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COMPANIES HOUSE

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

4 Queensway Management Limited

(adopted by Special Resolution passed on 20 August 2014)

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INTERPRETATION

1 INTERPRETATION

1.1 Defined Terms

In these Articles, unless the context requires otherwise.

"A Share" has the meaning given in Article 8 1

"Act" or any numbered section of it, means the Companies Act 2006 or such section as amended, restated or re-enacted from time to time

"appointer" has the meaning given in Article 5 5

"Articles" means the articles of association of the Company as set out in this document or as amended from time to time

"B Share" has the meaning given in Article 8 1

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales and Northern Ireland which have an effect similar to that of bankruptcy and any insolvency proceedings to which a company is subject

"chairman" has the meaning given in Article 4 5

"chairman of the meeting" has the meaning given in Article 6 6

"Companies Acts" means the Act and every other statute or statutory instrument, law or regulation for the time being in force and concerning companies in so far as they apply to the Company

"Company" means 4 Queensway Management Limited

"conflict" has the meaning given in Article 4 6

"director" means a director of the Company and includes any person occupying the position of director, by whatever name called.

"document" or **"notice"** includes, unless otherwise specified, any document or notice sent or supplied by electronic communication

"Dwelling" means a flat comprised within the Property

"Dwelling Owner" means the person(s) who hold(s) a long lease of a Dwelling and in whose name(s) the legal estate of such lease has been registered at HM Land Registry and so that whenever such legal estate is registered for the time being in the names of two or more persons, such persons shall, for all purposes of these Articles

- (a) be deemed to constitute one Dwelling Owner, and
- (b) only one of such persons shall be entitled to make an application for a "B" Share in the Company, the nomination of such person to be agreed between the parties and in default of such agreement to be the person whose name appears first on the register of title to the Dwelling at HM Land Registry

"electronic communication" means any document or information sent or supplied in electronic form within the meaning of section 1168 of the Act

"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 a particular matter)

"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

"group company" means any holding company of the Company or any subsidiary of such company or the Company

"holder" in relation to a share means the person whose name is entered in the register of members as the holder of that share

"instrument" means a document in hard copy form

"Interested director" has the meaning given in Article 4.6

"long lease" means a lease of a Dwelling which, on the date of its grant, was or will be a demise for a term of years of at least 125 years from its stated term commencement date or a lease of a Dwelling in respect of which the Company has agreed to extend the term so as to give rise to a long lease

"Managed Property" has the meaning given in Article 2.1

"ordinary resolution" has the meaning given in section 282 of the Act and includes such a resolution passed by written resolution.

"Property" means Nobel House, Queensway, Redhill RH1 1QS (Land Registry Title number SY422883), which is comprised of 128 Dwellings

"proxy notice" has the meaning given in Article 7.5

"qualifying person" has the meaning given in section 318 of the Act

"Sale" means the sale of a long lease

"secretary" means the company secretary (if any) and includes any joint, assistant or deputy secretary

"shareholder" means a person who is the holder of a share

"shares" means any class of shares in the Company, except where the class of shares is specifically referred to

"special resolution" has the meaning given in section 283 of the Act and includes such a resolution passed by written resolution

"Transfer Date" means 12 noon on the date of the completion of the transfer (or other disposal) of the freehold interest in the Property by the holder of the "A" Share

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law

"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 Act as in force on the date when these Articles become binding on the Company

1.2 Exclusion of other regulations

Neither the model articles in Schedule One to The Companies (Model Articles) Regulations 2008 nor Table A to the Companies Act 1985 or any former enactment shall apply to the Company

1.3 The Interpretation Act 1978 shall apply to these Articles in the same way it applies to an enactment

2 OBJECTS

2.1 The Company's objects are

- (a) to acquire, hold, manage and administer the Property including without limitation to the generality of the foregoing any common areas, roads, accessways, footpaths, parking areas, drains, sewers, lighting, security and associated facilities (the "**Managed Property**") either on its own account or as trustee, nominee or agent of any other company or person;
- (b) to acquire and deal with and take options over any property, real or personal, including the Managed Property, and any rights or privileges of any kind over or in respect of any property, and to improve, develop, sell, lease, accept, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
- (c) to collect all rents, charges and other income and to pay any rates, taxes, charges, duties, levies, assessments or other outgoings of whatsoever nature charged, assessed, or imposed on or in respect of the Managed Property or any part of it;
- (d) to provide services of every description in relation to the Managed Property and to maintain, repair, renew, redecorate, repaint, clean, construct, alter and add to the Managed Property and to arrange for the supply to it of services and amenities and the maintenance of the same and the cultivation, maintenance, landscaping and planting of any land, gardens and grounds comprised in the Managed Property and to enter into contracts with builders, tenants, contractors and others and to employ appropriate staff and managing or other agents accordingly;
- (e) to insure the Managed Property or any other property of the Company or in which it has an interest against damage or destruction and such other risks as may be considered necessary, appropriate or desirable and to insure the Company against public liability and any other risks which it may consider prudent or desirable to insure against, and
- (f) to establish and maintain capital reserves, management funds and any form of sinking fund in order to pay or contribute towards all fees, costs, and other expenses incurred in the implementation of the Company's objects and to require the shareholders of the Company to contribute towards such reserves or funds at such times, in such amounts and in such manner as the Company may think fit and to invest and deal in and with such moneys not immediately required in such manner as may from time to time be determined

3 DIRECTORS POWERS AND RESPONSIBILITIES

3.1 Directors' General Authority

Subject to these 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.

3.2 Shareholders' Reserve Power

- (a) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action
- (b) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

3.3 Directors May Delegate

- (a) Subject to these Articles, the directors may delegate any of the powers which are conferred on them under the Articles
 - (i) to such person or committee,
 - (ii) by such means (including by power of attorney),
 - (iii) to such an extent,
 - (iv) in relation to such matters or territories, and
 - (v) on such terms and conditions,as they think fit
- (b) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- (c) The directors may revoke any delegation in whole or part, or alter its terms and conditions

3.4 Committees

- (a) 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 these Articles which govern the taking of decisions by directors
- (b) The directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.
- (c) Where a provision of these Articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provisions shall be construed as permitting the exercise of the power, authority or discretion by the committee.

3.5 Rules or Byelaws

- (a) Subject to Article 3 5(c) the directors may from time to time make such rules or bye-laws as they may deem necessary or expedient or convenient for the proper conduct and management of the Company, and in particular but without prejudice to the generality of the foregoing, they shall by such rules or bye-laws regulate
 - (i) the conduct of Dwelling Owners and the occupiers of Dwellings in relation to one another, and to the Company and to the Company's servants or agents,
 - (ii) the setting aside of the whole or any part or parts of any property held, managed or administered by the Company at any particular time or times or for a particular purpose or purposes;

- (iii) the procedure at general meetings and meetings of the Directors and committees of the Directors of the Company insofar as such procedure is not regulated by these Articles,
 - (iv) and, generally, all such matters as are commonly the subject matter of Company rules or rules or regulations appropriate to the Company
- (b) The Company in general meeting shall have power to alter or repeal the rules or bye-laws and to make additions thereto and the Directors shall adopt such means as they deem sufficient to bring to the notice of the Dwelling Owners all such rules or bye-laws, which so long as they shall be in force, shall be binding on all Dwelling Owners and occupiers of Dwellings.
- (c) No rule or bye-law of the nature referred to in this Article 3 5 shall be inconsistent with, or shall affect or repeal anything contained in these Articles of Association of the Company

4 DECISION-MAKING BY DIRECTORS

4.1 Meetings of Directors

- (a) Subject to the provisions of these Articles, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- (b) At any time any director may, and the secretary on the requisition of a director shall, summon a meeting of the directors
- (c) Any such notice shall specify where, when and how the meeting will be held Any director may waive notice of any meeting and such waiver may be retrospective
- (d) All acts done by a meeting of directors, or of a committee of directors, 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 such person has been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

4.2 Quorum for Meetings and Voting

- (a) The quorum necessary for the transaction of business of the directors may be fixed from time to time by the directors and, unless so fixed at any other number or there is only one director, shall be two.
- (b) A meeting of the directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the directors
- (c) Each director present in person or by proxy shall have one vote on a show of hands or on a poll at any meeting of the directors.
- (d) Questions arising at any meeting of the directors shall be determined by a majority of votes In case of an equality of votes the chairman shall have a second or casting vote

4.3 Meetings by Conference Telephone etc.

- (a) All or any of the directors or any committee of the directors may participate in a meeting of the directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting

- (b) A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly
- (c) Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman then is

4.4 Resolutions in Writing

- (a) A resolution executed by the Eligible Directors, or by the members of a committee *constituted under these Articles*, shall be as valid and effectual as if it had been passed at a meeting of the directors, or (as the case may be) at a meeting of that committee, which in every case was duly convened and held
- (b) For the purposes of this Article 4.4:
 - (i) a resolution shall consist of one or more written instruments (including faxes) or one or more electronic communications sent to an address specified for the purpose by the secretary, or a combination of them, provided that each such written instrument and electronic communication (if more than one) is to the same effect,
 - (ii) a written instrument is executed when the person executing it signs it,
 - (iii) an electronic communication is executed when the person executing it sends it provided that it has been authenticated in such manner (if any) as the secretary shall prescribe,
 - (iv) the directors, or (as the case may be) members of a committee constituted under these Articles, need not execute the same written instrument or electronic communication;
 - (v) a resolution shall be effective when the secretary certifies that sufficient evidence has been received by him/her that the resolution has been executed in accordance with this Article 4.4,
 - (vi) unless the holders of a majority of the shares or the directors have previously otherwise resolved, such a resolution need not be executed by all the directors and can be passed by execution (indicating approval) by a majority of the Eligible Directors and the chairman shall, in the case of equality of votes of all the directors, have a second or casting vote, and
 - (vii) If no secretary is appointed, the chairman shall perform the functions of the secretary under this Article 4.4

4.5 Chairing of Directors' Meetings

- (a) The directors may appoint a director to chair their meetings
- (b) The person so appointed for the time being is known as the chairman
- (c) The directors may terminate the chairman's appointment at any time
- (d) 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

4.6 Directors' Conflicts of Interest

- (a) 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 (an "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest ("Conflict")

- (b) Any authorisation under this Article will be effective only if
 - (i) 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,
 - (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
 - (iii) 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.
- (c) Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently).
 - (i) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
 - (ii) 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,
 - (iii) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
 - (iv) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
 - (v) 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
 - (vi) 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.
- (d) 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.
- (e) 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
- (f) 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

4.7 Transactions or other arrangements with the Company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of the directors) in respect of such existing or proposed transaction or arrangement in which he is interested,
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any decision, in respect of such existing or proposed transaction or arrangement in which he is interested,
- (d) 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,
- (e) 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
- (f) 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

4.8 Means of disclosure

An interest of a director to be disclosed under Articles 4.6 and 4.7 may be declared at a meeting of directors, by notice in writing pursuant to section 184 of the Act or by means of a general notice under section 185 of the Act

4.9 Connected persons interests and waiver

- (a) For the purposes of Articles 4.6 and 4.7 above an interest of a person who is connected with a director (within the meaning of section 252 of the Act) shall be treated as an interest of the director
- (b) The Company may by ordinary resolution suspend or relax the provisions of Article 4.7 to any extent or ratify any transaction not duly authorised by reason of a contravention of Article 4.7.

4.10 Records of decisions to be kept

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 decision taken by the directors

5 APPOINTMENT OF DIRECTORS

5.1 Methods of appointing directors

- (a) 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*
- (i) by ordinary resolution; or
 - (ii) by a decision of the directors, or
 - (iii) without prejudice to Article 5 1(a)(i) and (ii), for as long as the "A" Shareholder is the sole shareholder entitled to vote on the business of the Company, by the holder for the time being of the "A" Share (every such appointment shall be in writing and signed by or on behalf of such shareholder and shall take effect upon receipt of such notice from the "A" Shareholder at the Company's registered office or by the secretary)

5.2 Termination of director's appointment

- (a) A person ceases to be a director
- (i) where that person was appointed as a director in accordance with Article 5 1(a)(iii), on the Transfer Date,
 - (ii) as soon as that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law; or
 - (iii) as soon as 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; or
 - (iv) as soon as a bankruptcy order is made against that person; or
 - (v) as soon as a composition is made with that person's creditors generally in satisfaction of that person's debts; or
 - (vi) as soon as 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; or
 - (vii) as soon as 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, or
 - (viii) as soon as that person shall, for more than six 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
 - (ix) as soon as an ordinary resolution is passed to that effect, or
 - (x) as soon as a notice or notices in writing to that effect is/are delivered to the Company's registered office or secretary from at least half the shareholders of the Company

5.3 Directors' Remuneration

- (a) Directors may undertake any services for the Company that the directors decide
- (b) Directors are entitled to such remuneration as the directors determine.
 - (i) for their services to the Company as directors; and
 - (ii) for any other service which they undertake for the Company
- (c) Subject to these Articles and law, a director's remuneration may
 - (i) take any form; and
 - (ii) 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
- (d) Unless the directors decide otherwise, directors' remuneration accrues from day to day
- (e) 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 any other group company or of any other body corporate in which the Company is interested.

5.4 Directors' expenses

- (a) The Company may pay any reasonable expenses which the directors (including alternate directors) properly incur in connection with their attendance at
 - (i) meetings of directors or committees of directors,
 - (ii) general meetings, or
 - (iii) 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
- (b) The Company may also fund a director's expenditure for the purposes permitted under the Act and may do anything to enable a director to avoid incurring such expenditure as provided in the Act.

5.5 Alternate directors

- (a) Any director (the "appointer") may at any time appoint as an alternate any other director or any other person who is approved by resolution of directors to
 - (i) exercise that director's powers, and
 - (ii) carry out that director's responsibilities,in relation to the taking of decisions by the directors in the absence of the alternate's appointer.
- (b) Any appointment or removal of an alternate director shall be made by the delivery, to the registered office of the Company or to a meeting of the directors, of a written notice of appointment or removal signed by the appointer

- (c) The appointment of an alternate director shall terminate on the happening of any event which, if he were a director, would cause him to cease to be a director or if the director who appointed him ceases to be a director
- (d) An alternate director shall be entitled to receive notices of meetings of the directors and shall be entitled to attend and vote as a director at, and to be counted as part of the quorum for, any such meeting at which the director appointing him is not present, and generally at any such meeting to perform, as a director, all functions of the director who appointed him. In relation to the proceedings at any such meeting which an alternate director attends, the provisions of these Articles shall apply as if that alternate director were a director and the alternate director shall have the same voting rights at such meeting as the appointer
- (e) If an alternate director is also himself a director or attends any meeting as an alternate for more than one director, his voting rights shall be cumulative but he will only be counted once for any quorum requirements.
- (f) An alternate director may sign, in place of the appointor, any written resolution of the directors
- (g) If and to the extent that the directors may from time to time decide in relation to any committees of the directors, the preceding provisions of this Article 5.5 shall also apply (with appropriate modifications) to any meetings of any such committee of which the appointer is a member
- (h) Save as otherwise provided for in these Articles, an alternate director shall be deemed for all purposes to be a director of the Company and shall alone be responsible for his acts and defaults. An alternate director shall not be entitled to receive any remuneration from the Company for acting as an alternate director unless the appointer instructs the Company in writing to pay part of the remuneration payable by the Company to the appointer to the alternate director instead

6 DECISION-MAKING BY SHAREHOLDERS

6.1 General meetings

The directors may whenever they think fit convene a general meeting and shall, following requisition in accordance with the Act, proceed to convene a general meeting in accordance therewith. If there are not sufficient directors to convene a general meeting, any director or shareholder may convene a general meeting.

6.2 Calling general meetings

- (a) A general meeting of the Company shall be called by notice of at least such length as is required in the circumstances by the Act.
- (b) The Company may give such notice by any means or combination of means permitted by the Act.
- (c) A general meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed by a majority in number of the holders having a right to attend and vote thereat, being a majority together holding not less than 90% in nominal value of the shares giving that right.

6.3 Notice of general meetings

- (a) Every notice calling a general meeting shall specify the place and the day and hour of the meeting.

- (b) There shall appear with reasonable prominence in every such notice a statement that a holder entitled to attend and vote is entitled to appoint a proxy or (if he holds more than one share) proxies to attend, speak and vote instead of him and that a proxy need not be a holder of a share in the Company

- (c) The text of each special resolution to be proposed at the general meeting shall be set out in the notice. Either the text of, or sufficient information to enable a shareholder to understand the purpose of, each ordinary resolution shall be set out in the notice

6.4 Attendance by conference telephone etc.

- (a) All or any of the shareholders or persons permitted to attend under Article 6.7 may participate in the meeting by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting
- (b) A shareholder so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in the quorum accordingly

6.5 Quorum for general meetings

- (a) The provisions of section 318 of the Act shall apply. No business other than the appointment of the chairman of the meeting will be transacted at a general meeting if the persons attending it do not constitute a quorum.
- (b) Prior to the Transfer Date, the holder of the "A" Share for the time being shall constitute a quorum, whether present in person or by proxy
- (c) Following the Transfer Date, two shareholders, each of whom is entitled to vote on the business to be transacted and is present at a general meeting in person or by one or more proxies or, in the event that any member present is a corporation by one or more corporate representations, shall constitute a quorum

6.6 Chairing general meetings

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

- (i) the directors present, or

- (ii) (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

- (c) The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting"

6.7 Attendance and speaking by directors and non-shareholders

- (a) Directors may attend and speak at general meetings, whether or not they are shareholders
- (b) The chairman of the meeting may permit other persons who are not

- (i) shareholders of the Company, or
- (ii) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting

6.8 Adjournment

- (a) 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
- (b) The chairman of the meeting may adjourn a general meeting
 - (i) at which a quorum is present if the meeting consents to an adjournment, or
 - (ii) whether or not it has commenced or a quorum is present if 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.
- (c) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (d) When adjourning a general meeting, the chairman of the meeting must.
 - (i) 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
 - (ii) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (e) 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).
 - (i) to the same persons to whom notice of the Company's general meetings is required to be given, and
 - (ii) containing the same information which such notice is required to contain
- (f) 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.

7 VOTING AT GENERAL MEETINGS

7.1 Voting - general

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

7.2 Errors and disputes

- (a) 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

- (b) Any such objection must be referred to the chairman of the meeting, whose decision is final

7.3 Poll votes

- (a) A poll on a resolution may be demanded
 - (i) in advance of the general meeting where it will be put to the vote, or
 - (ii) 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
- (b) A poll may be demanded by.
 - (i) the chairman of the meeting,
 - (ii) any of the directors,
 - (iii) two or more persons having the right to vote on the resolution, or
 - (iv) 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
- (c) A demand for a poll may be withdrawn if
 - (i) the poll has not yet been taken, and
 - (ii) the chairman of the meeting consents to the withdrawal
- (d) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

7.4 Corporate Representatives

One or more corporate representatives may be appointed by any shareholder which is a corporation in accordance with the provisions of the Act.

7.5 Content of proxy notices

- (a) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which
 - (i) states the name and address of the shareholder appointing the proxy,
 - (ii) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
 - (iii) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
 - (iv) 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
- (b) The Company may require proxy notices to be delivered in a particular form and, subject to the Act, by a particular time and may specify different forms for different purposes
- (c) 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.
- (d) Unless a proxy notice indicates otherwise, it must be treated as

- (i) 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
- (ii) 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

7.6 Delivery of proxy notices

- (a) 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
- (b) 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.
- (c) 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
- (d) 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

7.7 Amendments to resolutions

- (a) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
 - (i) 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 will 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
 - (ii) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (b) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - (i) the chairman of the meeting proposes the amendment at the general meeting at which the resolution will be proposed, and
 - (ii) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (c) 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.

8 SHARES AND DISTRIBUTIONS

8.1 Share capital

- (a) The share capital of the Company is £128 comprising of 1 A ordinary share of £1 (the "A Share") and 127 B ordinary shares of £1 each (the "B Shares").

- (b) No "B" Shares may be allotted to any person who is not a Dwelling Owner. The number of "B" Shares allotted to a Dwelling Owner must not exceed the number of Dwellings in which the Dwelling Owner has a long lease.
 - (c) The "A" Share and the "B" Shares shall entitle the holders thereof to the following rights as to voting:
 - (i) Prior to the Transfer Date
 - (A) The "A" Share shall confer upon the holder thereof the right to receive notices of and to attend all meetings of the Company and the right to 127 votes in respect of the "A" Share.
 - (B) A "B" Share shall not confer upon the holders thereof any right to receive notices of or attend any meetings of the Company and they have no rights to a vote in respect of each "B" Share held.
 - (ii) On and after the Transfer Date
 - (A) The "A" Share will carry no right to receive notice of or to attend general meetings of the Company and no right to vote, nor will it be entitled to participate in any dividend or distribution whatsoever nor will it carry any right to participate in the capital and/or assets of the Company on a winding-up or other return of capital other than in respect of the amount of capital (excluding any premium) paid up on the "A" Share.
 - (B) The Company shall be entitled (subject to the provisions of the Act), at any time, and from time to time and at its sole discretion, by notice in writing to the holder of the "A" Share, to purchase and cancel the "A" Share at a repurchase price of £1.00 and the holder of the "A" Share shall be obliged to accept the same and shall execute and deliver all documentation required to give effect to any such repurchase.
 - (C) The "B" Shares shall be redesignated as "Ordinary Shares" and shall have the right to receive notices of and to attend all meetings of the Company and the right to one vote per Share held and shall be entitled to participate on a pro-rata basis in any dividend or distribution whatsoever and in the capital and/or assets of the Company on a winding-up or other return of capital.
 - (d) In accordance with section 567 of the Act, sections 561 and 562 of the Act are excluded.
 - (e) Unless the shareholders have by ordinary resolution otherwise resolved, all powers of the Company to grant rights to subscribe for or to convert any security into shares are excluded.
 - (f) The liability of the members is limited to the amount, if any, unpaid on the shares held by them.
- 8.2 All shares to be fully paid up**
- (a) Unless the Company otherwise resolves by ordinary resolution, no share will 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.
 - (b) This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

8.3 Company not bound by less than absolute interests

Except as required by law, no person will be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or these 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.

8.4 Share certificates

- (a) The Company must issue each shareholder with one or more certificates in respect of the shares which that shareholder holds.
- (b) Every certificate must specify:
 - (i) in respect of how many shares, of what class, it is issued,
 - (ii) the nominal value of those shares,
 - (iii) whether the shares are fully paid, and
 - (iv) any distinguishing numbers assigned to them.
- (c) No one certificate may be issued in respect of shares of more than one class
- (d) If more than one person holds owns the Dwelling, only one certificate may be issued in respect of it
- (e) Certificates must
 - (i) have affixed to them the Company's common seal, or
 - (ii) be otherwise executed in accordance with the Companies Acts

8.5 Replacement share certificates

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

8.6 Share transfers

- (a) No share (nor any interest in a share) may be transferred except by means of a transfer or disposal of the entire legal and beneficial ownership made pursuant to or as permitted by these Articles. The directors shall refuse to register any transfer or other disposal of a share unless the transfer is made pursuant to or permitted by these Articles. For these purposes
- (i) in this Article 8 6, reference to the transfer of a share includes any sale, transfer or other disposal of such share and the transfer or assignment of a beneficial or other interest in that share or the grant or creation of contractual rights or options over or in respect of such share or the creation of a trust or encumbrance over that share and reference to a share includes a beneficial or other interest in a share, provided always in the event of a charge over property being enforced, Article 8 6(h) shall apply,
 - (ii) any transfer of a share which is required to be made under Article 8 7 will be deemed to include a warranty that the transferor sells with full title guarantee.
- (b) Where permitted by these Articles, 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
- (i) executed by or on behalf of the transferor,
 - (ii) lodged at the Company's registered office (or such other location as the directors may fix for such purpose), and
 - (iii) accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf
- (c) The Company may charge a reasonable fee for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (d) The Company may retain any instrument of transfer which is registered.
- (e) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- (f) The directors shall not register, the transfer of a share if
- (i) the share is not fully paid,
 - (ii) it is in favour of more than four transferees,
 - (iii) it is in respect of more than one class of shares, or
 - (iv) the transfer is not submitted in accordance with Article 8 6(b).
- (g) If the directors refuse to register a transfer under Article 8 6(f), the instrument of transfer and other documents submitted to the Company must be returned to the transferee with the notice of refusal together with the directors' reasons for refusal as soon as practicable and in any event within two months after the date on which the transfer is lodged with it in accordance with section 771 of the Act
- (h) A mortgagee in possession is entitled to be registered as the holder of a "B" Share in place of a Dwelling Owner on serving a notice in writing to the Company requesting such registration, together with a certificate confirming that possession has been taken of that Dwelling

Owner's Dwelling and an official copy of the Charges Register of Title to the Dwelling showing the mortgagee in possession as the registered proprietor of the charge under which possession was taken. On service of such notice and accompanying documents, the Dwelling Owner is required to transfer the "B" Share held by him in respect of that Dwelling to the mortgagee in possession. Save as aforesaid, no "B" Share may be transferred to any person who is not a Dwelling Owner.

- (i) If any holder of a "B" Share who is a Dwelling Owner or a mortgagee in possession (a "transferor") parts with all interest in any Dwelling held by him, or if his interest therein for any reason ceases and determines, he or, in the event of his death, his legal personal representative(s), or in the event of his bankruptcy, his trustee in bankruptcy is required to transfer the "B" Share held by the transferor in respect of that Dwelling to the person(s) who become the Dwelling Owner of that Dwelling.
- (j) Save as is provided in Articles 8 6(h) above, no Dwelling Owner or mortgagee in possession may transfer any "B" Shares in the Company.
- (k) If a holder of a "B" Share dies or is adjudged bankrupt, his legal personal representative or representatives or the trustee in his bankruptcy shall be entitled to be registered as the holder of the "B" Share, provided he or they shall for the time being be a Dwelling Owner.

8.7 Transfer of shares

- (a) The "A" Share shall, subject to Article 8 6 and Article 8 1(c)(ii)(B), be freely transferable.
- (b) Subject to Article 8.6, in the event of the Sale by a shareholder holding a "B" Share (the "Seller")
 - (i) the Seller shall be obliged to transfer one "B" Share to the proposed transferee of the long lease subject to such Sale (the "Buyer") upon completion of the Sale,
 - (ii) the price payable by the Buyer shall be the nominal value of such "B" Share,
 - (iii) if the Seller (or his legal personal representative(s) or trustee in bankruptcy) refuses or neglects to transfer any "B" Share pursuant to this Article, the Company may receive the purchase money from the Buyer and the Seller shall be deemed to have appointed one of the directors of the Company (duly nominated for that purpose by a resolution of the board) as his attorney, with full power on his behalf and in his name to execute, complete and deliver a transfer of his "B" Share to the person(s) to whom the same ought to be transferred hereunder, and the Company may give good discharge for the purchase money and enter the name of the Buyer in the register of members as the holder thereof,

provided always that no transfer of any "B" Share shall be permitted other than pursuant to this Article.

8.8 Transmission of shares

- (a) If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.
- (b) Nothing in these Articles releases the estate of a deceased shareholder from any liability in respect of a share held solely or jointly by that shareholder.
- (c) A transmittee who produces such evidence of entitlement to shares as the directors may properly require.

- (i) may, subject to these Articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (ii) subject to these Articles, and pending any transfer of the shares to another person, has the same rights as the holder had
- (d) Transmittees 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 shareholder's death or bankruptcy or otherwise, unless and until they become the holders of those shares

8.9 Exercise of transmittees' rights

- (a) Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.
- (b) If the transmittee wishes to have a share transferred to another person, in accordance with these Articles, the transmittee must execute an instrument of transfer in respect of it
- (c) 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 transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

8.10 Transmittes bound by prior notices

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

9 ADMINISTRATIVE ARRANGEMENTS

9.1 Means of communication to be used

- (a) Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act 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 and may be sent or supplied by the Company to a person by being made available on a website
- (b) A holder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such holder is entitled to receive any notices from the Company.
- (c) If any share is registered in the name of joint holders, the Company may send notices and all other documents to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of the other joint holders.
- (d) If the Company sends or supplies notices or other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting
- (e) If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were properly addressed, the

intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied

- (f) If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website
- (g) For the purposes of Articles 9 1(c) and 9.1(f) no account shall be taken of any part of a day that is not a working day
- (h) Subject to these 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.
- (i) 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

9.2 Company seals

- (a) Any common seal may only be used by the authority of the directors.
- (b) The directors may decide by what means and in what form any common seal will be used.
- (c) 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.
- (d) For the purposes of this Article, an authorised person is.
 - (i) any director of the Company,
 - (ii) the company secretary (if any), or
 - (iii) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

9.3 No right to inspect accounts and other records

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

9.4 Provision for employees on cessation of business

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

10 DIRECTORS' INDEMNITY AND INSURANCE

10.1 Indemnity

- (a) Subject to Article 10 1(b), a relevant director of the Company or an associated company may be indemnified out of the Company's assets against.
- (i) 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,
 - (ii) any liability incurred by that director in connection with the activities of the Company or an associated company in his capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act), and
 - (iii) any other liability incurred by that director as an officer of the Company or an associated company.
- (b) 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
- (c) In this Article
- (i) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - (ii) a "relevant director" means any director or former director of the Company or an associated company

10.2 Insurance

- (a) 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
- (b) In this Article:
- (i) a "relevant director" means any director or former director of the Company or an associated company,
 - (ii) 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
 - (iii) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate