

LEATHERMARKET JOINT MANAGEMENT BOARD LTD

PROPOSED REVISED CONSTITUTION

1. Purpose

- 1.1. The purpose of this summary note is to set out the main substantive changes included in the proposed articles of association for Leathermarket Joint Management Board Limited (“the JMB”).

2. Background

- 2.1. The Board of the JMB have agreed to update the constitution. The rules have not been updated since the JMB constitution was amended in 2008. Since that time the law governing companies has been fully implemented in the Companies Act 2006 (most of which came into force in 2009), and new template documents are in use for community-based housing organisations. In general, we recommend a review of the constitution at least every five years.
- 2.2. During 2022 we worked on a revised constitution with a working group from the Board. That constitution was put to the members in November 2022 and adopted, but the Board recognise that:
 - 2.2.1. due to issues with delivery of the papers, a number of members did not see the revised constitution before the day of the meeting; and
 - 2.2.2. there were some helpful suggestions from members as to further amendments, which could not be incorporated at that meeting without invalidating the notice.
- 2.3. The Board has therefore decided to incorporate some of the proposals made at the meeting, and to re-issue the whole document to members for formal consideration at a further EGM.
- 2.4. This report sets out the key proposed changes from the JMB constitution which was in force from 2008 to 2022, but notes the further changes made as a result of comments put forward at the November EGM.
- 2.5. Much of the proposed revised constitution is in standard form, and many of the governance principles for the JMB have been carried over from the current rules into the new document. This report sets out where substantive changes are proposed, and the justification for doing so.

3. Changes

Article	Proposed change	Reasoning
3	Objects	The objects in the 2008 constitution were not expressed clearly or succinctly. The new Objects clause sets out the key aims of the JMB, which remain focused on managing housing, representing the members of the JMB, and the benefit of the wider community.
3.2	Co-operative principles	There is a new clear commitment for the JMB to seek to abide by the internationally agreed co-operative principles. The JMB has always sought to work in a co-operative way, but the new commitment makes this clear in the constitution.
5	Application of funds	The current JMB constitution does not include a restriction on what happens to the assets of the JMB on dissolution, nor does it make clear how members or directors can benefit from the JMB's work. Article 5 makes it clear that the JMB does not exist to financially benefit members or directors. The clause goes on to set out when members or directors can benefit, in certain limited circumstances.
7	Who can be a member	Currently, membership is open to anyone who is a tenant or a leaseholder and lives on the Leathermarket Estate (as defined in the 2008 articles). The new articles say that anyone living on the Leathermarket estate can become a member. Anyone who has previously been expelled for misconduct would require the Board's permission to re-join as a member.
8.6 to 8.13	New process for expulsion of members	Good practice in relation to expulsions from community-based organisations is that there should be a clear process, with a small group making the decision rather than the full Board or the wider

Article	Proposed change	Reasoning
		membership (to protect the confidentiality of all those involved). The new rule introduces this, with a right of appeal to the full Board. This is a change from the November 2002 Articles following feedback from that meeting.
10-18	Rules on General Meetings	<p>These rules have been clarified and tidied up, and also amended to make it clear that the JMB can hold electronic or hybrid meetings (to avoid any legal doubt).</p> <p>For clarity, the quorum and voting rights at general meetings remain unchanged.</p>
17	Proxies	The 2008 JMB constitution does not mention proxies at all, despite the statutory right to appoint one. The new constitution contains a clear process for dealing with proxies.
19	Composition of the Board	There is no change to the appointment process for Directors of the JMB, or the size of the Board, save only that the Board may now appoint up to four co-optees rather than three.
21.2 to 21.9	New process for expulsion of Board Members	Good practice in relation to expulsions from the Board, as with members, is that there should be a clear process, with a small group making the decision rather than the full Board or the wider membership (to protect the confidentiality of all those involved). The new rule introduces this, with a right of appeal to the full Board.
23	Regular review of the Articles	Article 23.7 introduces an obligation on the Board to review the Articles at least every three years. This is a change from the November 2002 Articles following feedback from that meeting.

Article	Proposed change	Reasoning
25-26	Board meetings	We have provided for Board meetings to be held electronically as required. The quorum provisions remain unchanged from the 2008 version.
28	Committees and working parties	The constitution sets out a clear framework for delegation to committees (which have delegated powers) and working parties (which do not).

4. Summary and next steps

4.1. We recommend that the members of the JMB review the proposed revised constitution and this report and, if thought appropriate, agree to formally adopt the revised constitution at the forthcoming EGM.

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