

File Copy



CERTIFICATE OF INCORPORATION OF A PRIVATE LIMITED COMPANY

Company No. 8402164

The Registrar of Companies for England and Wales, hereby certifies that

HARMONY BAY G17 LIMITED

is this day incorporated under the Companies Act 2006 as a private company, that the company is limited by guarantee, and the situation of its registered office is in England and Wales

Given at Companies House, Cardiff, on 14th February 2013



N08402164C



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

The above information was communicated by electronic means and authenticated by the Registrar of Companies under Section 1115 of the Companies Act 2006



Companies House

— for the record —

IN01(ef)

Application to register a company

Received for filing in Electronic Format on the: 13/02/2013



X224R4YQ

*Company Name
in full:* **HARMONY BAY G17 LIMITED**

Company Type: **Private limited by guarantee**

*Situation of Registered
Office:* **England and Wales**

*Proposed Register
Office Address:* **PO BOX 5 WILLOW HOUSE
OLDFIELD ROAD
HESWALL
WIRRAL
UNITED KINGDOM
CH60 0FW**

I wish to adopt entirely bespoke articles

Company Secretary 1

Type: **Corporate**
Name: **FRACTIONAL SECRETARIES LIMITED**

*Registered or
Principal Office
Address:* **PO BOX 5 WILLOW HOUSE
OLDFIELD ROAD
HESWALL
WIRRAL
UNITED KINGDOM
CH60 0FW**

European Economic Area (EEA) Company

Register Location: **UK**
Registration Number: **05717248**

Consented to Act: **Y** *Date authorised:* **14/02/2013** *Authenticated:* **YES**

Company Director ***I***

Type: **Person**

Full forename(s): **MR NICHOLAS**

Surname: **HANNAH**

Former names:

Service Address: **LA HOUGETTE HOUSE RUE DES DELISLES
CASTEL
GUERNSEY
GY5 7JP**

Country/State Usually Resident: **GUERNSEY**

Date of Birth: **24/08/1964** *Nationality:* **BRITISH**

Occupation: **DIRECTOR**

Consented to Act: **Y** *Date authorised:* **14/02/2013** *Authenticated:* **YES**

Company Director 2

Type: **Corporate**

Name: **FRACTIONAL ADMINISTRATION SOLUTIONS LIMITED**

*Registered or
Principal Office
Address:* **WILLOW HOUSE OLDFIELD ROAD
HESWALL
WIRRAL
UNITED KINGDOM
CH60 0FW**

European Economic Area (EEA) Company

Register Location: **UK**

Registration Number: **05807575**

Consented to Act: **Y** *Date authorised:* **14/02/2013** *Authenticated:* **YES**

Company Director 3

Type: **Corporate**

Name: **FRACTIONAL NOMINEES LIMITED**

*Registered or
Principal Office
Address:* **WILLOW HOUSE OLDFIELD ROAD
HESWALL
WIRRAL
UNITED KINGDOM
CH60 0FW**

European Economic Area (EEA) Company

Register Location: **UK**

Registration Number: **05717240**

Consented to Act: **Y** *Date authorised:* **14/02/2013** *Authenticated:* **YES**

Statement of Guarantee

I confirm that if the company is wound up while I am a member , or within one year after I cease to be a member, I will contribute to the assets of the company by such amount as may be required for :

- payment of debts and liabilities of the company contracted before I cease to be a member;*
- payments of costs, charges and expenses of winding up, and;*
- adjustment of the rights of the contributors among ourselves, not exceeding the specified amount below.*

Name: STEVEN MAHONEY

Address: WEST MIDLANDS HOUSE GYPSY LANE
 WILLENHALL
 WEST MIDLANDS
 UNITED KINGDOM
 WV13 2HA

Amount Guaranteed: 1

Statement of Compliance

I confirm the requirements of the Companies Act 2006 as to registration have been complied with.

memorandum delivered by an agent for the subscriber(s): **Yes**

Agent's Name: **FRACTIONAL ADMINISTRATION SOLUTIONS LIMITED**

Agent's Address: **PO BOX 5 WILLOW HOUSE
OLDFIELD ROAD
HESWALL
WIRRAL
UNITED KINGDOM
CH60 0FW**

Authorisation

Authoriser Designation: **agent**

Authenticated: **Yes**

Agent's Name: **FRACTIONAL ADMINISTRATION SOLUTIONS LIMITED**

Agent's Address: **PO BOX 5 WILLOW HOUSE
OLDFIELD ROAD
HESWALL
WIRRAL
UNITED KINGDOM
CH60 0FW**

MEMORANDUM OF ASSOCIATION OF HARMONY BAY G17 LIMITED

PRIVATE COMPANY LIMITED BY GUARANTEE

NOT HAVING A SHARE CAPITAL

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company.

Name of each subscriber

ARG (Harmony Bay) Limited

Dated 6th February 2013

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION
OF
HARMONY BAY G17 LIMITED**

Registered this day of 2013

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

HARMONY BAY G17 LIMITED

PART 1: INTRODUCTION

1. PRELIMINARY

1.1 The articles constituting Schedule 2 to the Companies (Model Articles) Regulations 2008 shall not apply to the Company.

1.2 In these articles:

Act means the Companies Act 2006 including any statutory modification or re-enactment of it for the time being in force.

Articles means these Articles of Association (and where appropriate includes the Memorandum of Association) as amended from time to time.

Board means a meeting of the directors duly called and constituted, or, as the case may be, the directors assembled at a meeting.

Clear days in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

Company means Harmony Bay G17 Limited.

Eligible Director means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

Founder Member means ARG (Harmony Bay) Limited or such other person or company to whom it shall transfer its rights as Founder Member.

Founder Membership	means the class of membership held by the Founder Member as detailed in Article 16.1.
Member	means a Member from time to time of the Company.
Membership	means Founder Membership and Ordinary Membership.
Property Management Agreement	means the agreement entered into by the Company with the Manager.
Manager	means the person or entity with whom the Company from time to time enters into a comprehensive Property Management Agreement to manage the Property and administer the rights and obligations of the Members.
Month	means calendar month.
Office	means the registered office for the time being of the Company.
Ordinary Membership	means any membership other than Founder Membership.
Ordinary Resolution	means a resolution of the Company in general meeting passed by a simple majority of the votes of the Members entitled to vote and voting in person or by Attorney or by proxy at the meeting.
Property	means the real estate situate at Harmony Bay Resort acquired or to be acquired by the Company.
Suitable Person	means a person not being a minor who has executed a valid and binding agreement to purchase or otherwise acquire a membership in the Company and who has submitted to the Board of the Company such evidence as is required pursuant to Article 18.5 and has been accepted by the Board of the Company as a suitable person.

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

2. LIABILITY OF MEMBER

The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member or within one year after he ceases to be a member, for:

- 2.1 payment of the Company's debts and liabilities contracted before he ceases to be a member,
- 2.2 payment of the costs, charges and expenses of winding up, and
- 2.3 adjustment of the rights of the contributories among themselves.

3. OBJECTS OF THE COMPANY

- 3.1 In accordance with Section 31(1) of the Act, the objects of the Company are restricted to those set out in the following provisions of this article.
- 3.2 The principal object for the establishment of the Company is to provide an ownership and administration structure concerning the Property.
- 3.3 In furtherance of the principal object but not otherwise the Company has the power to:
 - 3.3.1 to acquire by purchase, lease, exchange, hire or otherwise, lands and property of any tenure, or any interest in the same wherever situated; to pull down, rebuild, enlarge, alter and improve property belonging to the Company; to sell, lease, let or otherwise dispose of, or grant occupation of the property of the Company; to undertake or direct the management of the property belonging to the Company; and generally to deal with and manage the property of the Company;
 - 3.3.2 to, hold, manage, develop, dispose of and deal with any real or personal property, rights or interests on such terms and in such manner as the Company may think fit;
 - 3.3.3 to improve, manage, cultivate, develop, grant rights and privileges of, or otherwise deal with, all or any part of the property, rights and interests of the Company;
 - 3.3.4 to act as nominee or trustee of any property for any persons including Members;
 - 3.3.5 to invest and deal with the money of the Company not immediately required in such manner as may from time to time be determined;
 - 3.3.6 to borrow and raise money in such manner as the Company shall think fit, and to secure the repayment of any money borrowed, raised or owing, by mortgage, charge, lien or other security upon the whole or part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, lien or security to secure and guarantee the

performance by the Company of any obligation or liability it may undertake or which may become binding on it;

- 3.3.7 to vest any real or personal property, rights or interest acquired by or belonging to the Company in any person or company on behalf or for the benefit of the Company, and with or without any declared trust in favour of the Company;
- 3.3.8 to sell, lease, mortgage, grant options over, dispose of or otherwise deal with the whole or any part of the undertaking, property or assets of the Company or any interest therein for such consideration as the Company may think fit and in particular for shares, whether fully or partly paid-up, debentures or other securities or rights of any other company, government or authority (whether supreme, municipal, local or otherwise);
- 3.3.9 to do all such acts or things as are connected, ancillary, incidental or conducive to the attainment of the above objects or any of them; and
- 3.3.10 to operate as a non-profit company.

The objects set forth in each sub-clause of this Article shall not be restrictively construed but the widest interpretation shall be given thereto and they shall not, except where the context expressly so requires, be in any way limited or restricted by application of the ejusdem generis rule or by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company; none of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company.

4. BUSINESS

- 4.1 The Company shall not sell, transfer or otherwise dispose of the Property or enter into any borrowing or mortgage without the unanimous consent of all the Members and any unanimous consent which is given at a General Meeting of Members unless such consent is given from each and every Member whether present or not at such meeting the same shall not be regarded as unanimous consent for the purposes of this Article.
- 4.2 Without the prior approval of all the Members the Company shall not:
 - 4.2.1 sell, transfer, assign, or dispose of its assets or undertaking or any material part thereof or any interest therein (other than in the ordinary course of business);
 - 4.2.2 make any material change in the nature of the business;
 - 4.2.3 enter into a joint venture;
 - 4.2.4 establish a subsidiary (other than a wholly owned subsidiary); nor

- 4.2.5 acquire any shares in any company or acquire any business or undertaking (excluding inter-group transactions and establishing wholly owned subsidiaries).

PART 3: MANAGEMENT OF THE COMPANY

5. POWERS OF DIRECTORS

- 5.1 Subject to the provisions of the Act and the Articles, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Articles shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
- 5.2 Without prejudice to the generality of Article 5.1 the Directors shall be entitled to exercise the following specific powers:
- 5.2.1 to delegate to the Manager such of the Company's powers as may be appropriate to enable the Manager to perform its functions pursuant to the Property Management Agreement under which it is appointed. Throughout the duration of its appointment all the powers of the Company delegated to the Manager shall be exercised by the Manager and not by the Directors who shall instead liaise with the Manager and monitor the performance of its duties;
 - 5.2.2 to enter into all contracts and agreements which they consider necessary or advisable in connection with managing the affairs of the Company or the Property including those which relate to:
 - 5.2.2.1 default and interest charges in respect of late or non-payment of monies due by Members to the Company and/or the Manager;
 - 5.2.2.2 the levying and payment of charges relating to the use of particular facilities; and
 - 5.2.2.3 all such other administrative matters as the Board may from time to time deem necessary or expedient;
 - 5.2.3 to do all things reasonably necessary for the smooth running of the Property;
 - 5.2.4 to generally supervise the business affairs of the Company and ensure that the Manager and the Founder Member and the Ordinary Members are fulfilling their respective duties and obligations in connection with the Company and to ensure effective communication between the Manager, the Founder Member, the Directors, and the Ordinary Members;
 - 5.2.5 to cancel, suspend or vary the rights or Membership of any Member (other than the Founder Member) at any time who, in the reasonable opinion of the Directors shall have failed without good cause to pay any monies due to the Manager or

the Company on the due date or shall have failed to comply with his obligations under the Articles or whose conduct in the reasonable opinion of the Directors shall be detrimental to the Company the Property or the Members and who has not paid the outstanding monies, or complied with the obligation and remedied the breach, or desisted from the said conduct within such reasonable time as the Directors shall notify in writing to such Member. In the event of a Member having his rights cancelled or suspended or his Membership suspended under this Article he shall not be entitled to exercise any of the rights of a Member (including the right to attend and vote at general meetings) but shall continue to be liable for all the obligations attaching to his Membership (unless they have been cancelled).

- 5.3 Without prejudice to the generality of Article 5.1 the Directors shall be entitled to delegate to an administrator such of the Company's powers as may be appropriate to enable such administrator to perform its functions pursuant to an administration agreement under which it is appointed. Throughout the duration of its appointment all the powers of the Company delegated to an administrator shall be exercised by the administrator and not by the Directors who shall instead liaise with the administrator and monitor the performance of its duties or delegate such function to the Manager.

6. DELEGATION OF DIRECTORS' POWERS

The Directors may (with the consent of the Founder Member but not otherwise) delegate any of their powers to any committee consisting of one or more Directors of the Company. Any such delegation may be made subject to any conditions the Founder Member may impose, and either collaterally with or to the exclusion of the Directors' own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with three or more members shall be governed by the Articles regulating the proceedings of Directors (including the provisions regarding a quorum) so far as they are capable of applying.

7. PROCEEDINGS OF DIRECTORS

- 7.1 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 7.2 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed, the number shall be two provided that at least one of their number shall include a director appointed by the Founder Member. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.
- 7.3 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as

the quorum, the continuing Directors or Director may act only for the purpose of calling a general meeting.

- 7.4 A Director nominated by the Founder Member from time to time shall be the Chairman. In the event that the Founder Member does not nominate a Director as Chairman the Directors may appoint one of their number to be the Chairman and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. But if there is no Director holding office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be Chairman.
- 7.5 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 7.6 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.
- 7.7 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 7.8 If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.
- 7.9 A meeting of the Directors or any committee thereof may, subject to notice thereof having been given in accordance with the Articles, be for all purposes deemed to be held when Directors are in simultaneous communication with each other by telephone or fax or by any means of audio-visual communication and the number of Directors participating in such communication constitutes the quorum of Directors which would otherwise be required by these Articles to be present at the meeting.

8. DIRECTORS INTERESTS

- 8.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (**Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 8.2 Any authorisation under this article will be effective only if:
- 8.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 8.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 8.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 8.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 8.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

- 8.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 8.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 8.6 A director appointed by the Founder Member, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the Founder Member and/or the Manager, and no authorisation under Article 8.1 shall be necessary in respect of any such interest.
- 8.7 Any director appointed by the Founder Member shall be entitled from time to time to disclose to the Founder Member such information concerning the business and affairs of the Company as he shall at his discretion see fit.
- 8.8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 8.9 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 8.10 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 8.9.
- 8.11 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with Article 8.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 8.11.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;

- 8.11.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 8.11.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 8.11.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 8.11.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 8.11.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

9. RECORDS OF DECISIONS TO BE KEPT

The Directors must ensure that the Company keeps a record, in permanent form, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

10. APPOINTMENT OF DIRECTORS

- 10.1 The number of Directors (other than alternate Directors) shall not be more than four.
- 10.2 The first Directors shall be appointed by the Founder Member, who may at any time and from time to time by a memorandum signed by it appoint any person to be a Director and may in like manner remove any Director so appointed and appoint another in his place and may similarly fill any other vacancy in the Directors. Any such appointment or removal shall take effect at and from the time when the memorandum is lodged at the Office or produced at a meeting of the Directors. Any additional Directors to those nominated above and the First Directors, may be appointed by the Board acting by a majority of Directors present and entitled to vote which shall include the vote.
- 10.3 Any memorandum of appointment or removal of a Director which is required to be signed by a corporate Member may be signed on its behalf by any of its directors.

11. ALTERNATE DIRECTORS

- 11.1 Any Director may appoint any other Director, or any other person approved by the Founder Member and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him.
- 11.2 An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director.
- 11.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
- 11.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 11.5 Save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

12. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of a Director shall be vacated if:

- 12.1 he ceases to be a Director by virtue of any provision of the Act (including removal by Ordinary Resolution of the Members) or he becomes prohibited by law from being a director; or
- 12.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 12.3 he is, or may be, suffering from mental disorder and either:
 - 12.3.1 he is admitted to hospital in pursuance of an application for admission for treatment in England or Wales under the Mental Health Act 1983 or, in Scotland, the Mental Health (Scotland) Act 1960, or
 - 12.3.2 an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 12.4 he resigns his office by notice to the Company; or
- 12.5 he is removed from office pursuant to Article 10.2; or

- 12.6 he shall for more than twelve consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated; or
- 12.7 other than in the case of a Director appointed by the Founder Member, he is or becomes a member (or was appointed by a member) and ceases to be a member (or the member who appointed him ceases to be a member) for any reason whatsoever.

13. DIRECTORS' EXPENSES

No Director shall be paid any travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or General Meetings.

14. SECRETARY

Subject to the provisions of the Act, a secretary may 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.

15. AUDITORS

The Board may appoint auditors whose duties are to be regulated in accordance with the Act.

PART 4: MEMBERS

16. QUALIFICATION AND ADMISSION OF MEMBERS

- 16.1 The subscriber to the Memorandum of Association and such other persons as are admitted to Membership in accordance with the Articles shall be Members of the Company. The Founder Member (or such person or persons as the Founder Membership may be transferred to pursuant to Article 4) shall be known as the Founder Member and Founder Membership shall be a separate class of Membership from the Ordinary Memberships.
- 16.2 Subject to the prior written approval of the Founder Member (which may attach any conditions precedent to such approval required by the Founder Member) being required for the admission of a Member other than pursuant to a transfer of an existing Membership, the Board or a person authorised by the Board shall have power to admit or refuse to admit persons to be Members who are not Suitable Persons. The maximum number of Members shall not exceed 5 including the Founder Member.
- 16.3 On admission to Membership a person shall be entitled to have their name entered in the Membership Register and to receive a numbered Membership Certificate executed by or on behalf of the Company by an authorised person which shall be prima facie evidence of Membership. A person shall include an incorporated company or body and persons may purchase in joint names in which case they shall apply for membership, but upon admission shall only be entitled to the rights of a single Member.

16.4 A person admitted to Membership shall be deemed to have agreed to be bound by these Articles.

16.5 No Ordinary Member shall be entitled to mortgage, charge, pledge, grant any security interest or otherwise encumber his Membership or any interest in such Membership without the written consent of the Founder Member.

17. TERMINATION OF MEMBERSHIP

17.1 A Member shall cease to be a Member in any of the following circumstances.

17.1.1 if by giving at least seven clear days notice in writing lodged at the Office and accompanied by his Membership Certificate he resigns from Membership;

17.1.2 if his Membership is cancelled pursuant to Article 5.2.5; or

17.1.3 on disposal of his membership pursuant to Articles 18.1 to 18.6 (inclusive).

17.2 If a Member ceases to be a Member notwithstanding the termination of his Membership (and all rights attaching thereto) he (or his personal representatives, trustee in bankruptcy or liquidator) shall remain responsible for all continuing liabilities in respect thereof (including management charges and any other appropriate charges or special management charge).

17.3 Article 17.1.2 shall not apply to the Founder Member.

17.4 On the death of a member:

17.4.1 his personal representatives shall be the only persons recognised by the Company as having any title to his Membership, but nothing contained herein shall release the estate of a deceased member from any liability in respect of any Membership which had been jointly held by him; and

17.4.2 a person becoming entitled to a Membership 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 such Membership or to have some person nominated by him registered as the transferee. If he elects to become the member 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 Membership to that person. All the articles relating to the transfer of memberships 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.

18. TRANSFER OF MEMBERSHIP

18.1 Every Member other than the Founder Member who desires to transfer his Membership of the Company (**vendor**) shall give notice in writing identifying the proposed purchaser (if any), the proposed sale price and any conditions of sale (**transfer notice**) to the Company

of such desire. Subject as hereinafter mentioned a transfer notice shall constitute the Company the vendor's agent for the sale of the Membership specified therein.

- 18.2 On receipt of a transfer notice, the Company shall promptly offer the Membership to all other members (other than the vendor) giving details of the price of such Membership. The Company shall invite each such Member to state in writing within eight days from the date of the notice whether he is willing to purchase the Membership.
- 18.3 If the Company shall pursuant to the preceding article find a Member or Members of the Company willing to purchase the Membership the vendor shall be bound upon receipt of the price to transfer the Membership to such person(s). In the event that more than one Member is willing to purchase the Membership, and those Members do not wish to share ownership of that Membership, then those Members shall agree amongst themselves who shall take such Membership, failing such agreement the purchasing Member shall be randomly chosen by the process of drawing lots. If the vendor shall make default in so transferring the Membership the Company shall if so required by the person or persons willing to purchase such Membership receive and give a good discharge for the purchase money on behalf of the vendor and shall authorise some person to execute transfers of the Membership rights in favour of the purchasers and shall enter the name(s) of the purchasers together with the additional rights acquired from the Membership in the register of members of the Company.
- 18.4 If the Directors shall not have found a Member or Members of the Company willing to purchase the membership rights pursuant to the foregoing provisions of these articles the vendor shall at any time within three months after the final offer by the Company to its members be at liberty to sell and transfer the Membership rights to the person named in the transfer notice at a price being no less than the price set out in the transfer notice provided always that such transferee shall be bound by the provisions of these Articles and such transferee enters into an application for Membership in the form stipulated by the Board.
- 18.5 For the purpose of ensuring that a particular transfer of Membership is permitted under the provisions of these Articles, the Directors may request the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.
- 18.6 For the avoidance of doubt, the admission to and all changes of Membership pursuant to this Article 18, shall be approved by the Founder Member pursuant to Article 16.1 without any conditions attaching to such approval.

19. CLASS RIGHTS

- 19.1 The Ordinary Members shall be entitled to receive notice of and attend and speak at all General Meetings and on a show of hands every Member who (being an individual) is present in person or by proxy or (being a firm or corporation) is present by a duly authorised representative or by proxy, not being himself a Member entitled to vote, shall

have one vote and on a poll every Member shall have one vote owned by him. Where a Membership Certificate is owned jointly the vote of only one of the joint owners on the Membership Certificate shall be counted and for the avoidance of doubt the vote of the first named joint owner on the Membership Certificate shall only be counted in the event of a dispute between the joint owners.

19.2 The Founder Member shall be entitled to receive notice of and attend and speak at all General Meetings and on a poll shall have one vote.

19.3 Subject to Clause 5.2.5 the special rights attached to the Ordinary Membership and the Founder Membership may not be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, without the prior written consent of all Members.

19.4 The Founder Member shall be entitled to transfer the Founder Membership on such terms and subject to such conditions not inconsistent with the Articles but free of the restrictions contained in Articles 18.1 to 18.5 hereof as it in its sole discretion shall deem appropriate and the Company and the Board shall be bound to register any such transfer and admit any such transferee to Membership of the Company (as Founder Member) forthwith and shall have no right to refuse to register such transfer on any grounds whatsoever.

20. PROPERTY RECORDS

20.1 The Company shall procure that the Manager shall maintain adequate records for the proper management of the Property and in particular shall keep a record of all moneys due by each Member to the Company and/or the Manager from time to time.

20.2 Every Member shall be entitled to request in writing addressed to the Manager an extract of the records relating to that Member and that Member's indebtedness to the Manager as at the date of the extract. Each such request shall specify the desired date of the extract and shall be in such form as the Manager shall from time to time prescribe and shall be accompanied by such reasonable fee as may from time to time be prescribed by the Manager for providing the extract. The Manager shall, as soon as practicable after receipt of such a request and fee, provide the required extract to the Member.

21. MEMBER'S REPORTS

The Company shall procure that prior to the third Friday of January in any given year, the Manager shall prepare and issue to each Member a Member's report which shall include the information referred to in Article 212 and such other information as the Company or the Manager shall from time to time consider to be appropriate.

22. MANAGER AND MANAGEMENT CHARGE

22.1 The first Manager shall be appointed by the Founder Member.

22.2 The Property Management Agreement with the first Manager, and any subsequent Manager, shall not be terminated in accordance with the terms and conditions of that Property Management Agreement without:

22.2.1 the prior consent of all Members present and voting at a General Meeting of the Members including the consent of the Founder Member at such General Meeting; and

22.2.2 a substitute or replacement Property Management Agreement being entered into, to commence no later than the date of termination of the existing Property Management Agreement, upon the same terms with necessary changes with the existing Property Management Agreement.

22.3 In the event that the Manager shall give notice to terminate the Management Agreement, the Directors shall immediately upon receipt of such notice call a meeting of the Board and take all required steps to approve a substitute Property Management Agreement pursuant to Article 22.2.2.

PART 7: GENERAL MEETINGS OF THE COMPANY

23. NOTICE REQUIRED OF GENERAL MEETING

23.1 The Directors may call General Meetings and, on the written request of the Founder Member or the written request of the Members pursuant to the provisions of the Act, shall forthwith proceed to convene a General Meeting in accordance with the provisions of the Act.

23.2 General Meetings shall be called by at least fourteen clear days' notice but a General Meeting may be called by shorter notice if it is so agreed by a majority in number of the Members having a right to attend and vote being a majority together holding not less than ninety per cent of the total voting rights at the meeting of all the Members.

23.3 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted. The notice shall be given to all the Members including the Founder Member and Manager and to the Directors and auditors.

23.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

23.5 Every notice convening a General Meeting shall comply with any applicable provisions of the Act relating to giving information to Members in regard to their right to appoint proxies.

24. PROCEEDINGS AT GENERAL MEETINGS

24.1 Save where the Company has a single Member, no business shall be transacted at any General Meeting unless a quorum is present. Two persons, provided that one of them is the Founder Member or his proxy, each being a Member or a proxy for a Member or a duly

authorised representative of a corporation, at least one of whom shall be entitled to vote upon the business to be transacted, shall be a quorum.

24.2 If such a quorum is not present within thirty minutes from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Chairman of the meeting may determine, and if at the adjourned meeting a quorum is not present within thirty minutes from the time appointed therefor the Members present shall be a quorum.

24.3 The Chairman, if any, of the board of Directors or in his absence some other Director nominated by the Directors shall preside as Chairman of the meeting, but if neither the Chairman nor such other Director (if any) be present within ten minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be Chairman and, if there is only one Director present and willing to act, he shall be Chairman.

24.4 If no Director is willing to act as Chairman, or if no Director is present within ten minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose one of their number to be Chairman.

24.5 Directors may attend and speak at general meetings whether or not they are members of the Company and the Chairman may permit other persons who are not members of the society to attend and speak at a general meeting.

24.6 The Chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn business from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

24.7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

24.7.1 by the Chairman; or

24.7.2 by the Founder Member; or

24.7.3 by at least two Members having the right to vote at the meeting;

and a demand by a person as proxy for a Member shall be the same as a demand by the Member. On a poll every Member present in person or by proxy shall have one vote.

- 24.8 Unless a poll is duly demanded a declaration by the Chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 24.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 24.10 A poll shall be taken as the Chairman directs and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 24.11 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the Chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 24.12 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

25. VOTES OF MEMBERS

- 25.1 Each Member shall have the voting rights set out in Article 19.
- 25.2 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the Office or at such other place as is specified in accordance with the Articles for the deposit of instruments of proxy not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 25.3 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is rendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

- 25.4 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

"[•] LIMITED"

I/We, [•] of [•] being a member/members of the above-named Company, hereby appoint [•] of [•], or failing him, [•] of [•] as my/our proxy to vote in my/our name(s) and on my/our behalf at the general meeting of the Company to be held on [•], and at any adjournment thereof.

Signed on [•].

Where it is desired to afford Members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Directors may approve):

"[•] LIMITED"

I/We, [•] of [•] being a member/members of the above-named company, hereby appoint [•] of [•], or failing him, of as my/our proxy to vote in my/our name(s) and on my/our behalf at the general meeting of the Company to be held on [•], and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No.1 = *for *against

Resolution No.2 = *for *against

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on [•].

- 25.5 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:

25.5.1 be deposited at the registered office of the Company or at such other place as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote; or

25.5.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

25.5.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the secretary or to any Director,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

25.6 A vote given or poll demanded by proxy or by the duly authorised representative of a firm or corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the registered office of the Company or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

PART 8: MISCELLANEOUS MATTERS

26. SEAL

The seal (if any) shall only be used with the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or by a second Director.

27. NOTICES

27.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.

27.2 The Company may give any notice to a Member or Director either personally or by sending it by post in a prepaid envelope addressed to the Member or Director at his registered address in the Members Register or by leaving it at that address.

27.3 A Member present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

27.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted 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.

28. INDEMNITY

28.1 Subject to Article 28.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against;

- 28.1.1 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,
 - 28.1.2 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),
 - 28.1.3 any other liability incurred by that director as an officer of the company or an associated company.
- 28.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 28.3 In this article:
- 28.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - 28.3.2 a **relevant director** means any director or former director of the company or an associated company.