

The Companies Act 2006
A Private Company Limited by Shares
Articles of Association
of
SCMLLA (FREEHOLD) LIMITED

MONDAY



as adopted by Special Resolution passed 18 September 2010

reprinted as amended by Special Resolution ~~Resolutions~~ passed 19 November 2012 and
2022

PRELIMINARY

1. In these Articles, unless the context otherwise requires:

“Act”	means the Companies Act 2006
“Block”	means each of the blocks of flats at the Property
“Conflict”	has the meaning given in Article 293 1(A)
“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, whether under Article 18 or otherwise)
“Flat”	means each of the flats comprised in each Block
“Lease”	means a Lease of a Flat granted by the Company or its predecessors in title to a Flat-owner for a term of longer than twenty-one years, any new grant to be in the form approved by the Directors from time to time
“Model Articles”	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles
“Owner”	means the person or persons to whom the Lease of a Flat has been granted, assigned or devolved by operation of law; and so that, whenever two or more persons are for the time being joint Owners of any one Flat, they shall for all purposes of these Articles be deemed to constitute one Owner in respect of that Flat
“Property”	means the freehold property owned by the Company being 14 blocks of flats each comprising 10 flats situate at and known as Southwold and Cleveland Mansions, Widley Road, London W9 together with the land held with the same
“Relevant Officer”	any Director, Secretary, auditor or other officer or former Director,

Secretary, auditor or other officer of the Company

2. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
3. Articles 11(2), 13, 14(1), (2), (3) and (4), 17, 19(2), (3) & (4), 22, 26(2) & (5), 52 and 53 of the Model Articles shall not apply to the Company.

OBJECTS

4. The objects of the Company are to own and manage all and/or any part of the Property for the benefit of the Owners (and in particular those Owners who are Shareholders), and to do all such things as the Directors (in their absolute discretion) may reasonably consider are incidental or conducive thereto.
5. The Directors have no authority on behalf of the Company to engage in any other unrelated activities without the prior sanction of a resolution of the Shareholders.

SHARES

6. The maximum permitted capital of the Company is £140 divided into 140 shares of £1 each ("Shares").
7. Each Share is allocated to one Flat, and may only be allotted or transferred to the Owner of that Flat.
8. ~~The~~In accordance with Section 550 of the Act the Directors may exercise the power of the Company to allot any unissued Shares in the Company's capital to Owners of Flats in respect of which no Shares have yet been allotted or transferred, and the Shares so allotted will from then on be respectively allocated to those Flats. In accordance with Section 567(1) of the Act, Sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in Section 560(1) of the Act) made by the Company.
9. A Shareholder may only transfer the Share allocated to a particular Flat upon a change of Owner of that Flat, in which case he must transfer it to the new Owner. The price to be paid upon the transfer of a Share shall (unless the parties otherwise agree) be its nominal value.
10. The Directors shall decline to register the transfer or purported transfer of any Share unless all of the following conditions are satisfied, in which case the Directors shall be bound to register the said transfer:
 - (A) the transferee produces for registration to the Company Secretary or to the Company's Solicitors satisfactory evidence of a valid assignment to him of or devolution to him of his title in the Lease of the Flat to which the Share being transferred is allocated;
 - (B) the transferee produces to the Company Secretary or to the Company's Solicitors a valid transfer to him signed by the transferor of the Share in respect of which he wishes to be registered and duly stamped, for a nil consideration or certified as exempt from stamp duty, together with the Share Certificate (or an appropriate indemnity) relating to that Share; and
 - (C) the transferee pays to the Company Secretary or to the Company's Solicitors the full costs

of registering the transfer (on such basis as the Directors may from time to time approve) plus Value Added Tax (if chargeable) .

11. If upon the change of Owner of a Flat the Shareholder of the Share allocated to that Flat:
- (A) refuses after being requested in writing to do so by the Company Secretary or Company's Solicitors; or
 - (B) fails for a period of one month after the date of change of ownership;

to transfer that Share or procure that a proper application is made for its transfer complying with Article 10, then the Directors may by resolution appoint any person as the Attorney of such Shareholder, with full power on his behalf and in his name to execute, complete and deliver a transfer of that Share for nil consideration to the person or persons to whom the same ought to be transferred hereunder; and the Company ~~may receive the purchase money on the transferor's behalf, give a good discharge for it and shall~~ enter the name of the transferee in the Register of Members. In such case the transferor shall remain liable to the Company for the costs of registering the transfer payable pursuant to Article 10(C).

12. If a Shareholder dies or becomes bankrupt, his legal personal representative(s) or the trustee in his bankruptcy shall be entitled to be registered as a Shareholder of the Company, provided he or they shall for the time being be the Owner of the Flat formerly held under Lease by such deceased or bankrupt Shareholder, and shall comply with Article 10.

DIRECTORS

13. No person may be appointed as a Director unless he or she is:
- (A) a Shareholder; or
 - (B) one of joint Shareholders; or
 - (C) in the case of a corporate Shareholder either itself or its duly authorised representative;
- and ~~no moneys in respect of service charges presently owed by such~~ provided that:
- (D) he or she is not currently prevented from voting as a Shareholder by Article 18; and demanded by
 - (E) the Company remain unpaid for 14 days after currently manages the date fixed for payment Block in which the Flat to which his or her Share is allocated is situated (for example whilst the Blocks 31-40 Cleveland Mansions and 41-50 Cleveland Mansions is/are separately managed no Shareholder from those Blocks is eligible to be a Director).
14. There shall be a minimum of 75 Directors and a maximum of 14 Directors. No more than 2 Directors shall be appointed from each Block, except to the extent there are less than 2 Directors from any other Blocks. (A Director is considered to be "from" a Block if he has the relationship as Owner as described above to a Flat in than Block.)
15. Subject to Articles 13 and 14, any such person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:
- (A) by ordinary resolution; or

(B) by a decision of the Directors.

16. In addition to the circumstances listed in Article 18 of the Model Articles, a person ceases to be a Director as soon as he or she ceases to be qualified to be a Director under Article 13 (A)), (B), (C) or (CE). He or she does not cease to be a Director if he or she is 14 days in arrears with service charge, but becomes ineligible to vote (as provided in Article 18).

DECISION-MAKING BY DIRECTORS

17. The quorum for Directors' meetings is 5, of whom at least 1 must be a Director from a Block in Southwold Mansions and at least 1 must be a Director from a Block in Cleveland Mansions. If the total number of Directors in office falls below the minimum number required by Article 14 or those required for the above quorum, the remaining Directors may continue to act and form a quorum notwithstanding any vacancies in the Board in order to appoint additional Directors and to continue to manage the Company and Property until suitable candidates have been appointed.
18. A Director shall not be entitled to vote in respect of any proposed decision by the Directors or of a committee of the Directors so long as any moneys in respect of service charge presently owing by him (or where he is a duly authorised representative of a corporate Owner owing by such corporate Owner) and demanded by the Company remain unpaid for 14 days after the date fixed for payment. A Director shall not be prevented from voting by this Article if the amount owed is less than £100 or he or she has a direct debit in place and the arrears are just due to the timing of collection of the direct debit.
19. If there are more than 2 Directors from a Block, each of those Directors present at a Directors' meeting shall have a number of votes equal to 2 divided by the number of Directors from his Block present at the meeting, retaining any fractions, but provided that his number of votes may not exceed 1.

RETIREMENT OF DIRECTORS BY ROTATION

20.

- (A) At the first Annual General Meeting on or after adoption of these Articles all the Directors must retire from office.
- (B) At every subsequent Annual General Meeting any Directors:
- (i) who have been appointed by the Directors since the last Annual General Meeting; and
 - (ii) one third of the other Directors (or if their number is not three or a multiple of three, the number nearest to one third, but if there is only one of them, then he)
- must retire from office. The Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were reappointed Directors on the same day those to retire shall (unless they otherwise agree amongst themselves) be determined by lot.
- (C) Directors who must retire from office may offer themselves for reappointment by the Shareholders. If the Shareholders, at the meeting at which a Director retires by rotation, do not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a

resolution for the reappointment of the Director is put to the meeting and lost. A Director who is not reappointed shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

SECRETARY

21. The Directors may appoint any person who is willing to act as the Secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

QUORUM FOR GENERAL MEETINGS

22. The quorum for general meetings is ~~2014~~ Shareholders present in person or by proxy of whom ~~not fewer than 8 must not be Directors~~. If within half an hour from the time appointed for the holding of a meeting adjourned under Article 41(1) of the Model Articles a quorum is not present, ~~the meeting quorum shall be dissolved~~ 2 Shareholders present in person.

GENERAL MEETINGS HELD BY ELECTRONIC FACILITIES

23. The Directors may resolve to enable persons entitled to attend and participate in a general meeting to do so partly or wholly by simultaneous attendance and participation by means of electronic facility or facilities, and may determine the means of attendance and participation used in relation to the general meeting. The members present in person or by proxy by means of an electronic facility or facilities (as so determined by the Directors) shall be counted in the quorum for, and be entitled to participate in, the general meeting in question. That meeting shall be duly constituted and its proceedings valid if the chair is satisfied that adequate facilities are available throughout the meeting to ensure that members attending the meeting by all means (including the means of an electronic facility or facilities) are able to:
- (A) participate in the business for which the meeting has been convened;
- (B) hear all persons who speak at the meeting; and
- (C) be heard by all other persons attending and participating in the meeting.
24. The notice of a general meeting to be held partly or wholly by means of electronic facility or facilities shall include the necessary details to enable members to participate by the electronic facilities to be used.

ANNUAL GENERAL MEETING

~~23.~~ 25.

- (A) Notwithstanding that it is a private company, the Company will hold a general meeting in each calendar year as its Annual General Meeting.
- (B) An Annual General Meeting must be called by notice of at least 21 days (subject to shorter notice being agreed by the Shareholders pursuant to section 307 of the Companies Act 2006) and must state that the meeting is an annual general meeting, but the provisions of the Companies Act relating to annual general meetings of public companies do not otherwise apply to it.

- (C) The following business will be transacted at the Annual General Meeting:
- (i) The laying before the Shareholders of the most recently-available accounts of the Company;
 - (ii) The appointment of auditors;
 - (iii) The fixing of the remuneration of the ~~auditors~~accountants;
 - (iv) The election of Directors in the place of those retiring by rotation in accordance with Article 20; and
 - (v) Any other business which the Directors may include in the notice or which may otherwise be properly raised at the meeting.

VOTING RIGHTS

- ~~24.~~26. On a vote on a written resolution, on a resolution on a show of hands at a meeting or on a resolution on a poll taken at a meeting every Shareholder has one vote, irrespective of the number of Shares held by him. Proxies have one vote per different Shareholder appointing them, in addition to any vote as a Shareholder in their own right.
- ~~25.~~27. For the avoidance of doubt, joint Shareholders have one vote between them, irrespective of the number of Shares held by them jointly. Where a person holds Shares both in his sole name and jointly with other person(s), that person only has one vote (But two or more joint Shareholders may exercise one vote each in respect of separate joint Shareholdings. By way of example, this means that if A and B hold Shares jointly in two Flats, A may exercise one vote in respect of the first jointly held Flat and B may exercise one vote in respect of the second jointly held Flat.).
- ~~26.~~28. No Shareholder shall be entitled to vote in respect of any Shares held by him (either in his sole name or jointly with another person(s)) at any general meeting (including an Annual General Meeting) or on a written resolution for so long as any moneys in respect of service charge presently owing by him in respect of any Flat of which he is an Owner or joint Owner and demanded by the Company remain unpaid for 14 days after the date fixed for payment. A Shareholder shall not be prevented from voting by this Article if the amount owed is less than £100 or he has a direct debit in place and the arrears are just due to the timing of collection of the direct debit.
- ~~27.~~29. Section 284 of the Act has effect subject to Articles ~~24~~26, ~~25~~27 and ~~26~~28.

TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- ~~28.~~30. 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 (including, without limitation, matters relating to his own Lease, Flat or Block):
- (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 Directors) in respect of such contract or proposed contract in which he

is interested;

- (C) shall (subject to Article 18) be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such contract or proposed contract 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.

DIRECTORS' CONFLICTS OF INTEREST

29.31.

- (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 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 at a meeting of Directors 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) the requirement of Article 17 as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
 - (iii) the matter was agreed to without his voting or would have been agreed to if his 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 so authorised;
 - (ii) be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and

- (iii) be terminated or varied by the Directors at any time.
- (D) This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.
- (E) In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
 - (i) disclose such information to the Directors or to any Director or other officer or employee of the Company; or
 - (ii) use or apply any such information in performing his duties as a Director,
 where to do so would amount to a breach of that confidence.
- (F) Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:
 - (i) is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
 - (ii) is not given any documents or other information relating to the Conflict; and
 - (iii) may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.
- (G) Where the Directors authorise a Conflict:
 - (i) the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
 - (ii) the Director will not infringe any duty he owes to the Company by virtue of Sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.
- (H) 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 or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

INDEMNITY

30.32.

- (A) Subject to Article 30.32(B), but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (i) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
 - (ii) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 3032(A)(i) and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure.
- (B) This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

INSURANCE

~~31.33.~~ The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company.