend to any liability in respect of an act or omission which such Board Member or Board Members knew or ought reasonably to have known was a breach of duty or trust or which was committed by such Board Member or Board Members recklessly without due regard as to whether such act or omission might be a breach of duty or trust;
- (6) invest any monies of Homes MK not immediately required for the furtherance of its objects as it determines and as permitted by law;
- (7) subject to such consents as may be required by law and compliance with all formal guidance issued by Homes MK regulators (if any) purchase or otherwise acquire or encourage or promote and in any way support or aid the establishment and development of any subsidiary, or any other body established for the purposes

of carrying on any trade or business either for the purpose of raising funds for Homes MK or for the furtherance of the objects of Homes MK;

- (8) subject to the prior written consent of Milton Keynes Council, make donations, grants or loans or provide services or assistance to such persons and Organisations and on such terms as Homes MK shall think fit to further the objects of Homes MK

PROVIDED THAT in case Homes MK shall take or hold any property which may be subject to any trusts, Homes MK shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.

6. Homes MK shall not, without the prior written consent of Milton Keynes Council, have the power to:

- (1) receive a sum which, if it were a local authority, would be a capital receipt;
- (2) receive consideration to which, if it were a local authority, Section 61 of the 1989 Act would apply;
- (3) receive a sum by way of grant from a European Union institution to which, if it were a local authority, Section 63(4) of the 1989 Act would apply;
- (4) enter into a credit transaction (as defined by Article 12(2) of the Order);
- (5) with respect to a credit transaction agree to a variation of terms which, if it were a local authority, would be a variation within the meaning of Section 51(1) of the 1989 Act;
- (6) incur additional liabilities within the meaning of Article 16 of the Order; or
- (7) reduce its liabilities within the meaning of Article 16 of the Order.
- (8) To invest or to make investment other than through a bank account

7. **APPLICATION OF INCOME AND PROPERTY**

The income and property of Homes MK shall be applied solely towards the promotion of its objects as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, save as provided below by way of dividend, bonus or otherwise howsoever by way of profit, to Milton Keynes Council and no Board Member shall be appointed to any office of Homes MK paid by salary or fees or receive any remuneration or other benefit or money or money's worth from Homes MK PROVIDED THAT nothing herein shall prevent any payment in good faith by Homes MK:-

- (1) Of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension policies and terminal grants and

gratuities) to any officer or employee of Homes MK (not being a Board Member) in return for any services rendered to Homes MK;

- (2) Of fees, remuneration or other benefit in money or money's worth to a company of which a Board Member may be a member holding not more than 2% of the share capital of the company;
- (3) To any Board Member of reasonable out-of pocket expenses and such other sums as may be determined by Milton Keynes Council PROVIDED THAT no sum shall be paid to a Board Member who is an elected member of Milton Keynes Council in excess of that permitted by the Order;
- (4) Of reasonable and proper remuneration to Milton Keynes Council or employees thereof (not being Board Members) in return for any services rendered to Homes MK;
- (5) Of reasonable and proper rent for premises demised or let by Milton Keynes Council;
- (6) Of reasonable and proper interest on money lent by Milton Keynes Council

PROVIDED FURTHER THAT nothing shall prevent Homes MK from managing a property in accordance with its objects (including the full range of activities it may undertake) notwithstanding the fact that the tenant, lessee or licensee (or prospective tenant, lessee or licensee) of such property may be a Board Member SUBJECT TO the proviso that any Board Member who is a beneficiary of Homes MK shall not be entitled to speak in any debate or cast his/her vote in respect of any matter relating solely to the property of which he is lessee, tenant or licensee and shall absent himself/herself from such proceedings but such Board Member shall be entitled to speak and vote in respect of matters which relate not only to such property but also to other properties managed by Homes MK.

8. **EQUAL OPPORTUNITIES**

Homes MK shall at all times take into consideration the principles of equality of opportunity irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability.

9. **LIMITED LIABILITY**

The liability of Milton Keynes Council is limited.

10. **MEMBER GUARANTEE**

Milton Keynes Council undertakes to contribute to the assets of Homes MK, in the event of the same being wound up while they are a member of Homes MK, or within one year after they cease to be a member of Homes MK, for payment of the debts and liabilities of Homes MK contracted before they cease to be a member of Homes MK, and of the costs,

charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

11. **WINDING UP**

If, upon the winding up or dissolution of Homes MK, there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall be paid or transferred to the Housing Revenue Account (as defined in the 1989 Act) of Milton Keynes Council.

12. **DEFINITIONS**

- (a) "Order" shall mean the Local Authorities (Companies) Order 1995 as amended or re-enacted from time to time;
- (b) "the 1989 Act" shall mean the Local Government and Housing Act 1989 as amended or re-enacted from time to time;
- (c) terms defined in the Articles of Association of Homes MK shall have the same meaning in this Memorandum of Association.

I the person whose name and address are subscribed, am desirous of being formed into a company in pursuance of this Memorandum of Association.

**THE COMMON SEAL** of **Milton Keynes** )  
**COUNCIL** was hereunto affixed )  
in the presence of:- )

DATED [ ]

WITNESS to the above:-

NAME  
Address



**THE COMPANIES ACT 1985**

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**COMPANY LIMITED BY GUARANTEE  
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**ARTICLES OF ASSOCIATION**

**OF**

**HOMES MK LIMITED**

**DEFINITIONS AND INTERPRETATION**

1. In the Articles unless the context otherwise requires:

|                        |  |
|------------------------|--|
| "the Act"              | Means the Companies Act 1985 (as amended by the Companies Act 1989) and any statutory modification or re-enactment thereof for the time being in force.                                      |
| "the Articles"         | Means these Articles of Association as originally adopted or as altered from time to time.   |
| "Board"                | Means the Board of Directors of Homes MK   |
| "Board Members"        | Means the directors for the time being of Homes MK.  |
| "Chair"                | Means the Chair of Homes MK appointed pursuant to Article 31(1) or in his or her absence any vice or deputy Chair appointed pursuant to Article 31(3).                                       |
| "clear days"           | In relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect. |
| "code of conduct"      | Means Homes MK code of conduct   |
| "Council Board Member" | Means a Board Member appointed by Milton Keynes Council pursuant to Article 14.  |



Council pursuant to Article 14.

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|----------------------------|---|
| "executed"                 | Means in relation to any contract, agreement or other document consent thereto and includes any mode of execution.  |
| "Housing Forum"            | Means Milton Keynes Council Housing Forum or any successor body thereto or such other body as the Board shall from time to time resolve to be representative of the tenants of Milton Keynes Council whose dwellings are managed by Homes MK.   |
| "Independent Board Member" | Means a Board Member appointed pursuant to Article 16.  |
| "leaseholder"              | Means a right to buy leaseholder or shared owner of Milton Keynes Council   |
| "Local Authority Person"   | Means any person: <ul style="list-style-type: none"><li>(i) who is a member of Milton Keynes Council; or</li><li>(ii) who is an officer of Milton Keynes Council (which for these purposes shall not include employees with non-managerial posts apart from housing employees).</li></ul> |
| "Milton Keynes Council"    | Means Milton Keynes Council or any successor body thereto who shall be the sole member of Homes MK.   |
| "Office"                   | Means the registered office of Homes MK.  |
| "the seal"                 | Means the common seal of Homes MK.  |
| "Secretary"                | Means the secretary of Homes MK or any other person appointed to perform the duties of the secretary of Homes MK, including a joint, assistant or deputy secretary.   |
| "Tenant"                   | Means an individual who holds a secure tenancy of a residential property from and occupies a property belonging to Milton Keynes Council  |
| "Tenant Board Member"      | Means a Board Member appointed pursuant to Article 15.  |
| "the United Kingdom"       | Means Great Britain and Northern Ireland.   |

2. (1) Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on Homes MK.
- (2) In these Articles words importing individuals shall, unless the context otherwise require, include corporations and words importing the singular number shall include the plural, and vice versa and words importing the masculine gender shall include the feminine gender and vice versa.

### **ADMISSION OF MEMBERS**

3. No person other than Milton Keynes Council shall be admitted to membership of Homes MK.
4. Milton Keynes Council shall nominate a person to act as its representative in the manner provided in Section 375 of the Act. Such representative shall have the right on behalf of Milton Keynes Council to attend meetings of Homes MK and vote thereat, and generally exercise all rights of membership on behalf of Milton Keynes Council. Milton Keynes Council may from time to time revoke the nomination of such representative, and nominate another representative in his place. All such nominations and revocations shall be in writing.
5. The rights of Milton Keynes Council shall be personal and shall not be transferable.

### **GENERAL MEETINGS AND RESOLUTIONS**

6. All general meetings other than annual general meetings shall be called extraordinary general meetings.
7. The Board Members may call general meetings and, on the requisition of Milton Keynes Council pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Board Members to call a general meeting, any Board Member or Milton Keynes Council may call a general meeting.
8. (1) An Annual General Meeting and an Extraordinary General Meeting not called on the requisition of Milton Keynes Council pursuant to Article 7 shall be called by at least twenty-one clear days' notice or by shorter notice if it is so agreed by Milton Keynes Council.
- (2) The notice shall specify the time and place of the Meeting and, in the case of an Annual General Meeting, shall specify the Meeting as such.
- (3) The notice shall be given to Milton Keynes Council and to the Board Members and auditors.

9. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
10. No business shall be transacted at any general meeting unless a quorum is present. The presence of a duly authorised representative of Milton Keynes Council shall be a quorum.
11. If Milton Keynes Council makes a decision which is required to be taken in a general meeting or by means of a written resolution, that decision shall be valid and effectual as if agreed by the Company in general meeting. Any decision taken by Milton Keynes Council pursuant to this Article 11 shall be recorded in writing and delivered by Milton Keynes Council to the Company for entry in the Company's minute book.
12. An entry stating that a resolution has been carried or lost in the minutes of any meeting shall be conclusive evidence of the fact.

### **NUMBER OF BOARD MEMBERS**

13. (1) The number of Board Members shall be fifteen.
- (2) Five Board Members shall be Council Board Members.
- (3) Five Board Members shall be Tenant Board Members comprising one member from each contract area (Bletchley, Bradville/Greenleys, Central and Netherfield/Newport Pagnell) and one leaseholder.
- (4) Five Board Members shall be Independent Board Members.
- (5) No more than seven Board Members shall be Tenants.
- (6) No more than seven Board Members shall be Local Authority Persons.
- (7) In the event that the number of Board Members shall be less than the numbers specified in this Article 13 the remaining Board Members shall use reasonable endeavours to appoint further Board Members and may act notwithstanding this Article.
- (8) The First Board Members shall be those persons named in the statement delivered pursuant to Section 10(2) of the Act who shall be deemed to have been appointed under the Articles. Future Board Members shall be appointed as provided in the Articles.

### **APPOINTMENT OF COUNCIL BOARD MEMBERS BY MILTON KEYNES COUNCIL**

14. (1) Subject to Article 13 Milton Keynes Council shall from time to time appoint five persons as Council Board Members and shall have the power to remove from office any such Board Member.

- (2) Appointment or removal pursuant to Article 14(1) shall be effected by an instrument in writing signed by Milton Keynes Council and shall take effect upon lodgement at the registered office of Homes MK or such date later than such lodgement as may be specified in the instrument.
- (3) Notwithstanding any other provisions in these Articles Milton Keynes Council shall have power at any time by notice in writing to the Secretary to appoint and remove any Board Member.
- (4) Subject to limitations contained within section 65.7 of the management agreement between Milton Keynes Council and Homes MK

#### **RETIREMENT AND ELECTION OF TENANT BOARD MEMBERS**

15. (1) At the first annual general meeting of Homes MK all the Tenant Board Members shall retire from office. At every subsequent annual general meeting Tenant Board Members shall retire from office in the following rotation:
  - (a) at the first subsequent annual general meeting, one Tenant Board Member shall retire;
  - (b) at the second subsequent annual general meeting, a further two Tenant Board Member, shall retire; and
  - (c) at the third subsequent annual general meeting, a further two Tenant Board Members shall retire

and so forth such that the Tenant Board Members shall subsequently retire in a rotation which mirrors that in sub-paragraphs (a) to (c).

- (2) The Tenant Board Members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became Tenant Board Members, but as between persons who became Board Members on the same day those to retire shall be chosen by lot PROVIDED THAT where a Tenant Board Member is appointed as a consequence of the death or retirement (other than by operation of this sub-paragraph) of another Tenant Board Member (“the Predecessor”), the period of time for which the Tenant Board Member shall have held office shall, for the purposes only of this Article 15(2) be deemed to include the period since the last election or appointment of the Predecessor.
- (3) Prior to every annual general meeting direct or indirect elections shall be held among the Tenants for the number of Tenant Board Members to be appointed thereat. Only Tenants shall be eligible to be appointed as Tenant Board Members but otherwise the mode and manner of such elections shall be as the Board may from time to time agree subject at all times to compliance with Article 13.

- (4) The company secretary shall announce the results of the elections referred to in Article 15(3) at each relevant annual general meeting and the Tenants so elected shall be duly appointed as Tenant Board Members.

#### **RETIREMENT AND ELECTION OF INDEPENDENT BOARD MEMBERS**

16. (1) At the first annual general meeting of Homes MK all of the Independent Board Members shall retire from office. At every subsequent annual general meeting the Independent Board Members shall retire from office in the following rotation:
- (a) at the first subsequent annual general meeting, two Independent Board Members shall retire;
  - (b) at the second subsequent annual general meeting, a further two Independent Board Members shall retire; and
  - (c) at the third subsequent annual general meeting, a further one Independent Board Member shall retire
- and so forth such that the Independent Board Members shall subsequently retire in a rotation which mirrors that in sub-paragraphs (a) to (c).
- (2) The Independent Board Members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became Independent Board Members but as between persons who became Board Members on the same day those to retire shall be chosen by lot PROVIDED THAT where an Independent Board Member is appointed as a consequence of the death or retirement (other than by operation of this sub-paragraph) of another Independent Board Member (“the Predecessor”), the period of time for which the Independent Board Member shall have held office shall, for the purposes only of this Article 16(2) be deemed to include the period since the last election or appointment of the Predecessor.
- (3) If, at the meeting at which a Board Member retires in accordance with Article 16(1), there are no other candidates to fill the post the retiring Board Member shall, if willing to act, be deemed to have been re-appointed unless a resolution not to reappoint the Board Member is passed by the meeting.
- (4) No person other than an Independent Board Member retiring by rotation shall be appointed as an Independent Board Member at any general meeting unless he is recommended by the Board.
- (5) Subject to Articles 16(1) – (4) Milton Keynes Council may by Ordinary Resolution in General Meeting appoint any eligible person who is willing to act as an Independent Board Member.

- (6) Subject to Articles 13, 16 and 18 Homes MK may by Ordinary Resolution in general meeting appoint any person who is willing to act as a Board Member to fill a vacancy.
- (7) Subject to Articles 13, 16 and 18 the Board may appoint any person who is willing to act as an Independent Board Member to fill a vacancy until the next Annual General Meeting.
- (8) Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to Milton Keynes Council of any person (other than a Board Member retiring by rotation at the meeting) who is recommended by the Board for appointment or reappointment as an Independent Board Member at the meeting. The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in Homes MK's register of Board Members.

### **CASUAL VACANCIES**

17. Subject to Article 13 the Board may appoint a person who is willing to act to be a Board Member to fill a vacancy. The Board may only fill vacancies occurring among Council Board Members where Milton Keynes Council shall have failed within three months of a written request by Homes MK to make the appropriate appointments pursuant to Article 14(1). The Board may only fill vacancies occurring among Tenant Board Members where the Housing Forum shall have failed within three months of a written request by Homes MK to make a nomination to fill such vacancy. A Board Member appointed under this Article 17 shall hold office only until the next following annual general meeting. If not re-appointed at such annual general meeting he/she shall vacate office at the conclusion thereof.

### **DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS**

18. A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Board Member if the relevant individual:-
  - (1) ceases to be a Board Member by virtue of any provision of the Act or becomes prohibited by law from being a company director; or
  - (2) is or becomes a person disqualified from elected membership of a local authority; or
  - (3) becomes bankrupt or makes any arrangement or composition with his/her creditors generally; or
  - (4) is, or may be, suffering from mental disorder and either:-
    - (a) is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an

application for admission under the Mental Health (Scotland) Act 1960;  
or

- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his/her property or affairs; or
- (5) resigns his/her office by notice to Homes MK; or
- (6) is removed from office by a resolution (or written notice signed by) of at least three quarters of all the other Board Members from time to time; or
- (7) shall for more than three consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his/her office be vacated; or
- (8) in any period of 12 months, he/she shall have been absent (without the permission of the Board Members) from at least 60% of the meetings of Board Members held during that period and the Board Members resolve that his/her office be vacated; or
- (9) in the case of a Tenant Board Member he/she ceases to be a Tenant of Milton Keynes Council PROVIDED THAT this Article 18(9) shall not apply in respect of a Tenant Board Member temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to that Tenant Board Member's home; or
- (10) is a Tenant Board Member and is (in the reasonable opinion of a majority of Board Members) in serious breach of their obligations as a Tenant; or
- (11) is a Council Board Member and is or becomes a Tenant leading to a breach of the limit in Article 13(5); or
- (12) is a Tenant Board Member and is or becomes a Local Authority Person leading to a breach of the limit in Article 13(6); or
- (13) is an Independent Board Member and is or becomes a Tenant or a Local Authority Person; or
- (14) is removed by resolution of Milton Keynes Council pursuant to Article 14; or
- (15) contravenes any provision of the Code of Conduct to which all Board Members are subject to as agreed by Milton Keynes Council from time to time

### **POWERS OF THE BOARD**

- 19. Subject to the provisions of the Act, directions of Milton Keynes Council in general meeting and the Memorandum and the Articles, the business of Homes MK shall be

managed by the Board who may exercise all the powers of Homes MK. No alteration of the Memorandum or Articles or directions of Milton Keynes Council shall invalidate any prior act of the Board which would have been valid if that alteration had not been made. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

20. The Board may, by power of attorney or otherwise, appoint any person to be the agent of Homes MK for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

### **BORROWING POWERS**

21. Subject to Clause 6 of the Memorandum the Board may exercise all the powers of Homes MK to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or other security over its undertaking and property, or any part thereof, and to issue any debenture, whether outright or as security for any debt, liability or obligation of Homes MK or of any third party.

### **DELEGATION OF BOARD MEMBERS' POWERS**

22. The Board may delegate any of their powers to any committee consisting of two or more Board Members together with such other persons as the Board sees fit (but so that Board Members shall constitute a majority). They may also delegate to the Chair/or any vice or deputy Chair or to any executive officer such of their powers as they consider desirable to be exercised by him/her. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying.

### **ALTERNATE BOARD MEMBERS**

23. No Board Member shall be entitled to appoint any person as an alternate Board Member.

### **BOARD MEMBERS' EXPENSES**

24. The Board Members may be paid all travelling, hotel, and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or otherwise in connection with the discharge of their duties and such other sums as may be determined by Milton Keynes Council PROVIDED THAT no sum shall be paid to a Board Member who is an elected member of Milton Keynes Council in excess of that permitted by the Order.

### **BOARD MEMBERS' APPOINTMENTS AND INTERESTS**

25. A Board Member may not have any financial interest personally or as a member of a firm or as a director or senior employee (being an employee with managerial status) or in any



contract or other transaction of Homes MK unless it is permitted by these Articles and is not prohibited by Clause 6 of the Memorandum.

26. Each Board Member shall ensure that the Secretary has at all times an up to date list of:-
- (1) all bodies trading in which he or she has an interest as:
    - (a) a director or senior employee,
    - (b) a member of a firm,
    - (c) the owner or controller of more than 2% of the issued share capital in a company,
  - (2) all interests as an official or elected member of any statutory body;
  - (3) all interests as the occupier of any property owned or managed by Homes MK;
  - (4) any other significant or material interest.

#### **PROCEEDINGS OF BOARD MEETINGS**

27. (1) Subject to any regulations established from time to time by Homes MK in general meeting and compliance with Section 10(1) of the Local Authorities (Companies Order) 1995 the Board may regulate their proceedings as they think fit and the quorum for the transaction of the business of the Board at the time when the meeting proceeds to business shall be six comprising no fewer than two Tenant Board Members, two Independent Board Members, and two Council Board Members PROVIDED THAT if the number of Board Members in office in one or more category of Board Member falls below two then the quorum requirement shall be reduced to one or none (as remain in office) in respect of such category or categories.
- (2) If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 31(1) the Board Members present shall constitute a quorum.
- (3) If a quorum is not present within half an hour from the time appointed for a Board Meeting the Board Meeting shall, if requested by a majority of those Board Members present, be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board Members present may determine.
- (4)  $33\frac{1}{3}$  percent of the total number of Board Members (or such whole number of Board Members nearest to  $33\frac{1}{3}$  percent) may call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Board Member who is absent from the United Kingdom.

28. Questions arising at a Board Meeting shall be decided by a majority of votes and each Board Member present in person shall be entitled to one vote. In the case of an equality of votes, the Chair shall have a second or casting vote.
29. (1) Any Board Member having an interest in any arrangement between Homes MK and another person or body shall disclose that interest to the meeting before the matter is discussed by the Board or committee of the Board. Unless the interest is of the type specified in Articles 29(2) or 29(3) the Board Member concerned shall not remain present during the discussion of that item unless requested to do so by the remaining members of the Board or committee of the Board. Unless permitted by Articles 29(2) or 29(3) the Board Member concerned may not vote on the matter in question, but no decision of the Board or any committee of the Board shall be invalidated by the subsequent discovery of an interest which should have been declared.
- (2) Provided the interest has been properly disclosed pursuant to Article 29(1) a Board Member may remain present during the discussion and may vote on the matter under discussion where the interest arises because:
- (a) the Board Member is a Tenant so long as the matter in question affects all or a substantial group of Tenants; or
- (b) the Board Member is a director or other officer of a company or body which is a parent, subsidiary or associate of Homes MK; or
- (c) the Board Member is an official or elected member of any statutory body.
- (3) A Board Member shall not be treated as having an interest:
- (a) of which the Board Member has no knowledge and of which it is unreasonable to expect him to have knowledge;
- (b) in the establishment of a policy in respect of Board Member expenses payable pursuant to Article 29.
30. If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Board Member to vote, the question may, before the conclusion of the meeting, be referred to the Chair of the meeting and his/her ruling in relation to any Board Member other than himself/herself shall be final and conclusive.
31. (1) At the first Board Meeting following each annual general meeting the Board Members shall appoint one of their number to be the Chair of the Board and another member be a Vice Chair to hold office until the next annual general meeting and may at any time remove either from that office.
- (2) Unless he/she is unwilling to do so, the Board Member so appointed shall preside at every meeting of the Board at which he/she is present. But if there is no Board Member holding that office, or if the Board Member holding it is unwilling to

preside or is not present within five minutes after the time appointed for the meeting, the Board Members present may appoint one of their number to be chair of the meeting.

- (3) The Board may appoint a vice or deputy chair to act in the absence of the Chair on such terms as the Board shall think fit.
32. All acts done by a meeting of the Board, or of a committee of the Board or by a person acting as a Board Member shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Board Member or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Board Member and had been entitled to vote.

### **WRITTEN RESOLUTION**

33. Not used

### **SECRETARY**

34. Subject to the provisions of the Act, the Secretary and any deputy or alternate Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.

### **MINUTES**

35. The Board shall cause minutes to be made in books kept for the purpose:-
- (1) of all appointments of officers made by the Board Members; and
  - (2) of all proceedings at meetings of Homes MK and of the Board, and of committees of the Board and of Milton Keynes Council in its capacity as the sole member of Homes MK, including the names of the Board Members present at each such meeting.

### **RECORDS ACCOUNTS AND RETURNS**

36. (1) Homes MK shall comply with the provisions of Part VII of the Act in respect of:-
- (a) the keeping and auditing of accounting records;
  - (b) the provision of accounts and annual reports of the directors; and
  - (c) in making an annual return.
- (2) Homes MK shall comply with the provisions of part (v) of the Local Government & Housing Act 1989 and the provisions of Local Authorities (companies) Order 1995

## **THE SEAL**

37. Not Used

## **NOTICES**

38. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Board or of a committee of the Board need not be in writing.
39. Homes MK may give any notice to Milton Keynes Council either personally or by sending it by post in a prepaid envelope addressed to Milton Keynes Council at their registered address or by leaving it at that address.
40. Milton Keynes Council present by duly authorised representative at any meeting of Homes MK shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
41. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

## **INDEMNITY**

42. (1) Every Board Member or other officer of Homes MK shall be indemnified out of the assets of Homes MK against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, including any liability incurred by him/her in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour or in which he/she is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him/her and no Board Member or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by Homes MK in the execution of the duties of his/her office or in relation thereto PROVIDED THAT this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- (2) The Board shall have power to purchase and maintain for any Board Member or officer of Homes MK insurance against any such liability as is referred to in Section 310(1) of the Act.

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**NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBER**

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**THE COMMON SEAL** of **Milton Keynes** )  
**COUNCIL** was hereunto affixed )  
in the presence of:- )

DATED [ ]

WITNESS to the above:-

NAME  
Address

