

The Hastings Cottage Improvement Society, Limited

Registered in England and Wales

Registered number: 00026390

## **COMPANIES ACT 2006**

### **Special Resolution**



On the 29<sup>th</sup> day of August 2017 at an Extraordinary General Meeting of the Company held at 3 Cambridge Gardens, Hastings, East Sussex, TN34 1EH the following Special Resolution was agreed and passed by the members:

**That the Company shall with immediate effect adopt revised articles of association in accordance with the following notes:-**

3 – Allotment of shares.

As there is no longer any agreement in place concerning the allotment of future shares in the company, the article should end with the words "... Directors think fit".

12/13 – execution and form of transfer

There is a conflict between the requirement in article 12, that the transfer shall be signed by both the transferor and the transferee, and article 13, which requires signature by the transferee only if the share is not fully paid. These provisions should be in a single article, using the wording from the 1985 Table A –

*The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee*

16 – right of transfer to son, etc.

Though a son-in-law is allowed to receive shares as of right, along with a son or daughter, no such right is given to a daughter-in-law and this should be corrected by adding reference to daughters-in-law where a son-in-law is mentioned.

21/22 – transmission clauses

It is not clear what is meant by the phrase "committee of a Member of unsound mind" nor how the Directors might be satisfied that anyone "sustains the

character under which he proposes to act". The Company should therefore adopt wording from the model articles, as follows –

*29 If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.*

*30 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.*

*31 A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company.*

#### 30 – borrowing powers

At the end of the second line there should be a comma, not a full-stop, separating "Company" and "Such" whilst "Such" should not have an initial capital.

#### 42 – proceedings

In line 3, the words "and of the auditors" should be deleted.

#### 59 – directors

The requirement should be for "not less than three nor more than six" directors.

#### 92A – un-claimed dividends

There should be added new provision covering the problem caused by un-cashed cheques, as follows –

*In the event of a dividend cheque not being cashed within six months of being posted by first class post the Secretary shall make all reasonable efforts to contact the Shareholder at their last known address and shall then send a second cheque by first class post with a letter stating that in the event of the cheque not being cashed*

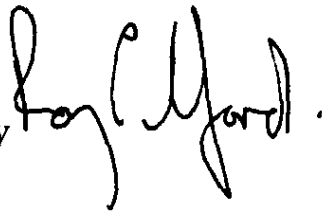
*within a further period of six months from the date of posting, the Secretary shall be required to cancel the cheque and pay an equivalent sum to the charity nominated by the Company in AGM as its chosen charity.*

104/110 – audit

The Company no longer needs its accounts to be audited and accordingly clauses 104 to 110 should be deleted

The articles as amended are set out in the draft copy tabled at the Extraordinary General Meeting on 29 August 2017

Roy Sandford  
Company Secretary

A handwritten signature in black ink, appearing to read 'Roy Sandford', followed by a period. The signature is written in a cursive, flowing style.

THE COMPANIES ACTS 1985 to 2006

COMPANY LIMITED BY SHARES.

ARTICLES OF ASSOCIATION OF

THE HASTINGS COTTAGE IMPROVEMENT SOCIETY, LIMITED

(As adopted by special resolution dated 29 August 2017)

1. In these presents unless there be something in the subject or context inconsistent therewith,

"The Company" means the above-named Society.

"Special Resolution" and "Extraordinary Resolution" have the meanings assigned thereto respectively by the Companies Act 1985.

"The Office" means the Registered Office for the time being of the Company.

"The Register" means the Register of Members to be kept pursuant to section 352 of the Companies Act 1985.

"Month" means calendar month.

"In writing" means written or printed, or partly written and partly printed.

Words importing the singular number only, include the plural number, and vice versa.

Words importing the masculine gender only, include the feminine gender.

Words importing persons include corporations.

2. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) shall not apply to the Company.

3. The Shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions, not being at a discount, and at such times as the Directors think fit.

4. The Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof, and accordingly shall not be bound to recognise any equitable or other claim to or interest in such Share on the part of any other person save as herein provided.

#### CERTIFICATES

5. Every Member shall be entitled to one Certificate for the Shares registered in his name, or to several Certificates each for a part of such Shares. Every Certificate of Shares shall specify the number of the Share in respect of which it is issued, and the amount paid up thereon.

6. If any Certificate be worn out or defaced, then, upon production thereof to the Directors, they may order the same to be cancelled, and may issue a new Certificate in lieu thereof, and if any Certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Directors, and on such indemnity as the Directors deem adequate being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate.

7. Every person to whom Shares in the original Capital shall be allotted shall be entitled gratis to one Certificate in respect of the Shares allotted to him, but for every other Certificate or for the replacement of previously issued Certificates there shall be paid to the Company prior to the issue of such Certificate the sum of £10.00 or such other sum as the Directors may from time to time determine.

## LIEN

8. The Company shall have a first and paramount lien upon all the Shares registered in the name of each Member for his debts, liabilities, and engagements, solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfilment, or discharge thereof shall have actually arrived or not. And such lien shall extend to all dividends from time to time declared in respect of such Shares.

9. For the purpose of enforcing such lien the Directors may sell the Shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member, his executors or administrators, and default shall have been made by him or them in the payment, fulfilment or discharge of such debts, liabilities, or engagements for seven days after such notice.

10. The net proceeds of any such sale shall be applied in or towards satisfaction of the debts, liabilities, or engagements, and the residue (if any) paid to such Member, his executors, administrators or assigns.

11. Upon any sale for enforcing a lien in purported exercise of the powers hereinbefore given, the Directors may cause the purchaser's name to be entered in the register in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase-money, and after his name has been entered in the register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only, and against the Company exclusively.

## TRANSFER AND TRANSMISSION OF SHARES

12. The instrument of transfer of a Share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.

13. The Directors may decline to register any transfer of Shares, upon which the Company has a lien.

14. No Share shall, save as in these Articles otherwise provided, be transferred to a person who is not a Member, without the consent of a majority of the Directors for the time being of the Company, and such majority may refuse their consent without assigning any reason for such refusal.

15. Any Share may be transferred by a Member to any son or daughter, or son-in-law or daughter-in-law, or wife or husband, of such Member, and any share of a deceased Member may be transferred by his executors or administrators to any son or daughter, or son-in-law or daughter-in-law, widow, or widower of such deceased Member, and Clause 15 hereof shall not apply to any such transfer.

16. No transfer shall be made to an infant or person of unsound mind.

17. Every instrument of transfer shall be left at the office for registration, accompanied by the Certificate of the Shares to be transferred and such other evidence, as the Company may require to prove the title of the transferor or his right to transfer the Shares.

18. A fee of £5.00 may be charged for each transfer or such other sum as the Directors may from time to time determine and if required by the Directors or Secretary the fee to be paid before the registration thereof.

19. The transfer books may be closed during such time as the Directors think fit, not exceeding in the whole thirty days in each year excluding Saturdays, Sundays and Bank Holidays.

20. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

21. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

22. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company.

#### INCREASE AND REDUCTION OF CAPITAL

23. The Company, by Special Resolution, may from time to time increase the Capital by the creation of new Shares of such amount as may be deemed expedient.

24. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as by the Special Resolution creating the same shall be directed; and if no direction be given, as the Directors shall determine; and in particular such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company, and with a special or without any right of voting.

25. If at any time the Capital by reason of the issue of Preference Shares or otherwise, is divided into different classes of Shares, all or any part of the rights and privileges attached to each class may be modified by agreement between the



Company, and any person purporting to contract on behalf of that class, provided such agreement is confirmed by an Extraordinary Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereinafter contained as to General Meetings shall *mutatis mutandis* apply to every such meeting, but so that the quorum thereof shall be Members holding or representing by proxy two-thirds of the nominal amount of the issued Shares of the class.

26. Except so far as otherwise provided by the conditions of issue, or by these presents, any Capital raised by the creation of new Shares shall be considered part of the original Capital, and shall be subject to the provisions herein contained with reference to the transfer and transmission, lien, surrender and otherwise.

27. Subject to the provisions of the Companies Act 1985 (including any statutory modification or re-enactment of such provisions for the time being in force) the Company may from time to time by special resolution reduce its Capital by paying off Capital or cancelling Capital which has been lost, or is unrepresented by available assets, or otherwise as may seem expedient, and Capital may be paid off upon the footing that it may be called up again, or otherwise; and the Company may also sub-divide or consolidate its Shares or any of them.

28. The Special Resolution whereby any Share is subdivided may determine that as between the holders of the Shares resulting from such sub-division, one of such Shares shall have any preference over the other or others, and that the profits applicable to the payment of dividends thereon shall be appropriated accordingly.

29. Subject to the provisions of the Companies Act 1985 (including any statutory modification or re-enactment of such provisions for the time being in force), the Company may purchase its own Shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares.

## BORROWING POWERS

30. The Directors may, from time to time, at the their discretion raise or borrow any sum or sums of money for the purpose of the Company, such borrowing not to exceed 50% of the open market value of the Company's assets.

31. The Directors may raise or secure the repayment of such monies in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future).

32. Every Debenture or other security created by the Company may be so framed that the same shall be assignable free from any equities between the Company, and the original or any intermediate holders.

33. The Directors shall cause a proper register to be kept in accordance with section 407 of the Companies Act 1985 (including any statutory modification or re-enactment of that provision for the time being in force), of all mortgages and charges specifically affecting the property of the Company, or any part thereof.

## GENERAL MEETINGS

34. The first General Meeting shall be held at such time (not being more than four months after the registration of the Memorandum of Association of the Company) and at such place, as the Directors may determine.

35. Subsequent General Meetings shall be held within 9 months of the end of the financial year, at such time and place as may be prescribed by the Company in General Meeting, or if no time or place is so prescribed, at such time and place as may be determined by the Directors.

36. The above-mentioned General Meetings shall be called Annual General Meetings. All other Meetings of the Company shall be called Extraordinary General Meetings.

37. The Directors may, whenever they think fit, and they shall upon a requisition made in writing by any one or more members, holding in the aggregate one-tenth of the issued Capital, convene an Extraordinary General Meeting.

38. Any such requisition shall specify the object to the Meeting required, and shall be signed by the Members making the same, and shall be deposited at the office. It may consist of several documents in like form, each signed by one or more of the requisitionists. The Meeting must be convened for the purposes specified in the requisitions, and if convened otherwise then by the Directors for those purposes only.

39. In case the Directors for fourteen days after such deposit fail to convene an Extraordinary General Meeting to be held within twenty-one days after such deposit, the requisitionists, or any one or more Members holding the like proportion of the Capital, may themselves convene a Meeting to be held within six weeks after such deposit.

40. 21 clear days' notice at least shall be given specifying the place, day and hour of an Annual General Meeting or a meeting at which a special resolution proposed and 14 clear days notice in any other case. Notice of such meeting shall be deemed as given from the date of posting to the last known address of the member.

41. The accidental omission to give any such notice to any of the Members, shall not invalidate any resolution passed at any such Meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

42. The business of an Annual General Meeting shall be to receive and consider the statement of income and expenditure, and the balance sheet, the reports of the Directors to elect Directors and / other Officers in the place of those retiring by

rotation, to declare dividends, and to transact any other business which under these presents ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting, and all business transacted at an Extraordinary General Meeting shall be deemed special.

43. Two Members personally present shall be a quorum for a General Meeting for the choice of a Chairman, the declaration of a dividend, and the adjournment of the Meeting. For all other purposes the quorum for a General Meeting shall be Members personally present, not being less than three in number. No business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business.

44. The Chairman of the Directors shall be entitled to take the chair at every General Meeting, or if there be no Chairman, or if at any Meeting he shall not be present within fifteen minutes after the time appointed for holding such Meeting, the Members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the Members present shall choose one of their number to be Chairman.

45. If within a quarter of an hour from the time appointed for the Meeting a quorum is not present, the Meeting, if convened upon such requisition as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned Meeting a quorum is not present, those Members who are present shall be a quorum, and may transact the business for which the Meeting was called.

46. Every question submitted to a Meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes the Chairman shall both on show of hands and at the poll have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

47. At any General Meeting (unless a poll is demanded by the Chairman or one of the Directors or at least seven Members, or by a Member or Members holding or representing by proxy or entitled to vote in respect of at least one-tenth part of the Capital of the Company) a declaration by the Chairman that a resolution has been carried or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the numbers or proportion of votes recorded in favour of or against such Resolution.

48. If a poll is demanded as aforesaid it shall be taken in such manner, either by ballot or otherwise, and at such time and place as the Chairman of the Meeting directs, after an interval or adjournment of not less than five days and the result of the poll shall be deemed to be the Resolution of the Meeting at which the poll was demanded.

49. The Chairman of a General Meeting may with the consent of the Meeting adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.

50. The demand of a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which a poll has been demanded.

#### VOTES OF MEMBERS

51. Every Member shall have one vote for every Share held by him up to five, and he shall have an additional vote for every five Shares beyond the first five Shares, but no Member shall have more than ten votes.

52. Any guardian or other person entitled under clause 21 to transfer any Shares, may vote at any General Meeting in respect thereof in the same manner as if he were

the registered holder of such Shares, provided that forty-eight hours at least before the time of holding the Meeting at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares, or unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

53. Any poll duly demanded on the election of a Chairman of a Meeting, or on any question of adjournment shall be taken at the Meeting without adjournment. The Chairman of Directors may demand proof of membership, the Chairman's decision on such question to be final.

54. Votes may be given either personally or by proxy.

55. The instrument appointing a proxy shall be in writing under the hand of the appointor, or, if such appointor is a Corporation, signed by a director or the secretary thereof.

56. The instrument appointing a proxy shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the Meeting at which the person named in such instrument proposes to vote, and shall be valid only in respect of the Meeting specified in the instrument and any adjournment thereof.

57. The appointment of a proxy shall be executed by or on behalf of the appointor and shall, as nearly as the circumstances will admit, be in the form or to the effect following or such other form as the Secretary may from time to time approve.

"THE HASTINGS COTTAGE IMPROVEMENT SOCIETY, LIMITED.

I \_\_\_\_\_ of \_\_\_\_\_ in the County of \_\_\_\_\_  
being a Member of The Hastings Cottage Improvement Society Limited, hereby  
appoint \_\_\_\_\_ of (or failing him \_\_\_\_\_ of \_\_\_\_\_



63. A Director may retire from his office upon giving one month's notice in writing to the Secretary of the Company of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

64. The continuing Directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum above fixed, the Directors shall not, except for the purposes of filling vacancies, act as long as the number is below the minimum.

65. The office of a Director shall be vacated:-

(A) If he becomes bankrupt or suspends payment, or compounds with his creditors.

(B) If he becomes of unsound mind.

(C) If he ceases to hold the required amount of qualification.

(D) If he absents himself from the Meetings of the Directors during a period of twelve calendar months without special leave of absence from the Directors.

(E) If he is requested in writing by all his co-Directors to resign.

66. No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract or arrangement, or any contract or arrangement entered into by or on behalf of the Company with any Company, or partnership of or in which any Director shall be a Member or otherwise interested, be avoided, nor shall any Director so contracting, or being such Member, or so interested, be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but no such Director shall vote in respect of any such contract or arrangement.

#### ROTATION OF DIRECTORS



67. At the Annual General Meeting to be held in every year one Director each year shall retire in rotation. A retiring Director shall retain office until the dissolution or adjournment of the Meeting at which his successor is elected.

68. In every year the Director to retire shall be the one who has been longest in office. The length of time a Director has been in office shall be computed from his last election or appointment, where he has previously vacated office. A retiring Director shall be eligible for re-election.

69. The Company, at any General Meeting at which any Directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons to be Directors, and may fill up any other vacancies.

70. If at any General Meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall continue in office until the Annual General Meeting in the next year, and so on from year to year until their places are filled up, unless it shall be determined at such Meeting to reduce the number of Directors.

71. The Company in General Meeting may from time to time increase or reduce the number of Directors, and may alter their qualification, and may also determine in what rotation such increased or reduced number is to go out of office.

72. The Company may by Extraordinary Resolution remove any Director before the expiration of his period of office, and appoint another qualified person in his stead. The person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

73. No person not being a retiring Director shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any General Meeting, unless he or some other Member intending to propose him, has at least

seven clear days before the Meeting, left at the Office of the Company a notice in writing under his hand, signifying his candidature for the office, or the intention of such Member to propose him.

#### MANAGING DIRECTOR

74. The Directors may, from time to time, appoint one or more of their body to be Managing Director or Managing Directors of the Company, either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may from time to time, remove or dismiss him or them from office, and appoint another or others in his or their places.

75. The remuneration of a Managing Director shall from time to time be fixed by the Directors, unless determined by the Company in General Meeting, and may be by way of salary or commission, or participation in profits, or by any or all of those modes.

76. The Directors may, from time to time, entrust to and confer upon a Managing Director for the time being, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### PROCEEDINGS OF DIRECTORS

77. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise directed 2 Directors shall be a quorum.

78. A Director may at any time, and the Secretary upon the request of a Director shall convene a meeting of the Directors. Questions arising at any Meeting shall be decided by a majority of votes, and in case of an equality of votes the Chairman shall have a second or casting vote.

79. The Directors may elect a Chairman of their Meetings, and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any Meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such Meeting.

80. A Meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers, and discretions by or under regulations of the Company for the time being, vested in or exercisable by the Directors generally.

81. The Directors may delegate any of their powers to Committees, consisting of such Member or Members of their body as they think fit. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors.

82. The Meetings and proceedings of any such Committee consisting of two or more Members, shall be governed by the provisions herein contained for regulating the Meetings and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by any regulations made by the Directors under the last preceding clause.

83. All acts done at any Meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

84. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a Meeting of the Directors duly called and constituted.

#### POWERS OF DIRECTORS

85. The management of the business and the control of the Company shall be vested in the Directors, who in addition to the powers and authorities by these presents expressly conferred upon them, may exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and are not hereby or by Statute expressly directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to any regulations from time to time made by the Company in General Meeting, provided that no regulation shall invalidate any prior act of the Directors which would have been valid if such regulations had not been made.

86. Without prejudice to the general powers conferred by the last preceding clause, and of the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power -

(1) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(2) To purchase, or otherwise acquire for the Company any property, rights, or privileges, which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit.

(3) At their discretion to pay for any rights acquired by, or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures or other securities of the Company, and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company or not so charged.

(4) To secure the fulfilment of any contracts or engagements entered into by the Company, by mortgage or charge of all or any of the property of the Company, or in such other manner as they may think fit.

(5) To appoint, and at their discretion remove or suspend such Managers, Secretaries, Officers, Clerks, Agents, and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their duties, and fix their salaries or emoluments, and to require security in such instances and to such amount as they think fit.

(6) To accept from any Member, on such terms and conditions as shall be agreed, a surrender of his Shares or any part thereof.

(7) To appoint any person or persons to accept and hold in trust for the Company, any property belonging to the Company, or in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust.

(8) To institute, conduct, defend, compound or abandon any legal proceedings by and against the Company or its officers or otherwise, concerning the affairs of the Company; and also to compound and allow time for payment or satisfaction of any debts due, and of any claims or demands by or against the Company.

(9) To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards.

(10) To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.

(11) To act on behalf of the Company in all matters relating to bankrupts and insolvents.

(12) To invest, lend at interest, or otherwise deal with any of the monies of the Company not immediately required for the purposes thereof, upon such investments or securities, and in such manner as they may think fit, and from time to time to vary or realise such investments or securities.

(13) Before recommending any dividend to set aside out of the profits of the Company such sum as they think proper as a reserve fund to meet contingencies, or for equalising dividends, or for repairing, improving and maintaining any of the property of the Company, and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company, and to invest the several sums so set aside upon such investments as they may think fit, and from time to time to deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and to divide the Reserve Fund into such special funds as they think fit.

(14) From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its Officers and Servants, or the Members of the Company, or any section thereof.

(15) To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid, or otherwise for the purposes of the Company

#### SECRETARY

87. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

#### THE SEAL

(A) The Company shall be entitled to execute documents in any manner permitted by section 36A of the Companies Act 1985 (or any statutory modification or re-enactment thereof for the time being in force), whether or not the Company has a seal.

(B) If the Company has a seal the Directors shall provide for its safe custody and it shall only be used by the authority of the Directors, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

89. Subject to the rights of Members entitled to any Shares that may be hereafter issued upon special conditions, the profits of the Company shall be divisible among the Members in proportion to the amount paid up on the Shares held by them respectively.

#### DIVIDENDS

90. The Company in General Meeting may declare a dividend to be paid to the Members according to their rights and interests in the profits.

91. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

92.

(A) No dividend shall be payable except out of the profits of the Company, available for distribution to the Members.

(B) In the event of a dividend cheque not being cashed within six months of being posted by first class post the Secretary shall make all reasonable efforts to contact the Shareholder at their last known address and shall then send a second cheque by first class post with a letter stating that in the event of the cheque not being cashed within

a further period of six months from the date of posting, the Secretary shall be required to cancel the cheque and pay an equivalent sum to the charity nominated by the Company in AGM as its chosen charity.

93. Where a Share is issued after the commencement of any financial year, it shall, unless otherwise provided by the terms of issue, rank *pari passu* with previously issued Shares as regards any dividend subsequently declared in respect of such year.

94. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

95. The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities and engagements in respect of which the lien exists.

96. A transfer of Shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

97. Notice of the declaration of any dividend, shall be given to the holders of registered Shares in manner hereinafter provided.

## ACCOUNTS

98. The Directors shall cause true accounts to be kept of the sums of money received and expended by the Company; and the matters in respect of which such receipt and expenditure takes place, and of the assets, credits, and liabilities of the Company.

99. The books of account shall be kept at the Registered Office of the Company, or at such other place or places as the Directors think fit.



100. The Directors shall from time to time, determine whether and to what extent, and at what times, and places, and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of the Members, and no Member shall have any right of inspecting any account, or book, or document of the Company, except as conferred by statute or authorised by the Directors, or by a resolution of the Company in General Meeting.

101. At the Annual General Meeting in every year, the Directors shall lay before the Company a statement of the income and expenditure, of the profits and losses made by the Company and a Balance Sheet containing a summary of the property and liabilities of the Company for the financial year of the Company expiring on 31 March preceding the date of the Meeting.

102. Every such statement shall be accompanied by a report of the Directors as to the state and condition of the Company, and as to the amount which they recommend to be paid out of the profits by way of dividends or bonus to the Members, and the amount (if any) which they propose to carry to the Reserve Fund according to the provisions in that behalf hereinbefore contained, and the Statement, Report, and Balance Sheet shall be signed by one Director on behalf of the Company.

103. A copy of such Balance-Sheet and Report shall, not less than 21 days previously to the Meeting, be served on the registered holders of Shares, in the manner in which Notices are hereinafter directed to be served.

#### NOTICES

104.

(A) In this Article and Articles 112 and 124 below, "electronic communication" means the same as in the Electronic Communications Act 2000 and "address", in relation to

electronic communications, includes any number or address used for the purposes of such communications.

(B) Any notice to be given to or by any Member pursuant to these Articles shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice or, subject to the provisions of the Companies Act 2006, a notice or other document or information may be sent or supplied by the Company to a person by being made available on a website.

(C) The Company may give any notice to a Member either personally or by sending it by first class post in a prepaid envelope addressed to the Member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Company by the Member or, subject to the provisions of the Companies Act 2006, by making it available on a website.

(D) A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it or making it available in any manner authorised by these Articles for the giving of notice to a Member, addressed to them by name, or by the title of Representatives of the Deceased, or Trustee of the Bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

105. A Member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications, shall be entitled to have notices given to him at that address.

106. As regards those Members, who have no registered address in the United Kingdom and have not supplied an address to which notices may be sent using

electronic communications or consented to receiving notices by means of publication on a website, a notice posted up at the Office shall be deemed to be well served on them, at the expiration of twenty-four hours after it is so posted up.

107. Save as otherwise required by law, any notice required to be given by the Company to the Members or any of them, and not expressly provided for by these presents, shall be sufficiently given if given by advertisement.

108. Any notice required to be, or which may be given by advertisement, shall be advertised once in Hastings and St Leonards Observer or some other local newspaper circulating within the Borough of Hastings unless there is a legal requirement to advertise nationally.

109. Proof that an envelope containing a Notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a Notice sent by electronic communication was properly addressed 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 or, in the case of a Notice sent by electronic communication, at the expiration of 48 hours after the time it was sent.

110. Where a given number of days' notice, or notice extending over any other period, is required to be given, neither the day of service nor the day upon which such notice will expire shall be counted in such number of days or other period

#### WINDING UP

111. If upon the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any assets whatsoever, the same shall be distributed as follows:

firstly, in repayment to the Members of the nominal value of their Shares (excluding any share premium);

secondly, one half of the remaining assets shall be paid or transferred to the Members in proportion to the nominal amounts paid up or credited as paid up on the issue of Shares of the Company; and

thirdly, the other half of the remaining assets shall be given or transferred to one or more housing associations providing residential accommodation to rent in the areas of Hastings and St Leonards, such housing association or associations to be determined by the Members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some charitable object.

112. If the Company shall be wound up, the Liquidators, whether voluntary or official, may, with the sanction of an Extraordinary Resolution, divide among the Contributories, in specie, any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Contributories as the Liquidators with the like sanction shall think fit.

#### PROTECTION FROM LIABILITY

113. For the purposes of this article a "Liability" is any liability incurred by a person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties, powers or office and "Associated Company" shall bear the meaning referred to in section 309A(6) of the Act. Subject to the provisions of the Act and without prejudice to any protection from liability which may otherwise apply:

the directors shall have power to purchase and maintain for any director of the Company, any director of an Associated Company, any auditor of the Company and any officer of the Company (not being a director or auditor of the Company), insurance against any Liability.

every director or auditor of the Company and every officer of the Company (not being a director or auditor of the Company) shall be indemnified out of the assets of the Company against any loss or liability incurred by him in defending any proceedings in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from any Liability.

114. So far as permitted by law, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any monies, securities or effects shall be deposited, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his respective office or in relation thereto, unless the same happen through his own wilful act or default.

115. The marginal notes hereto shall not affect the construction hereof.