

Company No: 13769937

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

Articles of Association

of

NHO Service Limited

Name

- 1 The name of the Company is NHO Service Limited (the Company).

Objects

- 2 The Company's objects are as follows:-
- 2.1 To operate a New Homes Ombudsman Service to advise on, and for the investigation, mediation, conciliation, adjudication, resolution and determination of, complaints (including by satisfaction, settlement or withdrawal) made by complainants relating to the quality of new homes;
- 2.2 To operate other similar redress, mediation and conciliation schemes to enable consumers to obtain redress;
- 2.3 To promote improvements in standards of service and building quality;
- 2.4 To promote best practice in relation to the quality of new homes throughout the housebuilding industry;
- 2.5 To promote consumer protection; and
- 2.6 To provide training and advice services in relation the above.

Powers

- 3 The Company's powers shall be unrestricted.

Prohibition on distribution of profits

- 4 No part of the Company's income or property whatsoever shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to Members.
- 5 For the avoidance of doubt, the provisions of the preceding article shall not preclude payments to a Member under a contract for services, loan agreement or other contractual document between the Company and that Member where the terms of that contractual document were approved by the Board as being in the best interests of the Company.
- 6 Any surpluses shall be applied towards the Company's objects under article 2 (as amended from time to time).

Limited liability

- 7 The liability of the Members is limited.

Members' guarantee

- 8 Each Member undertakes that if the Company is wound up while he/she/it is a member (or within one year after he/she/it ceases to be a member), he/she/it will contribute - up to a maximum of £1 - to the assets of the Company, to be applied towards:-
 - 8.1 payment of the Company's debts and liabilities contracted before he/she/it ceases to be a Member;
 - 8.2 payment of the costs, charges and expenses of winding up; and
 - 8.3 adjustment of the rights of the contributories among themselves.

Winding up

- 9 If, on winding up or dissolution of the Company and after the satisfaction of all debts and liabilities there remain any property or assets whatsoever, these shall be paid or transferred to TDS or (if the Members so determine by special resolution) to a charity (with objects similar to the Company) specified in that special resolution.

Membership

- 10 The Members of the Company shall be:-
 - 10.1 TDS; and
 - 10.2 such other persons or bodies as may be admitted to membership in accordance with these Articles and the Company's policies from time to time and whose names are entered into the Company's register of members.
- 11 In the case of any organisation which is an unincorporated body, membership shall be taken by an individual nominated for membership from time to time by that unincorporated body, and on the basis that:-
 - 11.1 no more than one individual nominated by each unincorporated body may be a member of the Company at any given time; and

- 11.2 an individual admitted to membership on the basis of nomination by any such unincorporated body shall cease to be a Member if the organisation gives notice to the Company withdrawing the nomination of that individual.

Admission to membership

- 12 No person or body shall become a member of the Company unless:-
- 12.1 that person or body has completed an application for membership in a form approved by the Board;
- 12.2 the Board has approved the application taking into account the eligibility criteria as may be approved by the Board from time to time;
- 12.3 approval of at least two thirds of the Members has been obtained;
- 12.4 the approval of TDS has been obtained; and
- 12.5 that person or body (in the case of an individual nominated by an unincorporated body, the appropriate officers of that body on behalf of themselves and their successors in office as trustees for that body) agrees to be bound by the terms of any members agreement; and
- provided that:-
- (a) Article 12 shall not apply to TDS;
- (b) the Board shall not approve any application for membership from a person or body (in the case of an individual nominated by an unincorporated body, taking account in this context of the characteristics of the body which is nominating him/her for membership) which is linked to the housing industry in a capacity as a builder, sub-contractor, developer, joint venture, partner or consultant; and
- (c) upon admission of any new member an entry shall be made in the Company's register of members.

Termination of membership

- 13 Membership shall not be transferable and will be terminated automatically if the Member concerned:-
- 13.1 dies or ceases to exist or passes a resolution for winding-up (otherwise than for the purpose of a solvent amalgamation or reconstruction where the resulting entity assumes all of the obligations of the Member) or a court makes an order to that effect, or if the Member ceases to carry on its business or substantially the whole of its business, or becomes or is declared insolvent or convenes a meeting of or makes or proposes to make any arrangement or composition with its creditors or if a liquidator, receiver, administrator, trustee, manager or similar officer is appointed in relation to any of the assets of the Member or any analogous step is taken in connection with the Member's insolvency, bankruptcy/sequestration or dissolution; or
- 13.2 gives written notice of resignation to the Company (but on the basis that at least 6 months' written notice must first be given, stating the intention to withdraw from membership);

13.3 is the subject of a notice of termination issued to that Member in accordance with any members agreement; or

13.4 is removed by a resolution passed by a majority of the other Members on the grounds that they believe it is in the best interest of the Company for that Member to be removed from membership (except that TDS may not be removed in this manner);

and such that, in the case of a Member admitted on the basis of nomination by an unincorporated body,

- (a) Article 13.1 shall apply (other than in respect of the reference to death) as if each reference to the Member were a reference to the body which nominated him for membership;
- (b) the requirement under Article 13.2 for at least 6 months' written notice shall not apply where the notice of resignation is accompanied by either an application for membership by some other individual nominated by the body which nominated him for membership or a notice by that body confirming its intention to nominate some other individual for membership within a period of four weeks; and
- (c) Article 13.3 shall apply as if the reference to a notice of termination issued to the Member were a reference to a notice of termination issued to the relevant office-bearers of the body as trustees for that body.

General meetings

14 The Board may call general meetings and, on the requisition of Members pursuant to the Act, shall forthwith proceed to convene a general meeting in accordance with the Act.

15 All general meetings shall be called by giving at least fourteen clear days' notice but a general meeting may be called by shorter notice if all Members agree.

16 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.

17 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Member shall not invalidate the proceedings at that meeting.

Attendance at general meetings

18 Any Member entitled to attend at a general meeting shall be entitled to appoint another person as their proxy to attend instead of him/her/it and any proxy so appointed shall have the same right as the Member to speak and vote at the meeting.

19 Meetings can take place in any manner which enables Members to see or hear all persons present speak (whether by the use of microphones, loud speakers, audio visual communications equipment, electronic means or otherwise), whether in the meeting place or elsewhere, and to be seen or heard by all other persons in the same manner.

Quorum for general meetings

20 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Fifty percent of the Members (present in

person or via their authorised representatives, or represented by proxy) shall be a quorum provided that TDS must also be present for there to be a quorum.

- 21 If a quorum is not present within half an hour from the time appointed for a general meeting it shall stand adjourned to the same day in the next week at the same time and place or to such later day and time and/or other place as the Members present decide. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall constitute a quorum.

Chair

- 22 The Chair of the Board or in his absence some other individual present at the meeting and entitled to vote (as elected by those present at the meeting who are entitled to vote) shall chair the general meeting.

Adjournments

- 23 The Chair may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the original meeting. It shall not be necessary to give notice of the adjourned meeting unless it is adjourned for fourteen days or more when at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted.
- 24 The Chair may also, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or is quorate) either indefinitely or to such other time and place as he may decide if the unruly conduct of persons attending the meeting is preventing the orderly holding or continuance of the meeting.
- 25 When a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the Board. It shall not be necessary to give any notice of the adjourned meeting unless it is adjourned for fourteen days or more when at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted.

Votes of Members

- 26 A resolution put to the vote at a meeting shall be decided on a show of hands unless a poll is demanded either before the meeting or on the declaration of the result of the show of hands.
- 27 Subject to the provisions of the Act, a poll may be demanded:-
- 27.1 by the Chair; or
- 27.2 by at least two Members having the right to vote at the meeting; or
- 27.3 by TDS;

and a demand by a person as proxy for a Member shall be the same as a demand by a Member.

- 28 On a show of hands each member present in person ((in the case of a corporate body, present via its duly authorised representative) shall have one vote.
- 29 On a poll:
- 29.1 each of the Members (with the exception of TDS) present in person (in the case of a corporate body, present via its duly authorised representative) or represented by proxy shall have one vote; and
- 29.2 TDS, if present in person (via its duly authorised representative) or represented by proxy, shall have that number of votes which exceeds by one the total number of votes which can be cast under article 29.1.
- 30 Unless a poll is demanded, a declaration by the Chair that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority shall be final and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 31 A demand for a poll may be withdrawn before the poll is taken. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 32 A poll shall be taken immediately. The results of the poll shall be the resolution of the meeting at which the poll was demanded.
- 33 No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chair whose decision shall be final.

Written Resolutions

- 34 A proposed written resolution of Members shall lapse if it is not passed before the end of the period of six months beginning with the circulation date of such resolution (as defined in section 290 of the Act). For the avoidance of doubt, in relation to any resolution which is proposed as a written resolution, TDS shall have that number of votes which exceeds by one the total number of votes which can be cast by all other eligible members (as defined in section 289 of the Act) in relation to that resolution.

The Board

- 35 The Board shall be comprised of a maximum of nine directors as follows:-
- 35.1 Three Board directors appointed by TDS.
- 35.2 Up to four directors appointed by the Board, provided that he/she must be an independent person and shall not be or has been in the previous 3 years an employee or officer of any organisation which is subject to scrutiny by the Company.

- 35.3 Up to two executive directors appointed by the Board.
- 36 TDS shall use reasonable endeavours to appoint only senior representatives of its organisation as Board directors.
- 37 TDS appointments shall be effected by giving written notice to the Company at its registered office.
- 38 TDS shall have the right to remove its appointee (and appoint another person in his/her place) at any time by giving written notice to the Company at its registered office.
- 39 Board directors shall immediately cease to hold office if:-
- 39.1 they cease to be a Board director by virtue of any provision of the Act or become prohibited by law from being a director;
- 39.2 they become insolvent, bankrupt/sequestered or make any arrangements or composition with their creditors generally;
- 39.3 they are suffering from mental disorder and either:-
- 39.3.1 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Board director and may remain so for more than three months, or
- 39.3.2 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 39.4 they resign their office by giving written notice to the Company;
- 39.5 they are removed as a Board director by TDS.
- and a Board director shall be prohibited from becoming a Board director while he/she is at any time within any of the categories in Articles 39.1 – 39.5.

Powers of the Board

- 40 Subject to the provisions of the Act, the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of the Articles and no such direction shall invalidate any prior act of the Board. 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.
- 41 The termination of any or all services which TDS may provide to the Company from time to time shall be a matter reserved to the Members. Members may resolve to terminate such services by a resolution passed with the express agreement of TDS.
- 42 The Board may appoint any person to be the agent of the Company for such purposes and on such conditions as it determines including authority for the agent to delegate all or any of their powers.

Borrowing powers

- 43 The Board may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as it thinks fit, and to grant any mortgage, fixed or floating charge or other security over its present and future undertaking and property, or any part thereof, and to issue any debenture, whether outright or as security for any debt, liability or obligation of the Company.

Delegation of Board director's powers

- 44 The Board directors may delegate the exercise of any of their powers under written terms of reference to a single Board director, an employee or employees of the Company, a committee or committees established by the Board directors or to a trustee or trustees or an employee or employees of any director on such terms as the Board director determine. Such delegation may include any of the powers and discretions of the Board directors. Where delegation is to a committee, at least one Board director must form part of that committee.

Alternate Board directors

- 45 Board directors shall not be entitled to appoint alternate Board directors.

Board directors' interests and authorisation of conflicts

- 46 A Board director shall be deemed not to have a conflict of interest as a director, employee, or officer of any Member.
- 47 No Board director shall be treated as having an interest of which that person has no knowledge and of which it is unreasonable to expect him or her to have knowledge.
- 48 Any Board director having an interest in any arrangement with the Company or between the Company and someone else shall disclose their interest before the matter is discussed by the Board. Unless it is expressly permitted by these Articles they shall not remain present unless requested to do so by the Board and they shall not have any vote on the matter in question. Any decision of the Board shall not be invalid because of the subsequent discovery of an interest which should have been declared.
- 49 For the purposes of section 175 of the Act, the Board directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a Board director of the duty to avoid conflicts of interest set out in that section of the Act. Any reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties. Authorisation of a matter under this Article shall be effective only if:-
- 50 The matter in question shall have been proposed in writing for consideration by the Board directors, or in such other manner as the Board directors may determine;
- 50.1 any requirement as to the quorum at the meeting of the Board directors at which the matter is considered is met without counting the Board director in question and any other interested Board director (together the **Interested Board directors**); and
- 50.2 the matter was agreed to without the Interested Board directors voting or would have been agreed to if the votes of the Interested Board directors had not been counted.

51 Unless otherwise determined by the Board directors (excluding the Interested Board directors), any authorisation of a matter under Article 49 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

52 Any authorisation of a matter under Article 49 shall be on such terms and/or conditions as the Board directors (excluding the Interested Board directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the Board directors (excluding the Interested Board directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Board directors from all information and discussion of the matter in question. A Board director shall comply with any obligations imposed on him by the Board directors (excluding the Interested Board directors) pursuant to any such authorisation.

Board directors' remuneration and expenses

53 Board directors may following approval by the Board from time to time be entitled to remuneration for their service as Board directors or any other service they undertake for the Company. The Company will pay any reasonable expenses which the Board directors properly incur in connection with their attendance at Board meetings, general meetings or other Company meetings or otherwise properly incurred in discharge of their duties and responsibilities to the Company.

Proceedings of the Board

54 The Board may regulate their proceedings as they think fit and the quorum for the transaction of business shall be four. Board meetings may be called by any Board director or the Secretary (if any) at the request of a Board director. Board meetings may be held in any manner which enables Board directors to hear and comment on proceedings.

55 If a quorum is not present within half an hour of the time appointed for a Board director, it shall stand adjourned to the same day in the next week at the same time and place or to such later day and time and/or other place as the Board directors present decide. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Board director(s) present shall constitute a quorum.

Voting at Board meetings

56 Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chair shall have a casting vote.

57 If a question arises at a meeting of the Board over the right of a person 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 anyone other than him/herself shall be final and conclusive.

Chair

58 The Chair shall be appointed by the Board for such term, at such remuneration and upon such conditions as it thinks fit. The Board may remove and/or replace the Chair at any time.

59 Unless he/she is unwilling to do so, the Chair shall preside at every meeting of the Board at which he/she is present. If there is no Board director holding that office, or if they are unwilling to preside or they are not present within five minutes after the time appointed for the meeting, the Board directors present may appoint one of their number to chair the meeting.

Defect in appointment or disqualification

60 All acts done by a meeting of the Board or of a committee of the Board or by a person acting as a Board director shall, notwithstanding that it is later discovered that there was a defect in their appointment or that they 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 director and had been entitled to vote.

Written resolutions

61 A resolution in writing signed or confirmed electronically by at least four of the Board directors entitled to receive notice of a meeting of the Board shall be as valid and effective as if it had been passed as a meeting of the Board duly convened and held and may consist of several documents in like form each signed or confirmed electronically by one or more persons.

Secretary

62 The Company may have a Secretary who shall be appointed by the Board for such term, at such remuneration and upon such conditions as they think fit and may be removed and/or replaced by the Board.

Minutes

63 The Secretary (or Board directors where there is no Secretary) shall cause minutes to be made in books kept for the purpose:-

63.1 of all appointments of officers made by the Board; and

63.2 of all proceedings at meetings of the Company and of the Board including the names of the persons present at each meeting.

Accounts

64 The Company shall comply with the provisions of the Act in respect of:-

65 the keeping and auditing of accounting records;

65.1 the provision of accounts and the preparation of an annual report of the Board; and

65.2 the making of an annual return.

Notices

- 66 Any notice to be given to or by any person pursuant to the Articles shall be in writing or given electronically except that a notice calling a meeting of the Board need not be in writing.
- 67 Notice shall be deemed to have been received by a person:-
- 67.1 if posted by first class post, two business days after being posted;
- 67.1.1 if faxed or emailed, one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication and the transmission is to the fax number or email address last notified by that person to the Company;
- 67.1.2 if delivered by hand, on delivery to the person's address last notified by that person to the Company.
- 68 A Member present in person (in the case of a corporate body, present via its duly authorised representative) or represented by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and of the purpose for which it was called.

Indemnity

- 69 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company provided that this Article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the Act. This Article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the Act and any such indemnity is limited accordingly. This Article is also without prejudice to any indemnity to which any person may otherwise be entitled.
- 70 To the extent permitted by, and subject to the restrictions in, the Act and without prejudice to any indemnity to which he may otherwise be entitled, the Board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any Board director, Secretary or other officer of the Company (other than any person (whether an officer or not) engaged by the company as an auditor) in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the Act, or to enable him to avoid incurring such expenditure.
- 71 Without prejudice to the provisions of these Articles, the Board directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a subsidiary or in which the Company has an interest (whether direct or indirect), or who is or was a trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

Amendments to Articles

- 72 The Articles can only be amended with the prior consent of TDS.

Definitions and interpretation

- 73 In these Articles unless the context otherwise requires:-
- 73.1 "the Act" means the Companies Act 2006 and any amendment or re-enactment thereof;
- 73.2 "the Articles" means these Articles of Association as they may be amended and/or replaced from time to time;
- 73.3 "Board" means the board of directors of the Company;
- 73.4 "Board directors" means the directors of the Company;
- 73.5 "Chair" means the person appointed to that office under Article 58;
- 73.6 "clear days" means in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day on which it is to take effect;
- 73.7 "general meeting" means a meeting of the Company's Members;
- 73.8 "Member" means any person admitted to the membership of the Company in accordance with these Articles;
- 73.9 "Secretary" means the company secretary (if any) or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
- 73.10 "TDS" means The Dispute Service Limited (registered company number 04851694);
- 73.11 "the United Kingdom" means the United Kingdom of Great Britain and Northern Ireland.
- 74 Save as defined in Article 73, words or expressions contained in these Articles bear the same meaning as in the Act.
- 75 In these Articles a reference to a person shall, unless the context requires otherwise, include a body corporate or an unincorporated body, reference to the singular shall include the plural and reference to the masculine shall include the feminine.