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## Changes to the Articles of Association

The Board is seeking your support to make the following changes to The Compulsory Purchase Association Articles of Association.

1. To limit the number of continuous years' service a Member can serve on the Board; and introduce a 6 year rule.
2. To streamline the Director (Board Member) nomination process by removing the need for proposers and seconders.
3. To remove now redundant clauses from the Articles that were in place to deal with a transition period when the CPA became a limited company.

The Articles require a vote to take place and for at least 75% of those participating in the vote support the change.

### **Director (Board Member)- Six Year Rule**

The Association established a diversity and inclusion working group in 2020. One of its observations is that diversity and change of the Board of Directors is limited. In some cases individuals have served on the Board for many years. The working group considered that, by time limiting the period a person can serve, this will create opportunities for other Members to undertake such a role, thus creating diversity on the Board.

The Board considered such proposals very carefully. It is mindful there is a balance to be struck between ensuring opportunities exist for new people to participate on the Board and the benefits experienced Board Members can bring from their continuity of service. This change will mean that a number of the current Board members will be unable to stand once this change is implemented. This will create significant change to the Board creating both opportunities and challenges. On balance the Board feels that the proposed changes are beneficial.

The Board is asking for Member support to amend the Articles to provide that a Director (Board Member) cannot stand for election following a continuous six-year term serving as a Director. Following the six-year period a Member is precluded from standing in an election for the following two years. A current or past Director may, however, be elected to the Leadership Team at any time. Any time served on the Leadership Team is disregarded in calculating a six-year period. In order to provide clarity it is necessary to insert a definition of the Leadership Team in the Articles. The Team includes the Vice Chair, Chair, and Immediate Past Chair.

### **Nomination to the Board**

Currently a member wishing to join the Board of Directors can be nominated should they be proposed by a member and seconded by two further members. It is ordinarily the case that an election is required to determine who will join the Board as more than six nominations are received.

In order to reduce the administrative burden, the Board is seeking your support that it will not be necessary for a nomination to be proposed and seconded. Instead the Member simply needs to complete a nomination form and submit it in the usual way.

### **Removal of text relating to transitional board arrangements**

When the Association became a limited company in 2016 transitional arrangements were included in the Articles to deal with the changes from the then committee members becoming Directors of a limited company. As this text is now redundant it should be removed from the Articles as a 'tidying up' exercise.

### **Implementation**

Should they be supported, the proposed changes to the Articles will be made as soon as practically possible following the 2022 Annual General Meeting. The so called Six Year Rule will, therefore, take effect for those wishing to join the Board of Directors from 2023.

### **Voting**

Voting will take place online and the outcome will be announced at the Annual General Meeting on Monday 10th October 2022.

## summary table

	<b>Proposal</b>	<b>Existing</b>	<b>Amendments</b>	<b>Reasons</b>
1a	Six Year Rule for Board Directors	There is currently no restriction on the number of times a member could be nominated to serve as a Board Director.	It is proposed that the following text is inserted into section 15 of the Articles " <i>A Director cannot stand for election following a continuous six-year term serving as a Director. Following the six-year period a Member is precluded from standing in an election for the following two years. A current or past Director may, however, be elected to the Leadership Team at any time. Any time served on the Leadership Team is disregarded in calculating a six-year period under this provision</i> ".	To promote change and provide a more diverse and inclusive make up of the Board.
1b	Should 1a be passed a definition of 'Leadership Team' is required.	none	In section 1 (Interpretation) of the Articles of Association insert the following definition: " <i>Leadership Team</i> " means <i>the Vice Chair, Chair, and Immediate Past Chair</i> .	To provide clarity when applying Six Year Rule.
2	Remove the need for a Member to be proposed and seconded when nominated to the Board of Directors	15.3 - All nominations shall be on a published nomination form in writing, signed by the Member proposing and two other Members seconding the candidate and shall indicate the nominee's willingness to serve if elected.	15.3 can be reduced to- All nominations shall be on a published nomination form in writing and shall indicate the nominee's willingness to serve if elected.	To reduce administrative burden.
3	Removal of transitional arrangements for Committee Members to become Board Directors	15.1 Half of the elected members of the Board of Directors shall be elected by the Members as a whole each year and shall hold office from the Annual General Meeting ("AGM") at which they are appointed until the second AGM following their appointment at which they should retire. The elected members shall be eligible for re-election. The Directors who shall retire at the first AGM of the Company shall be those Directors who were appointed members of the committee of the Compulsory Purchase Association 2 years prior to the Company's first AGM. On incorporation, all members of the committee of the Compulsory Purchase Association shall be appointed Directors. Those elected as committee members in 2016 shall serve as Directors until 2018 and those elected as committee members in 2015 shall serve as Directors until 2017.	15.1 can be reduced to - Half of the elected members of the Board of Directors shall be elected by the paid up Members as a whole each year and shall hold office from the Annual General Meeting ("AGM") at which they are appointed until the second AGM following their appointment at which they should retire. The elected members shall be eligible for re-election (subject to the provisions regarding maximum term of office in X).	The transitional arrangements became redundant after 2018 and should be removed from the Articles.