

The Companies Act 2006

Community Interest Company Limited by Guarantee

Articles of Association

of

BRIGHTON AND HOVE COMMUNITY HOUSING C.I.C.

Company Number 9630201

The Companies Act 2006
Community Interest Company Limited by Guarantee

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The Companies Act 2006

Articles of Association

of

BRIGHTON AND HOVE COMMUNITY HOUSING C.I.C.

INTERPRETATION

1. Defined Terms

- 1.1 The interpretation of these Articles is governed by the provisions set out in the Schedule at the end of the Articles.

COMMUNITY INTEREST COMPANY

2. Community Interest Company

- 2.1 The Company is to be a community interest company.

3. Asset Lock

- 3.1 The Company shall not transfer any of its assets other than for full consideration.

- 3.2 Provided the conditions in Article 3.3 are satisfied, Article 3.1 shall not apply to:

- (a) the transfer of assets to any specified asset-locked body, or (with the consent of the Regulator) to any other asset-locked body; and
- (b) the transfer of assets made for the benefit of the community other than by way of a transfer of assets into an asset-locked body.

- 3.3 The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum and Articles of the Company.

4. Not for profit

- 4.1 The Company is not established or conducted for private gain: any surplus or assets are used principally for the benefit of the community, by furthering the Company's Objects.

5. Dissolution

- 5.1 The Company shall not seek voluntary dissolution. In the event of winding up or dissolution of the Company the liquidator shall first, according to law, use the assets of the Company to satisfy its debts and liabilities. Any balance of assets remaining

may not be distributed among the Members but shall be transferred to an organisation with similar aims and confirmed by the process of Article 24 (Membership Approval)

6. Objects

- 6.1 The Object of the Company is to carry on activities which benefit the community of the City of Brighton and Hove, by providing:
- 6.2 Affordable, secure, and ecologically sustainable housing for low income households.
- 6.3 Premises and funding for the furthering of:
 - 6.3.1 ecological sustainability;
 - 6.3.2 reducing poverty;
 - 6.3.3 reducing economic inequality;
 - 6.3.3 increasing economic democracy;
 - 6.3.4 increasing economic co-operation; and,
 - 6.3.5 increasing the community's productivity.

POWERS and LIMITATION of LIABILITY

7. Powers

- 7.1 To further its Objects the Company may do all such lawful things that may further the Company's Objects and, in particular, but, without limitation, may borrow or raise and secure the payment of money for any purpose including for the purposes of investment or of raising funds.

8. Liability of Members

- 8.1 The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Company in the event of its being wound up whilst a member or within one year after cessation of membership, for:
 - 8.1.1 payment of the Company's debts and liabilities contracted before membership ceased; and
 - 8.1.2 payment of the costs, charges and expenses of winding up.

MEMBERSHIP

9. Becoming a Member

- 9.1 The subscribers to the Memorandum are the first Members of the Company.
- 9.2 Such other persons as are admitted to membership in accordance with these Articles shall be members of the Company.
- 9.3 No person shall be admitted as Member of the Company unless the potential Member is approved by the Directors.
- 9.4 Every person who wishes to become a Member shall deliver to the company an application for membership in such form (and containing such information) as the Directors require.

10. Termination of Membership

- 10.1 Membership is not transferable to anyone else.
- 10.2 Membership is terminated if:
 - 10.2.1 the member dies or ceases to exist;
 - 10.2.2 resigns; or
 - 10.2.3 otherwise in accordance with these Articles.

11. Removal of a Member

- 11.1 A Member that is not a founding signatory may be suspended or expelled from membership by the Directors, subject to these Articles, and Regulations and Policies.
- 11.2 The Member must be given at least 21 days' notice in which to make representations via a physical meeting and/or in writing, after which the Directors will make a ruling, subject to Regulations and Policies.
- 11.3 Remediation and education will be favoured, where possible and appropriate, when addressing transgressions, rather than suspension or expulsion.

COMPANY FORUM

12. Member Services

- 12.1 The Directors will provide appropriate means for Members to participate in the Company's functions.

13. Accountability

- 13.1 Members may continuously seek account from the Directors, regarding their activities in the name of the Company, or those that impact the Company's Objects.

13.2 Directors will answer any reasonable question and query put to them, fully and honestly.

14. Scrutiny

14.1 Members may continuously scrutinise the affairs of the Company.

14.2 Directors will permanently make the following available to Members:

14.2.1 filed company and tax accounts;

14.2.2 agendas;

14.2.3 minutes;

14.2.4 reports from the Directors; and

14.2.5 voting results.

15. Member Meetings

15.1 A physical meeting open to all Members, whether attending in person or online, may be called by Directors or Members.

15.2 In meetings, Members may:

15.2.1 hold the Directors to account for their work and responsibilities;

15.2.2 question the accounts and budgets;

15.2.3 scrutinise the record and plans of progressing the Company's Objects;

15.2.4 scrutinise the Company's affairs, or matters affecting the Company, its Objects or Members;

15.2.5 share ideas to further the Company's Objects or help its operations; and

15.2.6 discuss coming votes.

15.3 A person who is not a member of the Company shall not have any right to vote at a general meeting of the Company; but this is without prejudice to any right to vote on a resolution affecting the rights attached to a class of the Company's debentures.

16. Proposals

16.1 Any Member may make a proposal, subject to any requirements in these Articles, or the Company's Regulations and Policies.

16.2 No amendment to these Articles, the Company's Regulations and Policies, or action, may be proposed which is inconsistent with the Objects of the Company. The

Directors may determine, at any time during any decisional process, whether any inconsistency exists.

17. Membership Approval

17.1 Members' approval is required for:

17.1.1 commencing a review of these Articles or the Company's Regulations and Policies;

17.1.2 matters stipulated by Company Regulations and Policy;

17.1.3 actions proposed by Members; and

17.1.4 specified actions proposed by the Directors.

17.3 Directors will commence the process of Approval within 28 days from receipt of a proposal.

17.4 The process for approval is as follows:

17.4.1 the Directors will announce the proposal and Members will have 28 days for consideration prior to voting commencing.

17.4.2 members will have 14 days in which to vote. Members may only vote to Approve or to Refuse the proposal.

17.4.3 55% of those Members voting is required to approve a proposal.

18. Amendments to Articles, Regulations and Policies

18.1 Once a proposal to review these Articles, or the Regulations and Policies, has been approved, the process of review is as follows.

18.1.1 Members will have 56 days to contribute to the review and the Directors will publish the contributions.

18.1.2 The Directors will have 28 days to publish a proposal based on the Members' contributions to the review, considering relevant Articles, Regulations and Policies.

18.1.3 The Directors will publish analysis of the Members' contributions, address issues raised, and provide an explanation for their proposal.

18.1.4 Members will have 56 days to consider the proposal and provide views to be published.

18.1.5 Members will have 14 days to vote. The options for voting are Adopt or Redraft.

18.1.6 For a proposal to be adopted, the following thresholds apply.

18.1.6.1 For amendments to the Company's Regulations and Policies, 60% of Members voting are required for adoption.

18.1.6.2 For amendments to these Articles, 65% of Members voting are required for adoption.

18.1.7 When the threshold for adoption has not been reached, the Directors will repeat the process of review.

DIRECTORS

19. Founder Directors

19.1 Those persons notified to the Registrar of Companies as the first Directors shall be the first Directors and hold the Company status of Founder Director. Founder Directors are Directors indefinitely, and hold position until resignation or death.

20. Directors' General Authority

20.1 The Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company, subject to these Articles, Company Regulations and Policies.

21. Directors' Activities Requiring Membership Approval

21.1 Approval from Members is required for a proposal of the following types.

21.1.1 Purchases of land and buildings outside the boundaries of the City of Brighton and Hove.

21.1.2 Investment, grant, loan or donation to an outside body, if:

21.1.2.1 the proposal is not covered by the Company's Regulations and Policies;

21.1.2.2 the recipient is based outside the City of Brighton and Hove; or

21.1.2.2 the total funding in any one of the Company's financial years would account for more than 1% of the capital funding, the Company received in the same year.

21.1.3 Demolition of the Company's buildings.

21.1.4 Plans for the construction of new buildings and extensions to existing buildings.

- 21.1.5 Appointments to the Board of Directors, and committee positions within the Company.
- 21.1.6 Appointments to Company representative positions without the Company.
- 21.1.7 Delegation of powers from the Directors to internal or external bodies.
- 21.1.8 Voting in external bodies.
- 21.1.09 Partial or full transfer, or sale of the Company's land and buildings.

22. Chair

- 22.1 The Directors may appoint one of their number to be the chair of the Directors for such term of office as they determine and may at any time remove them from office.
- 22.2 The Directors may appoint a person outside of their number without voting rights, if that person is deemed to have appropriate abilities.

23. Collective Decisions

- 23.1 Directors will attempt to address matters unanimously.
- 23.2 Questions arising at a Directors' meeting shall be decided by a majority of votes
- 23.3 In all proceedings of Directors each Director must not have more than one vote.
- 23.4 It is irrelevant where any Director is or how they communicate with each other when casting their own vote.

24. Conflicts of Interest

- 24.1 If a Director finds themselves in a situation that is reasonably likely to give rise to a Conflict of Interest, they must declare their interest to the Directors.
- 24.2 If any question arises as to whether a Director has a Conflict of Interest, the question shall be decided by a majority decision of the other Directors, and recorded in the minutes.
- 24.3 Whenever a matter is to be discussed or decided, a Director with a Conflict of Interest in respect of that matter, they must:
 - 24.3.1 partake in the discussion only for such part as in the view of the other Directors is necessary to inform the debate; and
 - 24.3.2 have no vote on the matter.

25. Register of Directors' Interests

25.1 The Directors shall cause a register of Directors' interests to be kept. A Director must declare the nature and extent of any interest, direct or indirect, which the Director has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

26. Directors' Remuneration

26.1 Directors may undertake any services for the Company that the Directors decide.

26.2 Directors are entitled to such remuneration as the Directors determine but no more than the Company's lowest or only rate of pay, and available benefits:

26.2.1 for their services to the Company as Directors; and

26.2.2 for any other service which they undertake for the Company.

ADMINISTRATIVE ARRANGEMENTS and MISCELLANEOUS

27. Means of Communication

27.1 The Company may receive or send information or documents, under these Articles, in any way authorised by the Companies Act 2006.

28. Interpretation

28.1 The Directors will be responsible for interpretation of these Articles, Company Regulations and Policies.

29. Irregularities

29.1 The proceedings at any meeting or on the taking of any poll or the making of any decision shall not be invalidated by reason of any accidental informality or irregularity unless the Companies Acts specify that such informality, irregularity or want of qualification shall invalidate it.

30. Minutes

30.1 The Directors must cause minutes to be made, which include:

30.1.1 all appointments of officers made by the Directors and Members;

30.1.2 all decisions made by Members, and the Directors; and

30.1.3 all proceedings at meetings of the Company, the Directors, committees of Directors and Members, including the names of the Directors present at each such meeting.

30.2 The minutes must be kept permanently.

31. Records and Accounts

31.1 The Directors shall comply with the requirements of the Companies Acts as to maintaining a members' register, keeping financial records, the audit or examination of accounts and the preparation and transmission to the Registrar of Companies and the Regulator of:

31.1.1 annual reports;

31.1.2 annual returns; and

31.1.3 annual statements of account.

31.2 The Directors shall not request an audit unless required to do so by law or approved by Members.

32. Indemnity

32.1 Directors of the Company or an associated company may be indemnified out of the Company's assets against:

32.1.1 any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;

32.1.2 any liability incurred by that Director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and

32.1.3 any other liability incurred by that Director as an officer of the Company or an associated company.

32.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

32.3 In this Article:

32.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

32.3.2 a "relevant Director" means any Director or former Director of the Company or an associated company.

33. Insurance

33.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss.

33.2 In this Article:

33.2.1 a “relevant Director” means any Director or former Director of the Company or an associated company;

33.2.2 a “relevant loss” means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the company or associated company; and

33.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

34. Exclusion of Model Articles

The relevant model articles for a company limited by guarantee are hereby expressly excluded.

SCHEDULE

1. INTERPRETATION

Defined terms

In the Articles, unless the context requires otherwise, the following terms shall have the following meanings:

Term	Meaning
“Articles”	the Company’s articles of association.
“asset-locked body”	means (i) a community interest company, a charity or a Permitted Industrial and Provident Society; or (ii) a body established outside the United Kingdom that is equivalent to any of those.
“community”	is to be construed in accordance with accordance with Section 35(5) of the Company’s (Audit Investigations and Community Enterprise) Act 2004.
“Companies Acts”	means the Companies Acts (as defined in Section 2 of the Companies Act 2006), in so far as they apply to the Company.
“Company”	Brighton and Hove Community Housing C.I.C.
“Conflict of Interest”	any direct or indirect interest of a Director (whether personal, by virtue of a duty of loyalty to another organisation or otherwise) that conflicts, or might conflict with the interests of the Company.
“Director”	a director of the Company, and includes any person occupying the position of director, whom is or is to be registered at Companies House, by whatever name called.
“Document”	includes, unless otherwise indicated, any document sent or supplied in Electronic Form;
“Memorandum”	the Company’s memorandum of association.
“Permitted Industrial and Provident Society”	an industrial and provident society which has a restriction on the use of its assets in accordance with Regulation 4 of the Community Benefit Societies (Restriction on Use of Assets) Regulations 2006 or Regulation 4 of the Community Benefit Societies (Restriction on Use

of Assets) Regulations (Northern Ireland) 2006.

“the Regulator”

means the Regulator of Community Interest Companies.

“subsidiary”

has the meaning given in section 1159 of the Companies Act 2006.

“transfer”

includes every description of disposition, payment, release or distribution, and the creation or extinction of an estate or interest in, or right over, any property.

“writing”

the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

2. LEGISLATION

Subject to clause 3 of this Schedule, any reference in the Articles to an enactment includes a reference to that enactment as re-enacted or amended from time to time and to any subordinate legislation made under it.

3. EXPRESSIONS

Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Companies Act 2006 as in force on the date when the Articles become binding on the Company.

4. MANDATORY ARTICLES

The following Articles are mandated by law, for a member-based Community Interest Company with bespoke Articles of Association:

Article 2	Community Interest Company
Article 3	Asset Lock
Article 9	Becoming a member
Article 11	Termination of membership
Article 15.3	Member meetings
Article 23.2 to 23.3	Directors to take decision collectively
Article 34	Exclusion of model articles