

Companies Act 2006
Company Limited by Shares
Company Number 2576044

Memorandum & Articles of Association

BURWOOD PARK RESIDENTS LIMITED

as previously amended by special resolutions passed on 24 March 2010, 23 March 2011, 28 November 2019, 7 December 2022, and 20 September 2023

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1. The Companies (Model Articles) Regulations 2008

- 1.1 The regulations contained in the Companies (Model Articles) Regulations 2008 (a copy of which is annexed hereto) shall apply to the Company, except in so far as they are modified or excluded by these Articles.

2. Interpretation

In these Articles the definitions in this clause have the following meaning:

the "Act"	the Companies Act 2006, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force;
"Adoption Date"	the date of adoption of these Articles;
"Board"	the board of Directors of the Company from time to time;
"Budget"	the annual budget for the Company prepared by the Board covering projected annual income and expenditure and capital reserves strategy in furtherance of the Objects and in accordance with Financial Governance;
"Chair"	the chair of the Board appointed under Article 11.6;
"Company"	Burwood Park Residents Limited;
"Common Parts"	the Estate Roads, greenways, verges, paths, copses, lakes, ponds, service media and all other common parts of the Estate;
"Covenantor"	a Member who enters into the Deed of Covenant;
"Deed of Covenant"	the deed of covenant entered into between the Company, the Operating Subsidiary and the Covenantor relating to a dwelling and the Estate, (in a form similar to that set out in Schedule 2 to these Articles);
"Director"	an appointed director of the Company from time to time;
"dwelling"	any freehold residential property comprised in the Estate;
"dwellingholder"	the person or persons who holds the freehold of a dwelling and so that where two or more persons are

	dwellingholders of a dwelling they shall for all purposes of these Articles constitute one dwellingholder;
the "Estate"	means the land at Burwood Park, Hersham, Walton-on-Thames, Surrey, registered with title absolute under title number SY634764 and title number SY843642 together with any land which abuts, adjoins or is within the immediate vicinity of the Estate acquired by the Company or the Operating Subsidiary from time to time;
"Estate Roads"	the roads which are situated on the Estate;
"Financial Governance"	the financial principles under which the Board will operate the finances of the Company as set out in Schedule 3 to these Articles;
"General Meeting"	means a meeting (whether an AGM or EGM (each of which is defined in Article 7)) of the Members in accordance with Article 7;
"Member"	a shareholder of the Company and "Members" shall be construed accordingly;
"Members' Consent"	the requisite consent of the Members in accordance with these Articles;
"Model Articles"	The Companies (Model Articles) Regulations 2008;
"New Dwellingholder Fee"	The fee payable by any Member following the completion of the purchase of their dwelling and calculated in accordance with the applicable provisions set out in the Policies & Procedures;
"Non-covenantor"	A Member who has not entered in to the Deed of Covenant;
"Objects"	the objects of the Company set out in Schedule 1 to these Articles;
"Operating Subsidiary"	Burwood Park Estate Limited (registered under company number: 00218198) (formerly Burhill Estates Company Limited)
"Policies & Procedures"	the policies and procedures of the Company comprising the general policies and procedures (to include Covenantors' benefits policies and common land rules) and the development policies and procedures

	introduced by the Board (with Members' Consent) to promote the Objects;
"Register of Members"	the statutory register of the Company which records the name and address of each Member and the number of Shares that they hold;
"Regulation"	a regulation in The Companies (Model Articles) Regulations 2008;
"Service Charge"	the annual sum determined from time to time by Shareholder Resolution as a contribution towards the costs and expenses properly incurred by the Company and the Operating Subsidiary inter alia in the upkeep, repair, renewal, replacement and maintenance of the Common Parts and the infrastructure of the Estate pursuant to the Objects;
"share"	a share in the Company and "Share(s)" shall be construed accordingly;
"Shareholders Resolution"	the votes of at least 75% of the Members present in person or by proxy at a General Meeting;

3. Governing Principles

- 3.1 The Objects (as set out in Schedule 1) are incorporated into these Articles and are for the benefit of all the Members. The Board may, at any time, propose to alter, add or repeal any of the Objects provided such proposal receives the consent of the Members by Shareholders Resolution in accordance with Article 10 below. The Policies & Procedures are those proposed by the Board and, subject to obtaining Members' Consent, are to be implemented thereafter by the Company in furtherance of the Objects and for the benefit of the Members (to the extent each Member is entitled) provided that they shall not be inconsistent with, nor shall affect, amend or repeal anything contained in these Articles.
- 3.2 The Deed of Covenant (as set out in Schedule 2) provides the contractual arrangement between the relevant dwellingholder who has signed a Deed of Covenant, the Operating Subsidiary and the Company in furtherance of the Objects and for the purposes of implementing the Policies & Procedures.
- 3.3 The Financial Governance (as set out in Schedule 3) shall be under the remit of the Board. Any income and property of the Company from wheresoever derived shall be applied solely towards the promotion of the Objects and no dividend or other distribution shall be paid or made to the Members and no income or distributions of any kind whatsoever or other property may be paid or transferred directly or indirectly by way of bonus or otherwise by way of profit to any Member. For the avoidance of

any doubt Regulations 30 to 36 (inclusive) of the Model Articles shall be excluded from these Articles.

4. Members' Liability

- 4.1 Each Member shall pay the applicable New Dwellingholder Fee in accordance with the Policies & Procedures.
- 4.2 Each Member shall pay the Service Charge in accordance with the Policies & Procedures.
- 4.3 Other than as specifically set out in Articles 4.1 and 4.2, the liability of the Members is limited to the amount, if any, unpaid on the Share held by each of them.

5. Shareholdings

- 5.1 Each dwellingholder is entitled to hold a single Share for each dwelling that they own in the Estate and to be entered into the Register of Members as a Member of the Company with a vote for each Share held. Where two or more persons are the dwellingholder of a dwelling they will together constitute one Member and the person whose name appears first on the Register of Members will be entitled to exercise the voting and other powers vested in a Member.
- 5.2 No share shall be held, allotted to, or transferred to any person who: is not a dwellingholder; or has not paid their New Dwellingholder Fee, and the Company's right to claim a lien or forfeiture as set out in Article 6 below shall be strictly enforced by the Company.
- 5.3 A dwellingholder shall not be entitled to dispose of his shareholding in the Company while owning, whether alone or jointly with others, the freehold of a dwelling to which the shareholding relates.
- 5.4 In accordance with Section 567 of the Act Sections 561(1) and 562 to 563 (inclusive) of the Act (relating to rights of pre-emption) shall not apply to the Company.
- 5.5 If any Member who is a dwellingholder disposes of the freehold interest in the dwelling or dwellings held by him, or if his interest ceases or determines, he or, in the event of his death, his legal personal representative or representatives, or in the event of his bankruptcy, his trustee in bankruptcy shall transfer his shareholding in the Company to the person or persons who become the dwellingholder of his dwelling or dwellings and shall ensure that the transferee enters into a Deed of Covenant.
- 5.6 The price to be paid on the transfer of every share under this Article shall be its nominal value.
- 5.7 If the holder of a share (or his legal personal representative or representatives or trustee in bankruptcy) refuses or neglects to transfer it or offer it for transfer in accordance with this Article, one of the Directors, duly nominated for that purpose by a resolution of the

Board, shall be the attorney of such holder, with full power on his behalf and in his name to execute, complete and deliver a transfer of the share to the person or persons to whom the same ought to be transferred or (as the case may be) any documentation as is required and the Company shall (as appropriate) enter the name of the transferee of the said share in the Register of Members as the holder thereof.

5.8 The Directors shall refuse to register any transfer of shares made in contravention of any of the foregoing provisions of these Articles including where there are any monies outstanding and due to the Company or where a transferee fails to enter in to the Deed of Covenant, but otherwise shall have no power to refuse to register a transfer.

5.9 Regulation 26(5) of the Model Articles shall not apply to the Company.

6. Lien and Forfeiture

Lien

6.1 The Company has a Lien (the "Company's Lien") over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

6.2 The Directors may at any time decide that a share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part.

6.3 Subject to the provisions of this Article, if a Lien enforcement notice has been given in respect of a share and the person to whom the notice was given has failed to comply with it, the Company may transfer that share in such manner as the Directors decide.

Forfeiture

6.4 In the event that an individual or entity continues to hold the legal or beneficial interest in a share but is no longer a dwellingholder the Directors reserve the right to commence the necessary procedure to forfeit the share in question.

6.5 Subject to the Articles, the forfeiture of a share extinguishes all interests in that share, and all claims and demands against the Company in respect of it and all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.

6.6 Any share which is forfeited in accordance with the Articles is deemed to have been forfeited when the Directors decide that it is forfeited, is deemed to be the property of the Company and may be disposed of as the Directors think fit.

6.7 If a person's shares have been forfeited: the Company must send that person notice that forfeiture has occurred and record it in the Register of Members; that person ceases to be a member in respect of those shares; that person must surrender the certificate for the shares forfeited to the Company for cancellation; that person

remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and the Directors may waive payment of such sums wholly or in part or enforce payment at the time of forfeiture.

7 Members' General Meetings

- 7.1 Every notice convening a General Meeting shall comply with the provisions of Section 325(1) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Board and to the auditors for the time being of the Company.
- 7.2 Save in relation to matters covered by Article 10 (Members' Consent), the quorum necessary for the transaction of the business of a General Meeting is at least forty (40) Members in person or by proxy and entitled to attend and vote at the General Meeting.
- 7.3 If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.
- 7.4 The proceedings of a General Meeting shall not be invalidated because a Member who was entitled to receive notice of the meeting did not receive it as a result of an accidental omission by the Company.
- 7.5 The Board shall call a General Meeting on an annual basis (the "AGM"). The next AGM after the Adoption Date shall be held not more than 12 months from the Adoption Date and thereafter in each subsequent year on a date and time and at a venue to be fixed by the Board and notified to the members at least 60 days before the time fixed for the meeting. No more than 15 months should elapse between successive AGMs.
- 7.6 The Board may call any other General Meeting (in addition to the AGM) (the "EGM") on a date and time and at a venue to be fixed by the Board and notified to the members at least 28 days before the time fixed for the meeting.
- 7.7 The agenda for each General Meeting shall include all items required in accordance with the Act, items raised by the Directors in relation to the Objects, Policies and Procedures and Financial Governance, any proposals put forward by the Members in accordance with Article 7.9 below and in the case of an AGM an invitation to Members to put themselves forward for appointment to the Board as a Director.
- 7.8 Any Member wishing to put themselves forward for appointment to the Board shall notify the Board by written notice, in the case of an AGM at least 28 days or an EGM at least 21 days, before the meeting in question and at that time shall provide the Board

with a brief synopsis of their relevant skills and experience and proposed intended contributions to the Board.

- 7.9 Any Member or Members holding in aggregate more than ten Shares may propose any resolution at an AGM by giving written notice not less than 28 days before the meeting to the Board and for an EGM by giving written notice not less than 21 days before the meeting to the Board.
- 7.10 Any documentation relevant to any General Meeting shall be provided to Members in advance of the General Meeting, in the case of an AGM 21 days before the meeting in question and in the case of an EGM, 14 days before the meeting in question.

8 Associate Members

- 8.1 The Directors of the Company are authorised to admit tenants of any dwelling in the Estate into associate membership of the Company. Associate members shall not be entitled to Shares in the capital of the Company or to vote at General Meetings but, provided the dwellingholder of the dwelling in question is a Covenantor and has complied with Article 4.2 above (or the associate member has satisfied this obligation in their stead) then upon making an application to the Company in such form, if any, as the Directors may require, such person shall be entitled to all other benefits as a Member of the Company as determined by the Board including the right to attend General Meetings.

9 Votes of Members

- 9.1 Every Member present in person or by proxy at a General Meeting shall have one vote and every Member present in person or by proxy will, whether on a show of hands or on a poll, have one vote for each dwelling of which that Member is the dwellingholder. On a show of hands (as well as on a poll) votes may be given either personally or by proxy.
- 9.2 In the case of a corporation a director or secretary of it will be deemed to be a duly authorised representative for the purposes of the Regulations.
- 9.3 Notwithstanding any Regulation to the contrary no Member is entitled to cast a vote when any sum demanded from him by the Company has not been paid.

10 Members' Consent

- 10.1 Any decision in relation to a disposal sale or development of any of the Common Parts or a sale of the Operating Subsidiary shall require the approval of at least 90% of the Members whether or not present at the General Meeting to include, in the case of a disposal, sale or development of any of the Common Parts, all of the Covenantors who own a dwelling within the building schemes of which the land to be disposed of, sold or developed forms part. This Article shall not affect the Board's right to grant easements or licences for vehicular access over the verges abutting a dwelling.

10.2 Any other decision of the Members at a General Meeting or otherwise shall require a Shareholders Resolution.

10.3 For the avoidance of any doubt any amendment to Article 10.1 shall require the approval of at least 90% of the Members whether or not present at the General Meeting and any other amendment to the Articles shall require the passing of a special resolution of the Company in accordance with the Act.

11 Appointment of Directors

11.1 Following the Adoption Date any new Director shall be elected following the nomination of the Board or a Member's application under Article 11.3 and subsequent approval by Shareholder Resolution.

11.2 Only a Covenantor who is entitled to vote under Article 9.3 may be appointed a Director and no other person shall in any circumstances be eligible to hold office as a Director.

11.3 Subject to the provisions of these Articles and compliance with Article 7.8 any Member may put themselves forward for appointment as a Director to the Board.

11.4 Following the Adoption Date the appointment of any new Directors may occur at the next General Meeting and thereafter the Directors shall remain in office (subject always to the terms of these Articles and the Act) for the period until the convening of the second AGM after the Adoption Date. The term of office of any Director thereafter shall be for such period as is appropriate until the convening of the next following AGM. Any Director on standing down after each term will be eligible for re-election under Article 11.1 above.

11.5 Unless and until otherwise determined by a Shareholders Resolution the number of Directors shall be not less than three nor more than ten. During the election process for the Directors under these Articles, should the individuals nominated and subsequently approved by Shareholder Resolution under Article 11.1 exceed ten in number then the ten with the most votes of the Members present in person or by proxy shall be appointed as Directors. In the event that two or more receive an equal number of votes such that the number of Directors would exceed ten in number then the individual who is already a serving Director shall take priority. The determination of the procedure concerning the election of Directors not addressed above or otherwise in these Articles shall be at the incumbent Chair's discretion.

11.6 Following the appointment of the Directors under Article 11.1 the Board shall appoint a chair of the Board from amongst its own number. As from the convening of the second AGM after the Adoption Date the term of office of the Chair shall be for such period as is appropriate until the convening of the next following AGM.

11.7 No Director is entitled to any remuneration from the Company. The Directors may be reimbursed the amount of necessary expenses incurred in the exercise of their office if authorised by the Company in General Meeting.

12 Proceedings of Directors

- 12.1 Subject to such disclosure as is required by the Act a Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.
- 12.2 The office of a Director shall be vacated if he ceases to be a dwellingholder, if he fails to pay any sum demanded from him by the Company within the time period stipulated by the Company in making the demand or by Shareholder Resolution and Regulation 18 of the Model Articles shall be modified accordingly.
- 12.3 Regulation 14 of the Model Articles shall not apply to the Company.
- 12.4 Board Meetings shall be held every 3 months or as otherwise deemed necessary. A quorum shall be met when three Directors are present at any meeting.
- 12.5 All questions to be decided by the Board shall be decided by a simple majority of votes, each Director having one vote and in the event of equality of votes the chair of the Board shall not have a casting vote. Where the votes at a Board level create a deadlock position, the proposal on which the deadlock votes were cast shall be rejected.

13 Board Meetings

- 13.1 The Board has due authority to manage the dealings of the Company in the furtherance of the Objects and to propose, review, implement and enforce (where appropriate) the terms of the Deed of Covenant, the Policies & Procedures and Financial Governance.

14 Delegated Authority

- 14.1 The Board may delegate any business of the Company to a sub-committee. The sub-committee's remit will be limited to making recommendations to the Board on specific matters and they shall have no authority to act for or on behalf of the Board or the Company.

15 Indemnity

- 15.1 Every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses and liabilities which he may sustain or incur in the execution of the duties of his office or in the exercise of his powers or otherwise in connection with his office, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 661 or

Section 1157 of the Act in which relief is granted to him by the Court. No Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office. This Article shall only have effect in so far as its provisions are not avoided by Section 532 of the Act.

- 15.2 The Directors shall have power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 532 of the Act.

16. Notices

- 16.1 Notice of any General Meeting and/or Director's meeting can be given: by electronic form; in hard copy; by means of a website; or a combination of any of the above.

17. Content of Proxy Notices

- 17.1 Proxies may only validly be appointed by a notice in writing ("a proxy notice") which: states the name and address of the Member appointing the proxy; identifies the person appointed to be that Member's proxy and the General Meeting in relation to which that person is appointed; is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and is delivered in accordance with any instructions contained in the Notice of General Meeting to which they relate.
- 17.2 The Company may require proxy notices to be delivered in a particular form and may specify different forms for different purposes.
- 17.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 17.4 Unless a proxy notice indicates otherwise, it must be treated as: allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the Meeting; and appointing that person as a proxy in relation to any adjournment of the General Meeting to which it relates as well as the meeting itself.

18. Delivery of Proxy Notice

- 18.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a General Meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 18.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

- 18.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 18.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.
- 18.5 A proxy notice shall be delivered to the Secretary of the Company not less than forty eight hours before the time appointed for the General Meeting.

SCHEDULE 1

OBJECTS

The Objects are:

1. To manage the Estate for the benefit of the Members and to preserve and protect the privacy, security, property values and interests of the dwellingholders in relation to the Estate.
2. To preserve and protect the nature, character and the amenities of the Estate as a high class residential private estate.
3. To encourage the preservation of the rural beauty and characteristics of the Estate by repairing, maintaining and sustaining the Common Parts, and ensuring the care and maintenance of the Common Parts in order to keep the same at all times in good repair and condition.
4. To protect the Common Parts from damage and nuisance caused by dwellingholders undertaking development or building projects to their dwellings and ensuring that the relevant dwellingholders make good any damage caused.
5. To observe and perform the obligations and covenants on the part of the Company and its Operating Subsidiary to be observed and performed in relation to the Common Parts and to enforce the obligations and covenants on the part of the dwellingholder to be observed and performed in relation to their ownership of a dwelling.
6. To effect necessary insurance for the Common Parts and to do all such things as may be incidental or conducive to the Objects.
7. To manage the Operating Subsidiary in the furtherance of the Objects.

SCHEDULE 2

Deed of Covenant

DATED

DEED OF COVENANT

relating to

**Burwood Park
Hersham
Walton-On-Thames
Surrey**

between

BURHILL ESTATES COMPANY LIMITED

and

BURWOOD PARK RESIDENTS LIMITED

and

[]

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HART BROWN

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**H M Land Registry
Land Registration Act 2002**

Administrative Area: Surrey : Elmbridge

Title Numbers: As specified in Schedule 1 hereto

Property: As specified in Schedule 1 hereto

THIS DEED is made the day of
Between

- (1) **BURHILL ESTATES COMPANY LIMITED** incorporated and registered in England and Wales with company number 218198 whose registered office is at Burhill, Walton-On-Thames, Surrey KT12 4BX (the "Company"); and
- (2) **BURWOOD PARK RESIDENTS LIMITED** incorporated and registered in England and Wales with company number 02576044 whose registered office is at Springfield House, 23 Oatlands Drive, Weybridge, Surrey KT13 9LZ (the "Parent Company"); (together referred to as the "Burwood Group"); and
- (3) The Covenantor specified in Schedule 1.

Whereas

- (A) The Company is the registered proprietor of the Estate and a wholly owned subsidiary of the Parent Company and together they form the Burwood Group.
- (B) The Burwood Group's objects include the maintenance, repair and upkeep of the Estate and its Common Parts, the preservation of its nature, character and amenity and the safeguarding of the interest of the residents.
- (C) The Covenantor is the registered proprietor of the Property.
- (D) The Property abuts part of the Estate.

(E) The parties have agreed that the Covenantor will contribute towards the maintenance and upkeep of the Common Parts and infrastructure of the Estate (other than in relation to the Verge which is included in the Estate but the responsibility for maintenance and repair of which the Company will delegate to the Covenantor) on the following terms:

Now this deed witnesses as follows:-

1. Interpretation

1.1 The Definitions in this clause apply in this Deed.

"Common Parts"	the Estate Roads, greenways, verges, paths, copses, lakes, ponds, service media and all other common parts of the Estate.
"Constitution"	the memorandum and articles of association of the Burwood Group.
"Deed of Covenant"	a Deed in the form of the Deed set out in Schedule 2 (with such amendments or alterations reasonably required from time to time by the Burwood Group).
"Development Agreement"	a development agreement in the form of the agreement determined by the Burwood Group from time to time.
"Development Charge"	a sum of money determined by the Burwood Group from time to time for permitting redevelopment of or the carrying out of building works on the Property and inter alia to offset wear, tear and damage to the Estate and any additional or increased usage arising as a result of the building works.

"Estate"	the land at Burwood Park, Hersham, Walton-On-Thames, Surrey, registered with title absolute under title number SY634764 and SY843642.
"Estate Roads"	the roads belonging to the Burwood Group and which form part of the Estate.
"Group Company"	the Parent Company, any subsidiary or any holding company from time to time of the Parent Company, and any subsidiary from time to time of a holding company of the Parent Company.
"Policies and Procedures"	the policies and procedures that are determined by the Burwood Group from time to time in furtherance of the objects set out in the Constitution.
"Property"	the property specified in Schedule 1.
"Service Charge"	an annual sum determined by the Burwood Group from time to time as a contribution towards the costs and expenses properly incurred by the Burwood Group inter alia in the upkeep, maintenance, repair, renewal, replacement and preservation of the Common Parts and the infrastructure of the Estate.
"Verge"	the land abutting and lying between the Property and the relevant Estate Roads.

- 1.2 Reference to a clause or Schedule is a reference to a clause of, or Schedule to this Deed.

- 1.3 Reference to the "Estate", "Property" and "Verge" shall be deemed to include reference to all or any part or parts thereof respectively.
- 1.4 Reference to "Covenantor" includes reference to their successors in title.
- 1.5 Words in the singular includes the plural and vice versa.
- 1.6 The masculine includes the feminine and vice versa.
- 1.7 A "person" includes a company and vice versa.
- 1.8 Where the Covenantor is two or more persons all covenants and obligations by the Covenantor shall be deemed to be entered into by such persons jointly and severally.

2. Covenants by the Covenantor

- 2.1 The Covenantor covenants with the Burwood Group:
 - 2.1.1 to pay the Service Charge;
 - 2.1.2 to comply with the Policies and Procedures in so far as the same relate to the Property;
 - 2.1.3 at all times hereafter at their expense:
 - (a) to keep the Verge neat and tidy;
 - (b) to regularly cut any grass growing on the Verge;
 - (c) to make good any damage to the Verge caused by the Covenantor, his family, visitors, employees or agents;
 - (d) not at any time to enclose the Verge;
 - (e) not to keep or store any articles or goods on the Verge;
 - (f) not to plant anything on the Verge without obtaining in writing the approval of the Company in its absolute discretion; and
 - (g) not at any time to obstruct the Estate Roads paths or greenways on the Estate with vehicles or otherwise.
 - 2.1.4 if the Covenantor shall at any time wish to carry out any permitted and lawful redevelopment of or building works on the Property then they shall:
 - (a) seek the consent and approval of the Burwood Group (such consent not to be unreasonably withheld or delayed);
 - (b) comply with the Policies and Procedures;
 - (c) at their expense enter into a Development Agreement with the Burwood Group; and
 - (d) pay the Development Charge.

- 2.1.5 that upon the transfer of all or any part of the Property the Covenantor will procure that the transferee will enter into a Deed of Covenant to observe and perform the covenants and obligations contained or referred to in this Deed with the Burwood Group;
- 2.1.6 if the Covenantor wishes to sell, transfer or dispose of the Property:
- (a) where the Covenantor is a shareholder of the Parent Company, he must transfer his ordinary share in the share capital of the Parent Company to the transferee of the Property; and
 - (b) where the Covenantor is not a shareholder of the Parent Company, he must procure that the transferee of the Property applies to the Parent Company to become a shareholder.

3. Covenants by the Burwood Group

- 3.1 The Burwood Group covenants with the Covenantor:
- 3.1.1 not to sell or transfer or otherwise deal in any way with the Estate or carry out any development on any part of the Estate (save in relation to the maintenance, repair and upkeep of the Estate, its Common Parts and infrastructure and the preservation of its amenities) without obtaining the consent of the members of the Burwood Group in accordance with the provisions of the Constitution;
 - 3.1.2 to maintain and repair the Common Parts; and
 - 3.1.3 to implement the Policies and Procedures.

4. Grant of rights of way

- 4.1 The Company hereby grants to the Covenantor for the benefit of the Property a right of way (in common with all others having the like right and insofar as the Property does not already benefit from such right) over the Estate Roads with or without vehicles solely for the purpose of access to and from the Property in connection with its use as a single private dwellinghouse.

5. Land Registry Restriction

- 5.1 The parties hereto apply to the Chief Land Registrar to enter details of this Deed on the title to the Covenantor's Property and to enter a restriction in the Proprietorship Register of the title to the Property as follows:

"No transfer of the registered estate by the proprietor of the registered estate or by the proprietor of a registered charge not being a charge registered before the entry of this restriction is to be registered without a certificate signed by a conveyancer on behalf of or by Burhill Estates Company Limited (Company Registration Number: 218198) that the provisions of Clauses 2.1.5 and 2.1.6 of the Deed dated the [] day of [] 201[] have been complied with".

6. Reorganisation

- 6.1 The Covenantor agrees that the Burwood Group may at any time, without the consent of the Covenantor, assign or transfer the whole or any part of its rights and / or obligations under this Deed to any Group Company.

IN WITNESS the parties have executed this Deed

SCHEDULE 1

TITLE NUMBERS

SY634764 and SY843642 (for the Estate)

SY[] (for the Property)

THE COVENANTOR

[]

THE PROPERTY

[] Burwood Park, Hersham, Walton-On-Thames, Surrey [KT]

SCHEDULE 2

[NOTE: THIS DOCUMENT IS THE “SUCCESSOR” DEED OF COVENANT WHICH A FUTURE BUYER OF YOUR PROPERTY WILL NEED TO SIGN WHEN YOU SELL. AT THAT TIME, PLEASE CONTACT THE MANAGING AGENT TO REQUEST A SALES INFORMATION PACK]

DATED

DEED OF COVENANT

relating to

**Burwood Park
Hersham
Walton-On-Thames
Surrey**

between

Burhill Estates Company Limited (to be renamed Burwood Park Estate Limited upon its acquisition by Burwood Park Residents Limited)

and

Burwood Park Residents Limited

and

[]

h

HART BROWN

Hart Brown Solicitors
Resolution House, Riverview
Walnut Tree Close
Guildford
Surrey GU1 4UX
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E: info@hartbrown.co.uk
www.hartbrown.co.uk

SCHEDULE 2 - CONTINUED

H M Land Registry Land Registration Act 2002

Administrative Area: Surrey: Elmbridge

Title Numbers: SY634764 and SY843642 (for the Estate) and
[SY] (for the Property)

Property: Burwood Park , Hersham,
Walton-On-Thames, Surrey KT[]

THIS DEED OF COVENANT is made the day of

Between

- (1) **BURHILL ESTATES COMPANY LIMITED** incorporated and registered in England and Wales with company number 218198 whose registered office is at Burhill, Walton-On-Thames, Surrey KT12 4BX (the "Company"); and
- (2) **BURWOOD PARK RESIDENTS LIMITED** incorporated and registered in England and Wales with company number 02576044 whose registered office is at Springfield House, 23 Oatlands Drive, Weybridge, Surrey KT13 9LZ (the "Parent Company"); and (together referred to as the "Burwood Group")
- (3) [] of []
(the "Covenantor")

Background

- (A) The Company is the registered proprietor of the land at Burwood Park, Hersham, Walton-On-Thames, Surrey registered with Title Absolute under title numbers SY634764 and SY843642.
- (B) A Deed of Covenant dated [] 201[] (the "Deed of Covenant") made between the Company (1) the Parent Company (2) and [] (3) ("the Owner") contains a covenant by the Owner that upon the transfer of all or any part of the Property the Owner shall procure that the transferee shall enter into a Deed to observe and perform

SCHEDULE 2 - CONTINUED

the covenants and obligations contained or referred to in the Deed of Covenant.

(C) By a Transfer dated _____ made between [_____] (1)
and the Covenantor (2) the Property was transferred to the Covenantor.

Now this deed witnesses as follows:-

1. The Covenantor covenants with the Burwood Group to observe and perform the covenants and obligations on the part of the Owner contained or referred to in the Deed of Covenant.
2. In this Deed:
 - 2.1 Words in the singular include the plural and vice versa.
 - 2.2 The masculine includes the feminine and vice versa.
 - 2.3 A "person" includes a company and vice versa.
 - 2.4 Where the Covenantor is two or more persons all covenants and obligations by the Covenantor shall be deemed to be entered into by such persons jointly and severally.

In witness the Covenantor has executed this Deed

[EXECUTION CLAUSES – to be added for all parties at the time of sale]

SIGNATURE PAGE - COMPANIES

EXECUTED by a Director
of **BURHILL ESTATES COMPANY**
LIMITED in the presence of an
independent witness:-

.....
Director
.....
Name of Director

in the presence of:
Witness Signature
Witness Name:
Address:
.....
.....
Occupation:

EXECUTED by a Director
of **BURWOOD PARK RESIDENTS LIMITED**
in the presence
of an independent witness:-

.....
Director
.....
Name of Director

in the presence of:
Witness Signature
Witness Name:
Address:
.....
.....
Occupation:

SIGNATURE PAGE – COVENANTOR(S)

EXECUTED as a Deed by

THE COVENANTOR

in the presence of:-

.....

Signature of Covenantor

Witness Signature

Witness Name:

Address:

.....

.....

Occupation:

[If joint owners]

EXECUTED as a Deed by

THE COVENANTOR

in the presence of:-

.....

Signature of Covenantor

Witness Signature

Witness Name:

Address:

.....

.....

Occupation:

SCHEDULE 3

Financial Governance

- The Board will prepare an annual Budget and look to implement the Budget.
- The Budget shall be approved by Shareholders Resolution save that where no approval is obtained the Board is authorised to operate the financial management of the Company along the lines set by the last approved Budget and that the Board's authority extends to committing £20,000 per annum in unbudgeted expenditure in excess of the approved expenditure in the previous Budget.
- Statutory accounts shall be prepared annually and presented to the Members in General Meeting of the Company and, if approved, signed by two Directors.
- The Board shall have delegated authority to commit expenditure in any financial year in excess of the approved annual Budget within the following parameters:

PROFIT & LOSS EXPENDITURE

- (i) Annual operating expenditure – not to exceed 5% of approved Budget per annum.
- (ii) Unbudgeted crisis expenditure – to be capped at £20,000 pa in total and approved by at least 75% of all Directors.

CAPITAL EXPENDITURE

- (iii) Sinking fund capital expenditure – not to exceed 5% of approved sinking fund budget per annum.
- (iv) Unbudgeted capital expenditure – Director's discretion to spend up to £2000 per item and £5000 per annum in aggregate without further approval but only if the expenditure cannot be reasonably delayed for inclusion in the next year's Budget.

LEGAL RESERVE

- (v) Directors to have authority to spend up to 20% of the legal reserve on litigation cases in any year subject to agreement by at least 75% of all Directors. Any funding above this level to be subject to Shareholder Approval.

ANNEXURE

Model Articles 2008

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Regulation 2

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

- 1. In the articles, unless the context requires otherwise—
 - “articles” means the company’s articles of association;
 - “bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
 - “chairman” has the meaning given in article 12;
 - “chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“distribution recipient” has the meaning given in article 31;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

3. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.

Shareholders’ reserve power

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

- (2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions;

as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

- (a) the company only has one director, and
- (b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting

is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

12.—(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman's appointment at any time.

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14.—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) 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 director and may remain so for more than three months;
- (e) 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;
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

19.—(1) Directors may undertake any services for the company that the directors decide.

- (2) Directors are entitled to such remuneration as the directors determine—
 - (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may—
 - (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

- 21.—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

- 22.—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

23. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share certificates

- 24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- (2) Every certificate must specify—
- (a) in respect of how many shares, of what class, it is issued;
 - (b) the nominal value of those shares;
 - (c) that the shares are fully paid; and
 - (d) any distinguishing numbers assigned to them.
- (3) No certificate may be issued in respect of shares of more than one class.

- (4) If more than one person holds a share, only one certificate may be issued in respect of it.
- (5) Certificates must—
- (a) have affixed to them the company's common seal, or
 - (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

- 25.—(1) If a certificate issued in respect of a shareholder's shares is—
- (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- (2) A shareholder exercising the right to be issued with such a replacement certificate—
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

- 26.—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

- 27.—(1) If title to a share passes to a transferee, the company may only recognise the transferee as having any title to that share.
- (2) A transferee who produces such evidence of entitlement to shares as the directors may properly require—
- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transferees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transferees' rights

- 28.—(1) Transferees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the transferee wishes to have a share transferred to another person, the transferee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transferee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transferees bound by prior notices

29. If a notice is given to a shareholder in respect of shares and a transferee is entitled to those shares, the transferee is bound by the notice if it was given to the shareholder before the transferee's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

31.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

No interest on distributions

32. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

33.—(1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

34.—(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

Waiver of distributions

35. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

36.—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4
DECISION-MAKING BY SHAREHOLDERS
ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

38. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing general meetings

39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-shareholders

40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

Adjournment

41.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
 - (a) the meeting consents to an adjournment, or
 - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must—
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
 - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

42. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Errors and disputes

- 43.—(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

- 44.—(1) A poll on a resolution may be demanded—
 - (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
 - (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or
 - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 45.—(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—
 - (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;

- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

- 46.—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

Amendments to resolutions

- 47.—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

- 48.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

- 49.—(1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

50. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

Provision for employees on cessation of business

51. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

- 52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—
- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
 - (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
 - (c) any other liability incurred by that director as an officer of the company or an associated company.
- (2) This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- (3) In this article—
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (b) a "relevant director" means any director or former director of the company or an associated company.

Insurance

- 53.—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.
- (2) In this article—
- (a) a "relevant director" means any director or former director of the company or an associated company,
 - (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and
 - (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.