

# STATES OF JERSEY



## HOUSING TRANSFORMATION PROGRAMME: MEMORANDUM AND ARTICLES OF ANDIUM HOMES LIMITED

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Lodged au Greffe on 24th April 2014  
by the Council of Ministers

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

in accordance with paragraph (a)(iv) of P.33/2013: ‘The Reform of Social Housing’ and section 3.39 of the accompanying report of the Council of Ministers dated 4th March 2013, approved by the States on 16th May 2013, to approve the Articles of Association and the Memorandum of Association for Andium Homes Ltd., as set out in the attached Appendices.

COUNCIL OF MINISTERS

## **REPORT**

### **Background**

The States, in approving Proposition P.33/2013: “The Reform of Social Housing”, under paragraph (a)(iv), agreed: “the incorporation of States owned housing as a Company Limited by Guarantee wholly owned by the States of Jersey as set out in sections 3.38 to 3.47 of the attached Report;”.

Section 3.39 of the Report identifies the States of Jersey as the sole Member and Guarantor of the new Housing Company, acting through the Minister for Treasury and Resources.

Section 3.39 then states: “The role of the Member would be set out within the draft Articles of Association for the Housing Company which will be lodged for approval by the States, and within the proposed Transfer Agreement.”

### **Current position**

If approved by the States, the Regulations under the Social Housing (Transfer) (Jersey) Law 2013 will transfer the social housing assets of the States to Andium Homes Ltd. on 1st July 2014. To do so, the company Andium Homes Ltd. needs to be formally established.

This will require a Memorandum of Association and Articles of Association to be signed by the Minister for Treasury and Resources. As identified above, these are to be approved by the States.

Attached at **Appendix 1** are the Articles of Association and at **Appendix 2** is the Memorandum of Association for approval by the States, as required under P.33/2013.

### **N.B. Additional documents**

In addition to the Memorandum of Association and Articles of Association, there is to be a Transfer Agreement and a Memorandum of Understanding. Whilst these do not require States approval, both of these documents will be circulated to Members prior to the debate. Once States approval has been received to the Regulations made under the Social Housing (Transfer) (Jersey) Law 2013, these documents will be signed by the Minister for Treasury and Resources and the Chairman of Andium Homes Ltd.

The Transfer Agreement establishes the amount and basis upon which the Annual Return to the States will be made. The Memorandum of Understanding ensures the appropriate governance framework for Andium Homes that is appropriate to the company as a provider of social housing.

### **Financial and manpower implications**

There are no financial or manpower implications for the States arising from this proposition.

## APPENDIX 1

### ANDIUM HOMES LIMITED

#### ARTICLES OF ASSOCIATION OF THE COMPANY

##### DEFINITIONS AND INTERPRETATION

1. In these Articles unless the context otherwise requires:

**Articles** means these Articles of Association as originally adopted or as altered from time to time;

**Auditors** means the auditors for the time being of the Company;

**Board** means the Board of Directors of the Company from time to time;

**Chairman** means the Chairman of the Company appointed pursuant to Article 31 and Article 32 or in his absence any vice or deputy chairman;

**Chief Executive** means the person appointed in accordance with these Articles as the Chief Executive from time to time;

**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;

**Directors** means the directors for the time being of the Company;

**Finance Director** means the person appointed in accordance with these Articles as the Finance Director from time to time;

**Guarantor** means the States acting through the Minister for Treasury and Resources in accordance with the Transfer Law;

**Guarantor's Appointee** means the Independent Director nominated by the Guarantor;

**Independent Director** means a Director who is not a Tenant or a States Connected Person and who is appointed pursuant to Article 27;

**Jersey Appointments Commission** means the Commission established under Part 4 of the Employment of States of Jersey Employees (Jersey) Law 2005;

**Law** means the Companies (Jersey) Law 1991;

**Memorandum of Understanding** means the memorandum of understanding in effect for the time being as agreed between the Guarantor and the Company;

**Non-Executive Director** means a Tenant Director or an Independent Director;

**Regulator** means any regulator of social housing established by the States or any other body carrying out similar, additional or replacement functions;

**seal** means the common seal of the Company;

**Secretary** means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**States** means the States of Jersey;

**States Connected Person** means any person who is a member, officer or employee of the States (which for these purposes shall not include an employee with non-managerial post apart from a housing employee);

**Tenant** means an individual who holds a tenancy or lease of a residential property from and occupies a property belonging to the Company;

**Tenant Director** means a Director who is a Tenant and who is appointed pursuant to Article 27; and

**Transfer Law** means the Social Housing (Transfer) (Jersey) Law 2013.

In these Articles:

- a. unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Law but excluding any statutory modification thereof not in force when these regulations become binding on the Company;
- b. 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
- c. reference to any laws regulations and other legislative provisions shall be deemed (unless otherwise expressly stipulated) to include reference to any such provisions as from time to time amended varied replaced extended or re-enacted and to any orders or regulations under such provisions.

#### ARTICLES OF ASSOCIATION

2. The model articles of association for private companies known as the Standard Table and set out in the Schedule to the Companies (Standard Table) (Jersey) Order 1992 shall not apply to the Company and these Articles (as may be amended from time to time) shall be the articles of association of the Company.

## MEMBERS

3. The Guarantor, as the subscriber to the Memorandum of Association, shall be the sole member of the Company.
4. No person other than the Guarantor shall be admitted to membership of the Company.
5. The Guarantor may nominate a person to act as its representative in accordance with Article 93 of the Law. Such representative shall have the right on behalf of the Guarantor to attend meetings of the Company and vote thereat, and generally exercise all rights of membership on behalf of the Guarantor. The Guarantor 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.
6. The rights of the Guarantor shall be personal and shall not be transferable.

## GENERAL MEETINGS AND RESOLUTIONS

7. All general meetings other than annual general meetings shall be called extraordinary general meetings.
8. The Company shall in each calendar year hold an annual general meeting in addition to any other meetings in that year unless the Guarantor has dispensed with the requirement to hold an annual general meeting in accordance with Article 87(4) of the Law. Unless such dispensation was agreed, the first annual general meeting of the Company shall be held within 18 months of incorporation.
9. The Board may call general meetings and, at the request of the Guarantor pursuant to the provisions of the Law, shall forthwith proceed to convene a general meeting for a date not later than 2 months after receipt of the requisition.
10. A general meeting shall be called by at least 14 clear days' notice or by shorter notice if it is so agreed by the Guarantor.
11. 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.
12. The notice shall be given to the Guarantor, the Directors and the Company's auditors.
13. 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.
14. No business shall be transacted at any general meeting unless a quorum is present. The presence of a duly authorised representative of the Guarantor shall be a quorum.

15. An entry stating that a resolution has been carried or lost in the minutes of any meeting shall be conclusive evidence of the fact.

#### DIRECTIONS

16. If the Guarantor shall, in his discretion, be of the opinion that a matter of material public interest has arisen and that it is appropriate to do so, the Guarantor shall be entitled by notice in writing to give the Directors directions to refrain from doing a particular thing or to do a particular thing which the Directors have power to do and the Directors shall be bound to comply with any such direction.
17. Any such direction or other written instrument shall be validly executed on behalf of the Guarantor if recorded in accordance with ministerial procedures as a Ministerial Decision. Any such direction or other written instrument shall take effect upon delivery thereof to the office.

#### THE BOARD

18. The Board shall comprise a maximum of 9 Directors at any one point as follows:
- A minimum of 4 and a maximum of 5 Directors shall be Independent Directors (one of whom shall be the Guarantor's Appointee and the Chairman);
  - A minimum of 1 and a maximum of 2 Directors shall be Tenant Directors;
  - The Chief Executive of the Company; and
  - The Finance Director of the Company.
19. No Director other than a Tenant Director shall be a Tenant.
20. No Independent Director shall be a States Connected Person.
21. In the event that the number of Directors shall be less than the numbers specified in this Article the remaining Directors shall use reasonable endeavours to appoint further Directors and may continue to act notwithstanding any vacancy in their number.
22. The first Directors shall be the persons appointed by the Guarantor, in accordance with States Proposition P.156/2013 ("Housing Shadow Board: Terms of Reference and appointment of Directors"), to the Board of the Company, as identified and listed in the Schedule to these Articles.

#### APPOINTMENT OF DIRECTORS

23. To avoid the retirement of all Directors at the same time, the Non-Executive Directors shall initially be appointed for fixed periods of one, 2 and 3 years' duration and thereafter may be re-appointed for 3 year durations but shall not

be permitted to hold office for more than 9 years in total. Future Directors shall be appointed as provided in the Articles.

24. Each Non-Executive Director shall enter into a non-executive directors' service agreement with the Company upon such terms as the Board shall determine. Upon the expiration of the period of office for which they are appointed the Non-Executive Directors shall retire from office but shall be eligible for re-appointment.
25. The appointment or re-appointment process for any Directors (save for the Guarantor's Appointee, the Chief Executive and the Finance Director) shall commence with the full consultation of the Guarantor in respect of the qualities and criteria desired. The Guarantor may add or remove any qualities and/or criteria that a Director ought to possess.
26. The Guarantor's Appointee shall be nominated on behalf of the Guarantor following a recruitment process involving, as appropriate, the Jersey Appointments Commission, the Chairman and the Guarantor (and/or his/her representative).
27. With the exception of the Guarantor's Appointee, the Chief Executive and the Finance Director, the Board shall advertise and select any vacancies of the Directors in such mode and manner as the Board may from time to time agree. The selections shall be overseen by the Jersey Appointments Commission to such extent as the Jersey Appointments Commission thinks fit or is provided for by any enactment. Any successful candidate shall be recommended by the Board to the Guarantor. All Directors (but not the Guarantor's Appointee, the Chief Executive and the Finance Director) shall be appointed by the Board only once the Guarantor has approved any recommendation made by the Board. Appointments shall only be made once a Ministerial Decision has been issued.
28. The Directors shall also have the power without the sanction of the Company in a general meeting or otherwise to appoint a person to act as the Chief Executive and a person to act as the Finance Director.

#### INDEPENDENT DIRECTORS

29. Save in relation to the Guarantor's Appointee, no person other than an Independent Director retiring at the end of his fixed term shall be eligible for appointment as an Independent Director unless he is recommended by the Board.

#### TENANT DIRECTORS

30. No person other than a Tenant Director retiring at the end of his fixed term shall be eligible for appointment as a Tenant Director unless he is recommended by the Board.

## CHAIRMAN AND VICE OR DEPUTY CHAIRMAN

31. No person other than the Chairman retiring at the end of his fixed term shall be eligible for appointment as Chairman unless he is recommended by the Board. For the purposes of these Articles, the Chairman shall be an Independent Director. The Chairman shall be appointed only once the Guarantor has been consulted in accordance with Article 27 to hold office for a fixed term of 3 years or until such time as he shall resign or be removed from such office or vacate his office as an Independent Director. The first Chairman is noted as such in the Schedule to these Articles.
32. The Chairman shall preside as the chairman at every meeting of the Board at which he is present. But if there is no Director holding that office or is not present within 5 minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be Chairman of the meeting. The Board may appoint a vice or deputy chairman to act in the absence of the Chairman on such terms as the Board shall think fit.

## CHIEF EXECUTIVE

33. The Board shall select the Chief Executive of the Company and such person shall be appointed to the Board as a Director on such terms and for such period as the Board determines. The first Chief Executive is noted as such in the Schedule to these Articles.
34. The Company shall enter into an agreement with the Chief Executive for his employment by the Company and for the provision by him of services to the Company. Save for remuneration, which shall be determined in accordance with Article 87, each such agreement shall be made upon such terms as the Board shall determine. In the event of the termination of the employment of the Chief Executive pursuant his service agreement, the appointment of the Chief Executive as a Director shall terminate.

## FINANCE DIRECTOR

35. The Board shall select the Finance Director of the Company and such person shall be appointed to the Board as a Director on such terms and for such period as the Board determines. The first Finance Director is noted as such in the Schedule to these Articles.
36. The Company shall enter into an agreement with the Finance Director for his employment by the Company and for the provision by him of services to the Company. Save for remuneration, which shall be determined in accordance with Article 87, each such agreement shall be made upon such terms as the Board shall determine. In the event of the termination of the employment of the Finance Director pursuant to his service agreement, the appointment of the Finance Director as a Director shall terminate.

## DISQUALIFICATION AND REMOVAL OF DIRECTORS

37. A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Director if the relevant individual:

- a. ceases to be a Director by virtue of any provision of the Law or becomes prohibited or disqualified by law from being a company director; or
  - b. becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - c. becomes of unsound mind; or
  - d. resigns his office by notice in writing to the Company; or
  - e. is removed from office by a resolution passed by (or written notice signed by) at least two-thirds of all the other Directors from time to time; or
  - f. shall for more than 6 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 office be vacated; or
  - g. in the case of a Tenant Director he ceases to be a Tenant provided that this Article 37(g) shall not apply in respect of a Tenant Director temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to the Tenant Director's home or temporarily ceasing, for a period of no more than one calendar month, to be a Tenant as a result of such Tenant moving to a different property of the Company; or
  - h. is a Tenant Director and is (in the reasonable opinion of a majority of the Board) in serious breach of his obligations as a Tenant; or
  - i. is a Tenant Director and is or becomes a States Connected Person; or
  - j. is an Independent Director and is or becomes a Tenant or a States Connected Person; or
  - k. completes his fixed term of office and has not been reappointed; or
  - l. except in respect of the Chief Executive and the Finance Director, has served on the Board for more than 9 years in total; or
  - m. has, in the opinion of at least two-thirds of the other Directors, done or omitted to do any act or thing that may bring the Company into disrepute; or
  - n. is removed by the Guarantor pursuant to Article 38.
38. The Guarantor shall have the power to remove and appoint any Director (except the Chief Executive and the Finance Director) at any time by notice in writing to the Secretary. Every such appointment or removal shall take effect immediately.

## POWERS OF THE BOARD

39. Subject to the provisions of the Law, directions of the Guarantor in accordance with Article 16 and Article 17 and the provisions of these Articles and the Memorandum of Association, the business of the Company shall be managed by the Board who may exercise all the powers of the Company.
40. No alteration of these Articles or the Memorandum of Association or directions of the Guarantor in accordance with Article 16 and Article 17 shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or the direction had not been given.
41. The powers given by Article 39 shall not be limited by any special authority or power given to the Board by any other Article.
42. In the exercise of their powers the Directors will have regard to the objects.
43. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

## DELEGATION OF DIRECTORS' POWERS

44. The Board may delegate in writing any of its powers to any committee consisting of 2 or more Directors together with such other persons as the Board sees fit but so that Directors shall constitute a majority.
45. The Board may delegate in writing to the Chairman or any vice or deputy Chairman or to any executive officer such of its powers as it considers desirable to be exercised by him.
46. Any delegation under Articles 44 or 45 may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with 2 or more members shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying.

## ALTERNATE DIRECTORS

47. No Director shall be entitled to appoint any person as an alternate director.

## DIRECTORS' REMUNERATION AND EXPENSES

48. The Non-Executive Directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
49. The Directors 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.

#### DIRECTORS' INTERESTS

50. A Director 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 the Company unless it is permitted by these Articles and is not prohibited by the Memorandum of Association.
51. Each Director shall ensure that the Secretary has at all times an up to date list of:
- a. all persons or bodies in which he has an interest as:
    - i. a director or senior employee; or
    - ii. a member of a firm; or
    - iii. the owner or controller of more than 2% of the issued share capital in a company or other body corporate having a share capital; and
  - b. all interests as an official or elected member of any statutory body; and
  - c. all interests as the occupier of any property owned or managed by the Company; and
  - d. any other significant or material interest.

#### AUTHORISATION OF CONFLICTS

52. If an actual or potential conflict of interest arises for a Director other than in relation to a transaction or arrangement with the Company as set out in Articles 56 – 60 and the conflict is not authorised by virtue of any other provision in the Articles, the un-conflicted Directors may authorise such a conflict of interests provided that:
- a. subject to Article 56, any conflicted Director is not to be counted in the quorum of Directors at the meeting where the conflict is to be authorised and is not to vote in respect of any resolution to consider the authorisation of such conflict; and
  - b. the un-conflicted Directors consider it is in the interests of the Company to authorise the conflict of interest in the circumstances applying.
53. The Directors may attach any conditions to an authorisation given under Article 52 that they consider to be in the best interests of the Company.

54. The Board should consider whether any actual or potential conflicts should be authorised in accordance with Article 52 each time:
- a. a new Director is appointed; or
  - b. a new situation (not already authorised) arises for an existing Director that gives rise to an actual or potential conflict of interests.
55. In authorising any matter under Article 52, the Board may also decide that if a Director receives or has received information otherwise than by virtue of his position as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:
- a. disclose any such information to the Company, the Board or any other Director or employee of the Company; or
  - b. use or apply any such information in connection with the performance of his duties as a Director.

#### INTERESTS

56. Any Director having an interest in any arrangement between the Company 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 Article 57 or 58 the Director 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 and 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.
57. Provided the interest has been properly disclosed pursuant to these Articles, a Director may remain present during the discussion and a Director may vote on the matter under discussion where the interest arises because:
- a. the Director is a Tenant, so long as the matter in question affects all or a substantial group of Tenants; or
  - b. the Director is a director or other officer of a company or body which is a parent, subsidiary or associate of the Company; or
  - c. the Director is an official or elected member of any statutory body; or
  - d. of any other reason but the conflict was authorised under Article 52.
58. A Director shall not be treated as having an interest:
- a. of which the Director 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 Director expenses payable or deciding on the level of Directors' remuneration.

59. If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director (other than the chairman of the meeting) to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director (other than himself) shall be final and conclusive.
60. If a question arises at a meeting of the Board or of a committee of the Board as to the right of the chairman of the meeting to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be decided by resolution of the Directors present at that meeting (excluding the chairman), whose majority vote shall be final and conclusive.

#### PROCEEDINGS OF BOARD MEETINGS

61. Subject to any provisions of the Law the Board may regulate their proceedings as they determine.
62. Any Director may, and the Secretary at the request of any Director shall, call a meeting of the Directors and, save in the case of any matter requiring urgent consideration (as determined in the discretion of the person calling the meeting), at least 2 clear days' notice of such meeting shall be given to each Director.
63. The quorum for the transaction of the business of the Board at the time when the meeting proceeds to business shall be 5.
64. If a quorum is not present within half an hour from the time appointed for a Board meeting the Board meeting shall 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 Directors present may determine and notice of such adjourned meeting shall be given to each Director.
65. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 63 the Directors present shall constitute a quorum.
66. Save as expressly provided elsewhere, questions arising at a Board meeting shall be decided by a majority of votes and each Director present in person shall be entitled to one vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
67. A Board meeting or a meeting of a committee of the Board may consist of a conference between Directors or committee members through the medium of conference telephone or any form of electronic communication or similar form of communications equipment or combination of such methods provided that each Director or committee member participating in the meeting is able to hear and speak to each other participating Director or committee member throughout the meeting. A Director or committee member so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Law, all business transacted in such manner by the Directors or by a committee of the Board shall for the purposes of these Articles be deemed to be validly and

effectively transacted at a meeting of the Board or of a committee notwithstanding that fewer than 2 Directors or committee members are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no such group where the chair of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.

#### WRITTEN RESOLUTION

68. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee to whom the Directors have delegated any of their powers pursuant to Article 44 to Article 46 shall be valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee duly convened and held and may consist of several documents in the like form each signed by one or more Directors.

#### SECRETARY

69. Subject to the provisions of the Law, 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 the Board shall determine and any Secretary so appointed may be removed by the Board.

#### MINUTES

70. The Board shall cause minutes to be made in books kept for the purpose:
- a. of all appointments of officers made by the Company; and
  - b. of all proceedings at meetings of the Company and of the Board, and of committees of the Board and of the Guarantor in its capacity as the sole member of the Company, including the names of the Directors present at each such meeting.

#### STATUTORY RETURNS

71. The Company shall comply with the provisions of the Law in respect of filing the statutory annual return.

#### ACCOUNTS AND AUDIT

72. The Directors shall cause to be kept proper accounts of the Company for each accounting period to be prepared in accordance with generally accepted accounting principles in the Island of Jersey consistently applied and that such accounts shall be forwarded to the Guarantor not more than 4 months after the end of the period to which they relate. The accounts shall include an income and expenditure statement of the Company in respect of the applicable accounting period and shall include the balance sheet as at the end of that accounting period.
73. The Board shall at each annual general meeting recommend the appointment of the Auditors.

74. The accounts shall be audited by the Auditors and shall be accompanied by a report by the Auditors stating that the accounts and financial statements attached hereto have been examined in conjunction with the books and records of the Company and whether the Auditors have obtained all the explanations and information which they have required. Such accounts shall be forwarded to the Guarantor not more than 4 months after the end of the period to which they relate. The Auditors shall further report whether the accounts are in their opinion properly drawn up in accordance with such books and records and give a true and fair view of the affairs of the Company.
75. The Directors shall submit to the Guarantor in each year by such date as may be appointed by the Guarantor a budget of the Company's estimated capital expenditure and receipts and of revenue expenditure and income for the next financial year of the Company.
76. Such person or persons as may be designated by the Guarantor from time to time shall at any time during the office hours of the Company be entitled to inspect all accounting records or other books or documents of the Company and the Directors shall upon request procure production of the same. The Directors shall co-operate fully with the Comptroller and Auditor General, including enabling access to independently audited papers as appropriate.

#### THE SEAL

77. If the Company has a seal it shall only be used with the specific or general authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or a second Director.
78. The Company may exercise the powers conferred by the Law with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

#### NOTICES

79. 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.
80. The Company may give any notice to the Guarantor either personally or by sending it by post in a prepaid envelope addressed to the Guarantor at its principal address, as specified below or as otherwise notified to the Company, or by leaving it at that address.
81. The Guarantor present by duly authorised representative at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
82. 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

83. To the extent permitted by Law, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any act or omission and where relief is granted to him by the court.
84. The Company may purchase and maintain for any Director or officer of the Company insurance against any such liability.

#### APPLICATION OF INCOME AND PROPERTY

85. The income and property of the Company shall be applied solely towards the promotion of its objects.
86. Save as provided in Articles 87 and 89, no portion of the income and property of the Company shall be paid or transferred, directly or indirectly, by way of distribution, bonus or otherwise howsoever by way of profit.
87. Notwithstanding the provisions of Articles 85 and 86 and for the avoidance of doubt, the Company shall make payment in good faith:
  - i. of its contractual payments to third parties, including without limitation, its payment of obligations to the States;
  - ii. of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension policies and terminal grants and gratuities) to any officer, employee or Director of the Company in return for any services rendered to the Company;
  - iii. of reasonable and proper remuneration to the States or employees thereof (not being Directors) in return for any services rendered to the Company;
  - iv. of reasonable and proper rent for premises demised or let by the States; and
  - v. of reasonable and proper interest on money lent,each such payment being a contractual obligation and not a distribution or bonus.
88. Notwithstanding the provisions of Articles 85 and 86, the Company may manage 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 Director provided that no Director shall be entitled to speak in any debate or cast any vote in respect of any matter relating specifically to the property of which he is Tenant, lessee or licensee and to no other property of the Company and shall absent himself from such proceedings.

#### WINDING UP

89. If, upon the winding up or dissolution of the Company, there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall be paid or transferred to the Guarantor.

#### VARIATION

90. These Articles shall not be amended other than by a Report and Proposition properly lodged by the Guarantor having consulted the Minister for Housing and passed by the States Assembly.

SCHEDULE – FIRST DIRECTORS (AS REFERRED TO IN ARTICLE 23)

<i>Director Category</i>	<i>Name</i>	<i>Latest date by which the Board member must retire from office (N.B. they may be eligible for re-appointment)</i>
Independent Director	Michael Jones (chairman)	30 June 2017
Independent Director	Frank Walker	30 June 2017
Independent Director	Heather Bestwick	30 June 2015
Independent Director	Jane Martin	30 June 2016
Independent Director	Vacant Position	
Tenant Director	Colin Russell	30 June 2017
Tenant Director	Vacant Position	
Chief Executive	Ian Gallichan	Not applicable
Finance Director	John Hamon	Not applicable

The person whose name and address appear below is the subscriber to the Memorandum of Association and wishes to form a guarantor company with the above Articles.

NAME AND ADDRESS  
OF GUARANTOR  
MEMBER

SIGNATURE

The States of Jersey

Represented by:

The Minister for Treasury and Resources  
Cyril Le Marquand House  
The Parade  
St. Helier  
JE4 8UL

SIGNATURE OF WITNESS

.....

Full name: .....

Address:

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**ANDIUM HOMES LIMITED**

**MEMORANDUM OF ASSOCIATION**

**COMPANIES (JERSEY) LAW 1991**

1. The name of the company is: ANDIUM HOMES LIMITED.
2. The company is a private company limited by guarantee and not having a share capital.
3. Objects  
The objects of the Company shall be to:
  - provide affordable housing, together with any associated facilities, amenities or services, which meet the policy objectives of the Minister of Housing and the States' Strategic Housing Unit; and
  - carry on from time to time any other object relating or ancillary to housing subject to obtaining the consent of the Guarantor.
4. Powers
  - a. The Company shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient in furtherance of its objects and is in accordance with the Memorandum of Understanding unless it is prohibited by this Memorandum of Association.
  - b. Without limiting the powers described in clause 4a the Company shall have power to:
    - i. take or grant or otherwise dispose of or deal with any interest in land;
    - ii. carry out works to land, buildings or other property;
    - iii. contract with the States or any person or organisation in furtherance of its objects;
    - iv. provide services and assistance to such persons or organisations as permitted by the objects and on such terms as the Board shall determine;
    - v. subject to the Guarantor's consent (which consent shall not be required with respect to any mechanic's lien or the collection of payment in advance for services or rent or similar matter arising in the ordinary course of trade) borrow money, issue loan stock or raise money in such manner as the Company shall determine and secure the repayment of any money borrowed raised or owing by such security as the Company shall determine (including by way of floating charge or security interest or other encumbrance) upon the whole or any

part of the Company's property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it;

- vi. insure and arrange insurance cover for the Company from and against all such risks as the Board shall determine and to pay any premium in respect of such insurance;
- vii. to the extent permitted by law, insure and arrange insurance cover for and to indemnify its agents and employees and such other persons as the Company shall determine, including without limitation, voluntary workers and the States from and against all such risks incurred in the proper performance of their duties as the Company shall consider appropriate and to pay any premium in relation to indemnity insurance in respect of liabilities of its Directors or any of them which would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in respect of the Company provided that such insurance shall not extend to any liability in respect of an act or omission which such Director or Directors knew or ought reasonably to have known was a breach of duty or trust or which was committed by such Director or Directors recklessly without due regard as to whether such act or omission might be a breach of duty or trust;
- viii. invest any monies of the Company not immediately required for the furtherance of its objects as the Company shall determine and as permitted by law;
- ix. subject to such consents as may be required by law and compliance with all formal guidance issued by the Company's 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 the Company or for the furtherance of the objects of the Company; and
- x. make donations, grants or loans to such persons and organisations and on such terms as the Company shall determine to further the objects of the Company.

## 5. Limited liability

The liability of the members of the Company is limited by guarantee as set out in clause 6 below.

6. Members' guarantee

Each of the Company's members undertakes to contribute to the assets of the Company, in the event of the same being wound up while it is a member of the Company, or within 12 months after it ceases to be a member of the Company, for payment of the debts and liabilities of the Company contracted before it ceases to be a member of the Company, 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 sterling.

7. Definitions

Terms defined in the Articles of Association of the Company shall have the same meaning when used in this Memorandum of Association.

8. The person whose name and address appear below wishes to form a guarantor company in pursuance of this Memorandum of Association.

NAME AND ADDRESS OF GUARANTOR MEMBER	LIMIT OF GUARANTEE	SIGNATURE
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The States of Jersey	£1.00	
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Represented by:

The Minister for Treasury and Resources  
Cyril Le Marquand House  
The Parade  
St. Helier  
JE4 8UL

SIGNATURE OF WITNESS

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Full name: .....

Address:

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