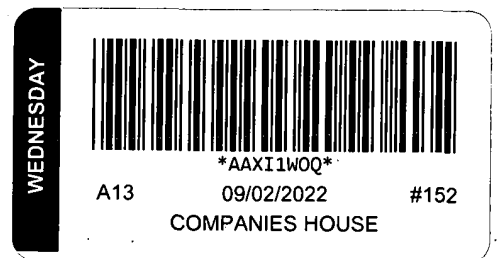


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DATE 27 JANUARY 2022

THE COMPANIES ACT 2006
relating to
PRIVATE COMPANY LIMITED BY GUARANTEES
ARTICLES OF ASSOCIATION



 **SHAKESPEAREMARTINEAU**

Ref: 162522.49

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COMPANY NO. 08012022

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

OF

THE OLD COURTHOUSE (EPSOM) LIMITED (the "Company")

INTERPRETATION, OBJECTS AND LIMITATION OF LIABILITY

1. INTERPRETATION

The following definitions and rules of interpretation apply in these Articles:

1.1 Definitions:

90% resolution: has the meaning given in article 6.2;

Act: means the Companies Act 2006;

Appointor: has the meaning given in article 23.1;

Articles: means the Company's articles of association for the time being in force;

bankruptcy: includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

Bin Store: the bin store located in the communal garden area at the Property;

Block A: the block comprised within the Property marked green on the Plan known as Windsor Court, 9 and 9A Ashley Road, Epsom (KT18 5AQ) registered at HM Land Registry with title number SY803146;

Block A Director: means a director of the Company who has been appointed by a Block A Owner under article 19.1, and for the avoidance of doubt Orbit may be a Block A Director;

Block A Owner: means the legal owner of Block A from time to time, which at the date of adoption of these Articles shall be Orbit;

Block B: the block comprised within the Property marked orange on the Plan known as The Old Courthouse, The Parade, Epsom, KT18 5FA registered at HM Land Registry with title number SY767776;

Block B Common Parts: means the common parts of Block B, specifically including the halls, passageways, stairs, lifts, storage areas and other facilities within Block B provided for the benefit of the Flat Tenants and those parts of Block B not included or not intended to be included within the demise of the Flat Leases;

Block B Car Park: the car park located in the basement of Block B;

Block B Director: means a director of the Company who has been appointed by the Flat Tenants under article 19.2;

Business Day: means a day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

C Director: means a director of the Company who has been appointed by the Commercial Tenant under article 19.3;

chairman of the board: has the meaning given in article 10.2;

chairman of the general meeting: has the meaning given in article 31.4 and 36.1 (as applicable);

Commercial Lease: means the lease of the Commercial Unit dated 14 May 2014 and made between Orbit¹⁾ and Country & Metropolitan Homes Limited (2) as varied, supplemented or amended from time to time registered at HM Land Registry with title number SY821006;

Commercial Tenant: means the tenant for the time being of the Commercial Lease;

Commercial Unit: the commercial unit located at the base of Block A legally owned by a Block A Owner and subject to the Commercial Lease;

Common Parts: means the Bin Store, the Block B Common Parts, the Block A Car Park, the Water Tank and the Estate Common Parts;

Conflict: means a situation in which a director has or can have a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company. The following are not to be regarded as giving rise to a Conflict:

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Company;
- (b) a subscription, or an agreement to subscribe, for securities of the Company or to underwrite, sub-underwrite or guarantee subscription for any such securities;
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company which do not provide special benefits for directors or former directors;
- (d) in the case of a Block A Director, his employment by, directorship of or other office with or having any interest in Orbit (or being Orbit); and
- (e) the director being a Flat Tenant or Commercial Tenant (as applicable);

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

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

electronic form: has the meaning given in 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, in relation to the authorisation of a Conflict pursuant to article 12, any director whose vote is not to be counted in respect of the particular matter);

Eligible Member: has the meaning given in section 289 of the Act;

Estate Common Parts: means those parts of the Property which are not comprised in Block A or Block B which are intended for common use, specifically including (without limitation) gates, traffic signals, parking areas, cycle stores, communal bin stores, paths, roads, gardens or landscaped areas and any other buildings or facilities provided generally for the benefit of owners or occupiers of Block A, Block B and the Commercial Unit;

Flat: means a flat forming part of Block B at the Property;

Flat Lease: means a lease of a Flat granted for a term of 125 years by Country & Metropolitan Homes Limited assigned to Adriatic Land 3 Limited and "Flat Leases" shall be construed accordingly;

Flat Tenant: means the tenant for the time being under a Flat Lease and Flat Tenants shall be construed accordingly;

Interested Director: has the meaning given in article 12.1;

Member: means a person whose name is entered as a member in the register of members of the Company, and Membership shall be construed accordingly;

Member Representative: means a person who has been appointed in accordance with article 29;

Memorandum: means the Company's memorandum of association;

Model Articles: means the model articles for private companies limited by guarantee contained in Schedule 2 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles, and reference to a numbered Model Article is a reference to that article of the Model Articles;

Orbit: means Orbit Group Limited an industrial and provident society incorporated in England and Wales with registration number IP28503R whose registered office is at Garden Court, Harry Weston Road, Binley, Coventry, CV3 2SU;

ordinary resolution: has the meaning given in section 282 of the Act;

participate: in relation to a directors' meeting, has the meaning given in Model Article 10;

Plan: means the plan annexed to these Articles;

Property: means the land and buildings known as Flats 1-30 (inclusive), The Old Courthouse, The Parade registered at HM Land Registry with title number SY767776 and Flats 1-16 (inclusive), Windsor Court and 9 and 9a Ashley Road, Epsom registered at HM Land Registry with title number SY803146;

proxy notice: has the meaning given in Model Article 31;

secretary: means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

Services: water, gas, electricity, telecommunications, surface water drainage, foul drainage, fuel oil and other similar services;

special resolution: has the meaning given in section 283 of the Act;

subsidiary: has the meaning given in section 1159 of the Act;

Transfer Deeds: means the 2012 Transfer Deed and the 2015 Transfer Deed;

Water Tank: means the water tank and booster pumps located at the Property reserved for the use of the Flat Tenants and the Block A Owner;

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;

2012 Transfer Deed: means the transfer deed dated 30 March 2012 and made between Country & Metropolitan Homes Limited (1) and Orbit (2) in respect of Land at Ashley Road and

The Parade Epsom Surrey to be known as Block A The Old Courthouse as varied between the parties by an agreed form deed of variation dated 11 March 2020 ; and

2015 Transfer Deed: means the transfer deed dated 27 February 2015 and made between Country & Metropolitan Homes Limited (1) and Adriatic Land 3 Limited (2) in respect of Flats 1-30 Inc, The Old Courthouse, The Parade, 9 and 9A Ashley Road, Epsom as varied between the parties by an agreed form variation dated 11 March 2020 .

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles. Save where the context otherwise requires they replace the headings in the Model Articles.
- 1.4 A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a statute or statutory provision shall include any subordinate legislation made from time to time under that statute or statutory provision.
- 1.6 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the word's description, definition, phrase or term preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 The following Model Articles shall not apply to the Company:
 - 1.8.1 1 (Defined terms);
 - 1.8.2 2 (Liability of members);
 - 1.8.3 8 (Unanimous decisions);
 - 1.8.4 9(1) and (3) (Calling a directors' meeting);
 - 1.8.5 11(2) and (3) (Quorum for directors' meetings);
 - 1.8.6 12 (Chairing of directors' meetings);
 - 1.8.7 13 (Casting vote);
 - 1.8.8 14(1), (2), (3) and (4) (Conflicts of interest);
 - 1.8.9 17 (Methods of appointing directors);
 - 1.8.10 18 (Termination of director's appointment);
 - 1.8.11 19 (Directors' remuneration);
 - 1.8.12 20 (Directors' expenses);
 - 1.8.13 21 (Applications for membership);
 - 1.8.14 22 (Termination of membership);
 - 1.8.15 24 (Quorum for general meetings);

- 1.8.16 25 (Chairing general meetings);
- 1.8.17 30(2) (Poll votes);
- 1.8.18 31(1)(d) (Content of proxy notices);
- 1.8.19 35 (Company seals);
- 1.8.20 36 (No right to inspect accounts and other records);
- 1.8.21 38 (Indemnity); and
- 1.8.22 39 (Insurance).
- 1.9 Model Article 3 (Directors' general authority) shall be amended by the insertion of the words "in accordance with its objects" after the words "the management of the Company's business".
- 1.10 Model Article 7 (Directors to take decisions collectively) shall be amended by:
 - 1.10.1 the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and
 - 1.10.2 the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.11 Each of the references in Model Article 14(6) and (7) to "chairman" shall be deemed to be a reference to "chairman of the board".
- 1.12 In Model Articles 26(2), 27, 29(2), 30(3) and (4) and 33, each of the references to "chairman of the meeting" shall be deemed to be a reference to "chairman of the general meeting".

2. OBJECTS

- 2.1 The objects for which the Company is established are:
 - 2.1.1 to manage and administer the Common Parts;
 - 2.1.2 to collect all rents, charges and other income:
 - 2.1.2.1 in respect of the Estate Common Parts as set out in the Flat Leases, Commercial Lease or Transfer Deeds (as applicable);
 - 2.1.2.2 in respect of the Block B Common Parts as set out in the Flat Leases;
 - 2.1.3 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 Common Parts or any part thereof;
 - 2.1.4 to take part in the formation, management, supervision or control of the business or operation of any company or undertaking in connection with the Common Parts and for that purpose to appoint and remunerate any directors, accountants, consultants, experts or agents;
 - 2.1.5 to employ experts, consultants and valuers to investigate and examine the condition prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets, property or rights in connection with the Common Parts;
 - 2.1.6 to appoint or engage professional managing agents in respect of the service and maintenance of the Common Parts;

- 2.1.7 to provide services of every description in relation to the Common Parts and to maintain, repair, renew, redecorate, repaint, clean, construct or alter the Common Parts and arrange for the supply and connection to the Property of the Services and amenities and the maintenance of the same and to enter into new contracts with builders tenants and contractors in relation thereto;
- 2.1.8 to insure the Estate Common Parts (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;
- 2.1.9 to establish and maintain capital reserves, management funds and any other 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 Members 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
- 2.1.10 to enter into any arrangements with governments or authorities (supreme, municipal, local or otherwise) or any person or company that may seem conducive to the objects of the Company and to obtain from any such government; authority, person or company any rights, privileges, charters, contracts, licences and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with the same.

3. POWERS

3.1 In pursuance of the objects set out in article 2, the Company has the power to:

- 3.1.1 buy, lease or otherwise acquire and deal with any property real or personal and any rights or privileges of any kind over or in respect of any property real or personal and to improve, manage, develop, construct, repair, sell, lease, mortgage, charge, surrender or dispose of or otherwise deal with all or any part of such property and any and all rights of the Company;
- 3.1.2 borrow and raise money in such manner as the directors shall think fit and secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security on the Company's property and assets;
- 3.1.3 invest and deal with the funds of the Company not immediately required for its operations in or on such investments, securities or property as may be thought fit;
- 3.1.4 subscribe for, take, buy or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority in any part of the world;
- 3.1.5 lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds to receive money on deposit or loan on such terms as the Company may approve and to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person including any holding company or subsidiary;
- 3.1.6 lobby, advertise, publish; educate, examine, research and survey in respect of all matters of law, regulation, economics, accounting, governance, politics or other issues and to hold meetings, events and other procedures and co-operate with or assist any other body or organisation in each case in such way or by such means as may, in the opinion of the directors, affect or advance the principal object in any way;

- 3.1.7 pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company and to contract with any person, firm or company to pay the same;
- 3.1.8 enter into contracts to provide services to or on behalf of other bodies;
- 3.1.9 provide and assist in the provision of money, materials or other help;
- 3.1.10 open and operate bank accounts and other facilities for banking and draw, accept, endorse, issue or execute promissory notes, bills of exchange, cheques and other instruments;
- 3.1.11 incorporate subsidiaries to carry on any trade; and
- 3.1.12 do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the objects set out in article 2.

4. INCOME

- 4.1 The income of the Company, from wherever derived, shall be applied solely in promoting the Company's objects and, save on a winding up of the Company, no distribution shall be made to its Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the Company of:
 - 4.1.1 reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
 - 4.1.2 any interest on money lent by any Member or any director at a reasonable and proper rate;
 - 4.1.3 reasonable and proper rent for premises demised or let by any Member or director in connection with the Company; or
 - 4.1.4 reasonable out-of-pocket expenses properly incurred by any director.

5. GUARANTEE

- 5.1 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:
 - 5.1.1 payment of the Company's debts and liabilities contracted before he ceases to be a Member;
 - 5.1.2 payment of the costs, charges and expenses of winding up; and
 - 5.1.3 adjustment of the rights of the contributories among themselves.

6. ENTRENCHED PROVISIONS

- 6.1 Except with the authority of a 90% resolution, the following Articles may not be amended or repealed:
 - 6.1.1 Article 2 (objects);
 - 6.1.2 Article 4 (income);
 - 6.1.3 this article 6 (entrenched provisions);
 - 6.1.4 Article 26 (membership);

- 6.1.5 Article 32 (votes of members) and Article 37 (votes of members);
- 6.1.6 Article 45 (indemnity and insurance); and
- 6.1.7 Model Article 4 (members' reserve power).
- 6.2 A 90% resolution is a resolution of the Members passed by a majority of not less than 90% in accordance with articles 6.3 to 6.7.
- 6.3 A written resolution is passed by a majority of not less than 90% if it is passed by not less than 90% of the Eligible Members, voting in favour of the written resolution.
- 6.4 Where a resolution is passed as a written resolution:
 - 6.4.1 the resolution is not a 90% resolution unless it stated that it was proposed as a 90% resolution; and
 - 6.4.2 if the resolution so stated, it may only be passed as a 90% resolution.
- 6.5 A resolution passed at a meeting on a show of hands is passed by a majority of not less than 90% if not less than 90% of the votes cast by those Members entitled to vote are in favour of the resolution.
- 6.6 A resolution passed on a poll taken at a meeting is passed by a majority of not less than 90% if Members representing not less than 90% of the total voting rights of the Members who (being entitled to do so) vote in favour of the resolution.
- 6.7 Where a resolution is passed at a meeting:
 - 6.7.1 the resolution is not a 90% resolution unless the notice of the meeting included the text of the resolution and specified the intention to propose the resolution as a 90% resolution; and
 - 6.7.2 if the notice of meeting so specified, the resolution can only be passed as a 90% resolution.

DIRECTORS

DECISION-MAKING BY DIRECTORS IN RESPECT OF THE ESTATE COMMON PARTS

7. UNANIMOUS DECISIONS

- 7.1 A decision of the directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter concerning the Estate Common Parts.
- 7.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 7.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

8. CALLING A DIRECTORS' MEETING

- 8.1 Any director may call a directors' meeting by giving not less than 10 Business Days' notice of the meeting to the directors or by authorising the secretary (if any) to give such notice.
- 8.2 Notice of a directors' meeting shall be given to each director in writing and shall contain the proposed date and time of the meeting, where it is to take place and if it is anticipated that all directors will not be in the same place, how the directors are to communicate with each other.

- 8.3 A director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the directors' meeting.

9. QUORUM FOR DIRECTORS' MEETINGS

- 9.1 Subject to article 9.2, the quorum for the transaction of business at a meeting of directors where the business of the meeting concerns the Estate Common Parts is any three Eligible Directors to include a Block A Director, a Block B Director and a C Director.
- 9.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 12 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 9.3 If the total number of directors in office for the time being is less than the quorum required in accordance with article 9.1, the directors must not take any decision other than a decision:
- 9.3.1 to appoint further directors; or
- 9.3.2 to call a general meeting so as to enable the Members to appoint further directors.

10. CHAIRING OF DIRECTORS' MEETINGS

- 10.1 The directors may appoint a director to chair their meetings.
- 10.2 The person so appointed for the time being is known as the chairman of the board.
- 10.3 The directors may terminate the appointment of chairman of the board at any time and if the chairman of the board is not participating in a directors' meeting within ten minutes of the time it was to start, the participating directors must appoint one of themselves to chair it.

11. DELEGATION

- 11.1 The directors may delegate any of the powers which are conferred on them under the Articles:
- 11.1.1 to such person or committee,
- 11.1.2 by such means (including by power of attorney),
- 11.1.3 to such an extent,
- 11.1.4 in relation to such matters, and
- 11.1.5 on such terms and conditions,
- as they consider fit.
- 11.2 The directors may revoke any delegation so granted in whole or in part, or alter or vary its terms and conditions.
- 11.3 Any committees to whom 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 decision making of directors.
- 11.4 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

12. DIRECTORS' CONFLICTS OF INTEREST

- 12.1 The directors may, in accordance with the requirements set out in this Article, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director

(an Interested Director) breaching his duty to avoid conflicts of interest under section 175 of the Act.

12.2 Any authorisation under this article 12 shall be effective only if:

12.2.1 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;

12.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

12.2.3 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.

12.3 Any authorisation of a Conflict under this article 12 may (whether at the time of giving the authorisation or subsequently):

12.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

12.3.2 provide that the Interested Director be excluded from the receipt of documents and information and from participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

12.3.3 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;

12.3.4 impose on the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

12.3.5 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 shall 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

12.3.6 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.

12.4 Where the directors authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

12.5 The directors may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.

12.6 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, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

12.7 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

Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 12.7.1 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;
- 12.7.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 12.7.3 shall 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 existing or proposed transaction or arrangement in which he is interested;
- 12.7.4 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;
- 12.7.5 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
- 12.7.6 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

13. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

DECISION-MAKING BY DIRECTORS IN RESPECT OF THE BLOCK B COMMON PARTS

14. QUORUM FOR DIRECTORS' MEETINGS

- 14.1 The quorum for the transaction of business where the business of the meeting concerns the Block B Common Parts shall be the Block B Director acting alone.

15. DELEGATION

- 15.1 The Block B Director may delegate any of the powers which are conferred on him under the Articles in connection with decision making for the Block B Common Parts:

- 15.1.1 to such person or committee,
- 15.1.2 by such means (including by power of attorney),
- 15.1.3 to such an extent,
- 15.1.4 in relation to such matters, and
- 15.1.5 on such terms and conditions,

as he shall consider fit.

- 15.2 The Block B Director may revoke any delegation so granted in whole or in part, or alter or vary its terms and conditions.

15.3 Any committees to whom the Block B Director delegates any of his powers must follow procedures which are based, as far as they are applicable, on those provisions of these Articles which govern decision making of directors.

15.4 The Block B director may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

16. DIRECTORS' CONFLICTS OF INTEREST

16.1 The Block B Director shall be entitled to vote in regard to any contract or arrangement in which he is interested where the matter is solely in connection with the Block B Common Parts, provided that he declares his interest in accordance with sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act; and his vote on any such matter or related matter shall be counted.

17. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the Block B Director are taken by electronic means, such decisions shall be recorded by the Block B Director in permanent form, so that they may be read with the naked eye.

APPOINTMENT OF DIRECTORS

18. NUMBER OF DIRECTORS

18.1 Unless otherwise determined by special resolution, the number of directors (other than alternate directors) shall not be less than three and shall be no more than five.

19. APPOINTMENT OF DIRECTORS

19.1 A Block A Owner shall by notice in writing to the Company appoint a director of the Company and may by like notice remove any director so appointed and appoint another person in his place.

19.2 The Flat Tenants, acting by majority, shall by notice in writing appoint a director of the Company and may by like notice remove any director so appointed and appoint another person in his place.

19.3 The Commercial Tenant shall by notice in writing to the Company appoint a director of the Company and may by like notice remove any director so appointed and appoint another person in his place.

19.4 Subject to the provisions of article 18.1, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

19.4.1 by ordinary resolution; or

19.4.2 by a decision of the directors.

19.5 In any case where, as a result of death, the Company has no Members and no directors, the personal representatives of the last Member to have died have the right, by notice in writing, to appoint a person to be a director.

19.6 For the purpose of article 19.5, where two or more Members die in circumstances rendering uncertain who was the last to die, a younger Member is deemed to have survived an older Member.

20. TERMINATION OF DIRECTOR'S APPOINTMENT

20.1 A person ceases to be a director as soon as:

- 20.1.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- 20.1.2 a bankruptcy order is made against that person;
- 20.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 20.1.4 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;
- 20.1.5 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; and
- 20.1.6 that person is removed from acting as a director pursuant to articles 19.1 to 19.3.

21. **DIRECTORS' REMUNERATION**

Except with the consent of the Company in general meeting, the directors shall not be entitled to any remuneration. Any resolution giving such consent shall specify the amount of remuneration to be paid to the directors and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

22. **DIRECTORS' EXPENSES**

22.1 The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary properly incur in connection with their attendance at:

- 22.1.1 meetings of directors or committees of directors;
 - 22.1.2 general meetings; or
 - 22.1.3 separate meetings of the holders of any class of Members or 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.

23. **APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

23.1 Any director (**Appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- 23.1.1 exercise that director's powers; and
 - 23.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the Appointor.

23.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors.

23.3 The notice must:

- 23.3.1 identify the proposed alternate; and
- 23.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

24. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

24.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's Appointor.

24.2 Except as the Articles specify otherwise, alternate directors are:

24.2.1 deemed for all purposes to be directors;

24.2.2 liable for their own acts and omissions;

24.2.3 subject to the same restrictions as their Appointors; and

24.2.4 not deemed to be agents of or for their Appointors

and, in particular (without limitation), each 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.

24.3 A person who is an alternate director but not a director:

24.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating);

24.3.2 may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate); and

24.3.3 shall not be counted as more than one director for the purposes of article 24.3.1 and article 24.3.2.

24.4 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors (provided that an Appointor for whom he exercises a separate vote is an Eligible Director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

24.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

25. TERMINATION OF ALTERNATE DIRECTORSHIP

25.1 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

25.1.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

25.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;

25.1.3 on the death of the alternate's Appointor; or

25.1.4 when the alternate director's Appointor ceases to be a director for whatever reason.

MEMBERS: BECOMING AND CEASING TO BE A MEMBER

26. MEMBERSHIP

26.1 No person may be a Member other than:

26.1.1 a Block A Owner (or a nominee thereof);

26.1.2 a Flat Tenant; or

26.1.3 a Commercial Tenant.

26.2 Where two or more persons are jointly:

26.2.1 the tenants of a Flat Lease;

26.2.2 a Block A Owner; or

26.2.3 the tenants of the Commercial Unit,

they together constitute one Member, and the person first named in the register of members may exercise all voting and other rights and powers vested in that Member to the exclusion of the other Flat Tenants in respect of that Flat, the other Commercial Tenants in respect of the Commercial Unit or the other owners in respect of Block A. All such Flat Tenants, Commercial Tenants or Block A Owners shall be subject jointly and severally to any liability imposed on that Member under or pursuant to the Articles.

26.3 Where:

26.3.1 a person is a Flat Tenant of more than one Flat; or

26.3.2 is both a Flat Tenant and Commercial Tenant; or

26.3.3 is the Block A Owner and, by default, the Commercial Tenant where the Commercial Unit is unoccupied

he shall (except where the Articles provide otherwise) be treated under the Articles as a separate Member in respect of each Flat, or in respect of clause 26.3.2 and 26.3.3, of his several capacities as Flat Tenant, Commercial Tenant or Block A Owner as the case may be.

27. APPLICATIONS FOR MEMBERSHIP

27.1 No person shall become a Member unless he has completed an application for Membership in a form approved by the directors from time to time. A letter shall be sent to each successful applicant confirming his Membership and the details of each successful applicant shall be entered into the register of members.

27.2 Membership shall not be transferable.

28. CESSATION OF MEMBERSHIP

28.1 A subscriber to the Memorandum may by notice to the Company resign from Membership at any time.

28.2 A Member will cease to be a Member in the following circumstances:

28.2.1 if he is a Flat Tenant:

28.2.1.1 on his death or bankruptcy; or

28.2.1.2 if a corporate Member, when it goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company; or

28.2.1.3 on the assignment of the Flat Lease in respect of which he is a Flat Tenant;

28.2.2 if he is a Block A Owner:

28.2.2.1 on his death or bankruptcy; or

28.2.2.2 if a corporate Member, when it goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company; or

28.2.2.3 on the sale or transfer of Block A to a new freehold owner;

28.2.3 if he is a Commercial Tenant:

28.2.3.1 on his death or bankruptcy; or

28.2.3.2 if a corporate Member, when it goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company; or

28.2.3.3 on the termination, assignment or sale of the Commercial Lease.

Despite a person ceasing to be a Member by virtue of the occurrence of the circumstances set out in Article 28.2, the person will continue as a separate Member in any other capacity that he may have as Flat Tenant, Block A Owner or Commercial Tenant.

28.3 Neither a Flat Tenant or a Commercial Tenant may cease to be a Member except as permitted or required by the Articles.

28.4 On a person ceasing to be a Member, that person shall forthwith be removed from the register of members.

ORGANISATION OF GENERAL MEETINGS WHERE BUSINESS RELATES TO THE ESTATE COMMON PARTS

29. APPOINTMENT OF MEMBER REPRESENTATIVE

29.1 The Members of the Company shall be entitled to appoint a representative in accordance with this article 29, such person shall be known as a Member Representative.

29.1.1 A Block A Owner may by notice in writing to the Company appoint a person to represent their interests at a meeting of the Members of the Company and may by like notice remove any person so appointed.

29.1.2 The Flat Tenants, acting by majority, may by notice in writing to the Company appoint a person to represent their interests at a meeting of the Members of the Company and may by like notice remove any person so appointed.

29.1.3 The Commercial Tenant may by notice in writing to the Company appoint a person to represent their interests at a meeting of the Members of the Company and may by like notice remove any person so appointed.

30. QUORUM FOR GENERAL MEETINGS

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

30.2 The quorum shall be three of the Members of the Company entitled to vote, taking into account the provisions of article 26 and article 28, on the business to be transacted, to include a Member Representative of a Block A Owner, a Member Representative of the Commercial Tenant and a Member Representative of the Flat Tenants.

- 30.3 If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, the meeting shall stand adjourned to such time and place as the chairman determines. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed then the quorum shall be two Members of the Company so entitled present in person or by proxy.

31. CHAIRING GENERAL MEETINGS

- 31.1 If the directors have appointed a chairman of the board, the chairman of the board shall chair general meetings if present and willing to do so.

- 31.2 If the directors have not appointed a chairman of the board, or if the chairman of the board is unwilling to chair a general meeting or is not present within ten minutes of the time at which the meeting was due to start:

31.2.1 the directors present, or

31.2.2 (if no directors are present) the meeting,

must appoint any other director or Member to chair the meeting.

- 31.3 The appointment of the chairman of the general meeting must be the first business of the meeting.

- 31.4 The person chairing a meeting in accordance with this Article is referred to as **the chairman of the general meeting**.

VOTING AT GENERAL MEETINGS WHERE BUSINESS RELATES TO THE ESTATE COMMON PARTS

32. VOTES OF MEMBERS

- 32.1 Subject to the Act and Article 32.2, at any general meeting where the business of the general meeting relates to the Estate Common Parts:

32.1.1 every Member Representative (or Member where the meeting has been adjourned in accordance with article 30.3) who is present in person (or by proxy) shall on a show of hands have one vote; and

32.1.2 every Member Representative (or Member where the meeting has been adjourned in accordance with article 30.3) present in person (or by proxy) shall on a poll have one vote and article 26.3 shall apply.

- 32.2 At any general meeting:

32.2.1 the Member Representative (or Member, as applicable) present in person (or by proxy) who is the representative of the Block A Owner shall have sixteen votes in respect of Block A;

32.2.2 the Member Representative (or Member, as applicable) present in person (or by proxy) who is the representative of the Commercial Tenant shall have fourteen votes in respect of the Commercial Unit; and

32.2.3 the Member Representative (or Member, as applicable) present in person (or by proxy) who is the representative of the Flat Tenants shall have thirty votes in respect of the Flat Tenants.

- 32.3 In the event the Commercial Tenant grants a sublease, the Commercial Tenant may by notice to the Company, allocate such number of votes to the holder of the sublease as the Commercial Tenant shall determine but so that the total number of votes allocated to the Commercial Tenant

and such sublease holders that have been allocated votes, shall not exceed fourteen votes. The Commercial Tenant may determine or vary such allocation by notice in writing to the Company.

33. POLL VOTES

- 33.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the Act) present and entitled to vote at the meeting.
- 33.2 Article 30(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Model Article.

34. PROXIES

- 34.1 Article 31(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles 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 accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 34.2 Article 31(1) of the Model Articles shall be further amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Model Article.

ORGANISATION OF GENERAL MEETINGS WHERE BUSINESS RELATES TO THE BLOCK B COMMON PARTS

35. QUORUM FOR GENERAL MEETINGS

- 35.1 Where the business of the general meeting solely relates to the Block B Common Parts, the quorum shall be 20% of the Flat Tenant Members.
- 35.2 If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, the meeting shall stand adjourned to such time and place as the chairman determines. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed then the quorum shall be two Flat Tenant Members of the Company so entitled present in person or by proxy.

36. CHAIRING GENERAL MEETINGS

- 36.1 The Block B Director shall be appointed as the chairman of the general meeting which shall be the first business of the general meeting.

37. VOTES OF MEMBERS

- 37.1 Subject to the Act, at any general meeting where the business of the general meeting solely relates to the Block B Common Parts:
- 37.1.1 every Flat Tenant Member who is present in person (or by proxy) shall on a show of hands have one vote (and article 32 shall not apply); and
- 37.1.2 every Flat Tenant Member present in person (or by proxy) shall on a poll have one vote (and article 32 shall not apply).

38. POLL VOTES

- 38.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318(3) of the Act) present and entitled to vote at the meeting.

- 38.2 Article 30(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Model Article.

39. PROXIES

- 39.1 Article 31(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles 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 accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 39.2 Article 31(1) of the Model Articles shall be further amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Model Article.

COMPANY SECRETARY AND COMPANY NAME

40. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and on 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.

41. CHANGE OF COMPANY NAME

- 41.1 The name of the Company may be changed by:
- 41.1.1 a decision of the directors; or
 - 41.1.2 a special resolution of the Members
- or otherwise in accordance with the Act.

ADMINISTRATIVE ARRANGEMENTS

42. SERVICE CHARGE

- 42.1 In accordance with the provisions of the Flat Leases, Commercial Lease and Transfer Deeds:
- 42.1.1 the Company shall collect service charge payments from the Block A Owner, the Commercial Tenant and the Flat Tenants in respect of the maintenance and management of the Bin Store, Block B Car Park and the Estate Common Parts only;
 - 42.1.2 the Company shall collect service charge payments from the Block A Owner and the Flat Tenants in respect of the maintenance and management of the Water Tank only; and
 - 42.1.3 the Company shall collect service charge payments from the Flat Tenants in respect of the maintenance and management of the Block B Common Parts only.
- 42.2 Each of the service charge payments referred to in article 42.1 shall be collected according to the square footage proportion occupied by each of:
- 42.2.1 the Flat Tenants;
 - 42.2.2 Block A Owner; and
 - 42.2.3 the Commercial Tenant

in respect of the Property, such payments shall be notified by the TMC to the Flat Tenants, Block A Owner and the Commercial Tenant accordingly.

- 42.3 If the Company is not fully reimbursed by payments received from Flat Tenants, the Block A Owner and the Commercial Tenants (as applicable) in respect of any costs associated with the maintenance and management of the Common Parts as set out in these Articles, it may require such payments to be made to it by the Members as is necessary to make good any deficit.

43. MEANS OF COMMUNICATION TO BE USED

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

44. INSPECTION AND COPYING OF ACCOUNTS AND OTHER RECORDS

- 44.1 In addition to, and without derogation from, any right conferred by statute, a Member shall have the right, on reasonable notice, at reasonable times and at such place as shall be convenient to the Company, to inspect, and to be provided with a copy of, any book, minute, document or accounting record of the Company, on payment of any reasonable charge for copying.
- 44.2 Such right shall be subject:
- 44.2.1 to any resolution of the Company in general meeting; and
- 44.2.2 in the case of any book, minute, document or accounting record which the directors reasonably consider contains confidential material the disclosure of which would be contrary to the interests of the Company, to the exclusion or excision of such confidential material (the fact of such exclusion or excision being disclosed to the Member) and to any other reasonable conditions that the directors may impose.

45. INDEMNITY AND INSURANCE

- 45.1 Subject to article 45.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 45.1.1 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:
- 45.1.1.1 in the actual or purported execution or discharge of his duties, or in relation to them
- 45.1.2 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 45.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

This Article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

45.2 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 relevant loss.

45.3 In this article 45:

45.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate;

45.3.2 a **relevant loss** means 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, any associated company or any pension fund of the Company or associated company; and

45.3.3 a **relevant officer** means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).