

FILE COPY



**CERTIFICATE OF INCORPORATION
OF A
PRIVATE COMPANY LIMITED BY GUARANTEE**

Company Number **10976871**

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

THORNFIELD MANAGEMENT COMPANY LIMITED

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

Given at Companies House, Cardiff, on **22nd September 2017**



* N10976871Q *



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



Companies House

IN01_(ef)

Application to register a company



Received for filing in Electronic Format on the: **21/09/2017**

X6FGHN7U

Company Name in full:

THORNFIELD MANAGEMENT COMPANY LIMITED

Company Type:

Private company limited by guarantee

Situation of Registered Office:

England and Wales

Proposed Registered Office Address:

**EAGLE HOUSE 1 BABBAGE WAY
EXETER SCIENCE PARK
EXETER
ENGLAND
ENGLAND EX5 2FN**

Sic Codes:

98000

I wish to partially adopt the following model articles:>

Private (Ltd by Guarantee)

Proposed Officers

Company Director ***1***

Type: **Person**

Full Forename(s): **MR NICHOLAS PHILIP ROYDON**

Surname: **COOPER**

Service Address: **recorded as Company's registered office**

Country/State Usually **UNITED KINGDOM**

Resident:

Date of Birth: ****/02/1960** *Nationality:* **BRITISH**

Occupation: **SURVEYOR**

The subscribers confirm that the person named has consented to act as a director.

Persons with Significant Control (PSC)

Statement of initial significant control

On incorporation, there will be someone who will count as a Person with Significant Control (either a registerable person or relevant legal entity (RLE)) in relation to the company

Relevant Legal Entity (RLE) details

Company Name: **BLUE CEDAR HOMES LIMITED**

Service Address: **EAGLE HOUSE 1 BABBAGE WAY
EXETER SCIENCE PARK
EXETER
ENGLAND
ENGLAND
EX5 2FN**

Legal Form: **LIMITED BY SHARES**

Governing Law: **UNITED KINGDOM (ENGLAND AND WALES)**

Register Location: **COMPANIES HOUSE**

Country/State: **ENGLAND AND WALES**

Registration Number: **06444180**

<i>Nature of control</i>	The relevant legal entity holds, directly or indirectly, 75% or more of the voting rights in the company.
<i>Nature of control</i>	The relevant legal entity has the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company.

Statement of Guarantee

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

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

Name: **BLUE CEDAR HOMES LIMITED**

Address **EAGLE HOUSE 1 BABBAGE WAY
EXETER SCIENCE PARK
EXETER
ENGLAND
ENGLAND
EX5 2FN**

Amount Guaranteed **£1.00**

Statement of Compliance

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

Authorisation

Authoriser Designation: **subscriber**

Authenticated **YES**

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

**MEMORANDUM OF ASSOCIATION OF
THORNFIELD MANAGEMENT COMPANY LIMITED**

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

Name of each subscriber

Blue Cedar Homes Limited

Dated: 21 September 2017

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
ARTICLES OF ASSOCIATION
OF
THORNFIELD MANAGEMENT COMPANY LIMITED (the
"Company")

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INTERPRETATION, OBJECTS AND LIMITATION OF LIABILITY

1. Interpretation

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

1.1. Definitions:

Act: means the Companies Act 2006;

Appointor: has the meaning given in article 17.1;

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 which have an effect similar to that of bankruptcy;

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

chairman of the board: has the meaning given in article 8.3;

chairman of the general meeting: has the meaning given in article 24.4;

Conflict: has the meaning in clause 10.3;

Developer: means Blue Cedar Homes Limited (Company Number 06444180) whose registered office is at Eagle House 1 Babbage Way, Exeter Science Park, Exeter, Devon, EX5 2FN being the registered proprietor for the time being of the freehold Estate;

Developer's Director: means a director of the Company who has been appointed by the Developer under article 13.1, and for the avoidance of doubt the Developer may be a Developer's Director;

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 10, 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: means the land and buildings being now or previously registered at HM Land Registry with the number GR260210. Known as:

GLOUCESTERSHIRE: COTSWOLD

1 (28.04.2003) The Freehold land shown edged with red on the plan of the above title filed at the Registry and being Land on the north side of Broadway Road, Willersey, Broadway.

Property: means a freehold interest forming part of the Estate [or a registrable leasehold interest granted by the Developer and forming part of the Estate];

Property Owner: means the registered owner of a Property;

Handover Date: means the date on which the directors of the Company hold a board meeting following which the appointment of the Property Owners as Members (and directors as appropriate) has been approved, the Developer has resigned as a Member (in its capacity as the Developer, irrespective of whether it continues as a Member in its capacity as a Property Owner) and the Developer's Directors have resigned or otherwise ceased to be Developer's Directors, and **Handover** shall be construed accordingly;

Interested Director: has the meaning given in article 10.2;

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;

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;

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;

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;

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

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

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

- 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 and any amendment or re-enactment of it.
- 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), (4) and (5) (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 as set out below in this article 2 to the extent that they relate to the Estate and the Properties or any part of them, and the Company has the power on its own account or as trustee, nominee or agent or any other company or person to:

- 2.1.1. 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;
- 2.1.2. 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;
- 2.1.3. 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 (whether including the Estate and the Properties or otherwise);
- 2.1.4. supply and provide services of every description to the Estate and to repair, maintain, construct, renew, redecorate, clean, make alterations and additions to the Estate and the cultivation and landscaping of any land, gardens and grounds comprised in the Estate and the maintenance of the same and to engage and employ such servants, agents, contractors, professional advisers, engineers, gardeners and other persons as the board of directors may consider necessary in their absolute discretion to provide such services;
- 2.1.5. pay any rates, taxes, levies, duties, charges, assessments or any other outgoings of any such nature charged, or imposed on or in respect of the Estate or any part of the Estate;
- 2.1.6. collect all rents, charges and any other income of whatever nature due to the Estate or any part of the Estate including rent, service and maintenance charges and income from the owners and occupiers of the properties constructed on the property or from any other owners, occupiers or other persons who enjoy the benefit of such services or facilities;
- 2.1.7. arrange insurance of the Estate of any other property of the Company or in which it has an interest against destruction or damage and any other risks which may be considered necessary, and to insure against public liability and any other risks which the Company may consider prudent to insure against;
- 2.1.8. create and maintain any capital reserves and management funds of any kind in order to contribute and pay towards all fees, costs and any other expenses incurred in the implementation of the objects of the Company and to require the Company's members to contribute towards such funds and reserves at any such times, in such amounts and in such manner as the Company may determine and to invest and deal in and with such moneys not immediately required in such manner as the Company think fit;

- 2.1.9. carry on any other trade or business which may seem to the Company and its directors to be advantageous and to directly or indirectly to enhance all or any of the business of the Company.
- 2.1.10. 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;
- 2.1.11. 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;
- 2.1.12. 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;
- 2.1.13. 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;
- 2.1.14. enter into contracts to provide services to or on behalf of other bodies;
- 2.1.15. provide and assist in the provision of money, materials or other help;
- 2.1.16. 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;
- 2.1.17. incorporate subsidiaries to carry on any trade;
- 2.1.18. do all or any of the things or matters in this Article 2 in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others; and
- 2.1.19. 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.

3. Income

- 3.1. 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:
- 3.1.1. reasonable and proper remuneration to any Member, officer or servant of the Company for any services rendered to the Company;
 - 3.1.2. any interest on money lent by any Member or any director at a reasonable and proper rate;
 - 3.1.3. reasonable and proper rent for premises demised or let by any Member or director; or
 - 3.1.4. reasonable out-of-pocket expenses properly incurred by any director.

4. Guarantee

- 4.1. 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:
- 4.1.1. payment of the Company's debts and liabilities contracted before he ceases to be a Member;
 - 4.1.2. payment of the costs, charges and expenses of winding up; and
 - 4.1.3. adjustment of the rights of the contributories among themselves.

DIRECTORS

DECISION-MAKING BY DIRECTORS

5. Unanimous decisions

- 5.1. 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.
- 5.2. 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.
- 5.3. 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.

6. Calling a directors' meeting

- 6.1. Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the secretary to give such notice.
- 6.2. Notice of a directors' meeting shall be given to each director in writing including in electronic form.

7. Quorum for directors' meetings

- 7.1. Before the Handover Date the quorum must include a Developer's Director participating in the meeting. Subject to article 7.2, the quorum for the transaction of business at a meeting of directors after the Handover Date is any two Eligible Directors. Until the Handover Date, the company may have a sole director and, provided he is an Eligible Director, he shall have all the powers and be subject to all the provisions herein conferred on the Eligible Directors and he or any alternate Eligible Director appointed by him shall alone constitute a quorum at any meeting of the Eligible Directors.
- 7.2. For the purposes of any meeting (or part of a meeting) held pursuant to article 10 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.
- 7.3. If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
 - 7.3.1. to appoint further directors; or
 - 7.3.2. to call a general meeting so as to enable the Members to appoint further directors.

8. Chairing of directors' meetings

- 8.1. The directors may appoint a director to chair their meetings.
- 8.2. Until the Handover Date, the person so appointed must be a Developer's Director.
- 8.3. The person so appointed for the time being is known as the chairman of the board.
- 8.4. After the Handover Date:
 - 8.4.1. the directors may terminate the appointment of chairman of the board at any time; and
 - 8.4.2. 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.

9. Casting vote

- 9.1. If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman of the board shall not have a casting vote.

10. Directors' conflicts of interest

Transactional Conflicts

- 10.1. 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:

- 10.1.1. 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;
- 10.1.2. 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;
- 10.1.3. 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;
- 10.1.4. 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;
- 10.1.5. 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
- 10.1.6. 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.

Situational Conflicts

- 10.2. 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.

- 10.3. **'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:
- 10.3.1. 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;
 - 10.3.2. in the case of a Developer's Director, his employment by, directorship of or other office with or having any interest in the Developer (or being the Developer); and
 - 10.3.3. the director being a Property Owner or Member or representative of a Property Owner or Member which is a body corporate;
- 10.4. Any authorisation under this article 10 shall be effective only if:
- 10.4.1. 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;
 - 10.4.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 10.4.3. 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.
- 10.5. Any authorisation of a Conflict under this article 10 may (whether at the time of giving the authorisation or subsequently):
- 10.5.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 10.5.2. 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;
 - 10.5.3. 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;
 - 10.5.4. impose on the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 10.5.5. 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

- 10.5.6. 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.
 - 10.6. 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.
 - 10.7. 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.
 - 10.8. A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 11. Records of decisions to be kept**
- 11.1. 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.

APPOINTMENT OF DIRECTORS

12. Number of directors

- 12.1. Before the Handover Date there shall be no minimum number of directors. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but after the Handover Date shall not be less than two.

13. Appointment of directors

- 13.1. Until the Handover Date, the Developer may by notice in writing to the Company appoint persons to be a Developer's Director and may by like notice remove any Developer's Director and appoint another person in his place.
- 13.2. Except in relation to a Developer's Director pursuant to article 13.1, and subject to article 13.3, 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:
 - 13.2.1. by ordinary resolution of the Members; or
 - 13.2.2. by a decision of the directors but the director so appointed shall hold office only until the next AGM unless reappointed at the AGM by the Members.

- 13.3. Other than the Developer's Directors, only a person who is a Member or (if the Member is a body corporate) a representative of a Member is eligible to hold the office of a director.
- 13.4. If a representative of a body corporate Member is appointed as a director, that body corporate may remove its representative from office. In such case, or if the director was removed pursuant to article 14.1.6, the Member may notify the board in writing of an alternative eligible representative who, subject to the reasonable satisfaction of the board, shall be appointed in his/her place.
- 13.5. 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. For the purpose of this article 13.5, 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.

14. Termination of director's appointment

- 14.1. A person automatically ceases to be a director as soon as:
- 14.1.1. that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
 - 14.1.2. a bankruptcy order is made against that person;
 - 14.1.3. a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - 14.1.4. 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;
 - 14.1.5. 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;
 - 14.1.6. the Director's directorship, employment or consultancy arrangement with the Developer or Member is terminated, but only where the director was appointed by virtue of being a director of or employed by or a consultant to the Developer or Member (which is a corporate body) as the case may be (unless, in the case of the Developer, the Developer determines otherwise or unless the Director remains as a representative of another Member);
 - 14.1.7. being a Developer's Director, Handover occurs; or
 - 14.1.8. not being a Developer's Director, he (or the body corporate which appointed him, if he is a corporate representative) ceases to be a Member.

- 14.2. A director may be removed from office by an ordinary resolution of the Company.

15. Directors' remuneration

- 15.1. 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.
- 15.2. Nothing in this article 15.1 shall prevent the payment to the directors of services rendered to the Company in any other capacity.

16. Directors' expenses

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

- 16.1.1. meetings of directors or committees of directors;
- 16.1.2. general meetings; or
- 16.1.3. 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.

17. Appointment and removal of alternate directors

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

- 17.1.1. exercise that director's powers; and
- 17.1.2. carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the Appointor.

- 17.2. 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.

- 17.3. The notice must:

- 17.3.1. identify the proposed alternate; and
- 17.3.2. 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.

18. Rights and responsibilities of alternate directors

18.1. 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.

18.2. Except as the Articles specify otherwise, alternate directors are:

18.2.1. deemed for all purposes to be directors;

18.2.2. liable for their own acts and omissions;

18.2.3. subject to the same restrictions as their Appointors; and

18.2.4. 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.

18.3. A person who is an alternate director but not a director:

18.3.1. 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);

18.3.2. 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

18.3.3. shall not be counted as more than one director for the purposes of article 18.3.1 and article 18.3.2.

18.4. 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).

18.5. 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.

19. Termination of alternate directorship

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

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

- 19.1.2. 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;
- 19.1.3. on the death of the alternate's Appointor; or
- 19.1.4. when the alternate director's Appointor ceases to be a director for whatever reason.

MEMBERS: BECOMING AND CEASING TO BE A MEMBER

20. Membership

- 20.1. No person may be a Member other than:
 - 20.1.1. the subscribers to the Memorandum;
 - 20.1.2. the Developer;
 - 20.1.3. a nominee or nominees of the Developer; or
 - 20.1.4. a Property Owner.
- 20.2. The Company must appoint all Property Owners as Members after the Handover Date but it under no obligation to do so before the Handover Date.
- 20.3. Where two or more persons are jointly the Property Owners they together constitute one Member (unless one joint owner ceases to be a Property Owner), 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 Property Owners in respect of that Property. All such Property Owners shall be subject jointly and severally to any liability imposed on that Member under or pursuant to the Articles.
- 20.4. Where a person is a Property Owner of more than one Property or is both a Property Owner and the Developer or a nominee of the Developer he shall (except where the Articles provide otherwise) be treated under the Articles as a separate Member in respect of each Property and in his capacities as Developer or nominee of the Developer as the case may be.

21. Applications for membership

- 21.1. No person (other than a subscriber, the Developer or its nominee) shall become a Member unless he has completed an application for Membership in a form approved by the directors from time to time or has agreed to become a Member in writing in any contract, transfer or lease relating to the Property. 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.
- 21.2. Membership shall not be transferable.

22. Cessation of membership

- 22.1. A subscriber to the Memorandum may by notice to the Company resign from Membership at any time before the Handover Date.

- 22.2. A Member will automatically cease to be a Member in the following circumstances:
- 22.2.1. if he is a subscriber to the Memorandum (other than the Developer), when he resigns or when Handover occurs, whichever is earlier;
 - 22.2.2. if he is the Developer or a nominee of the Developer, when he resigns in his capacity as the Developer;
 - 22.2.3. if he is a Property Owner:
 - 22.2.3.1. on his death or bankruptcy; or
 - 22.2.3.2. if a corporate Member, when it goes into receivership, administrative receivership, administration, liquidation or other arrangement for the winding up of a company; or
 - 22.2.3.3. on the transfer or assignment of the Property.
- 22.3. Despite a person ceasing to be a Member by virtue of the occurrence of the circumstances set out in Article 22.2, the person will continue as a separate Member in any other capacity that he may have as Property Owner, Developer or nominee of the Developer.
- 22.4. A Property Owner may not cease to be a Member except as permitted or required by the Articles.
- 22.5. If a member ceases to fall within the definition of Property Owner solely by virtue of the fact that requirements for registration of leasehold interests are amended meaning their interest is no longer registrable, they shall be nonetheless treated as a Property Owner.
- 22.6. On a person ceasing to be a Member, that person shall forthwith be removed from the register of member.

ORGANISATION OF GENERAL MEETINGS

23. Quorum for general meetings

- 23.1. 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.
- 23.2. Pending the Handover Date, one person (as defined in section 318(3) of the Act) shall be a quorum, who must be:
- 23.2.1. the Developer;
 - 23.2.2. a nominee of the Developer;
 - 23.2.3. a person appointed as the proxy of the Developer or a nominee of the Developer in relation to the meeting; or

- 23.2.4. where the Developer or a nominee of the Developer is a corporation, a person authorised under section 323 of the Act to act as its representative in relation to the meeting.
- 23.3. With effect from the Handover Date, the quorum shall be two members of the Company so entitled (whichever is the greater) present in person or by proxy (or by corporate representative in the case of a body corporate).
- 24. Chairing general meetings**
 - 24.1. 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.
 - 24.2. 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:
 - 24.2.1. the directors present, or
 - 24.2.2. (if no directors are present) the meeting,must, until the Handover Date, appoint a Developer's Director to chair the meeting and must, on or after the Handover Date, appoint a director or Member to chair the meeting.
 - 24.3. The appointment of the chairman of the general meeting must be the first business of the meeting.
 - 24.4. The person chairing a meeting in accordance with this Article is referred to as **the chairman of the general meeting**.

VOTING AT GENERAL MEETINGS

- 25. Notice of general meetings**
 - 25.1. In accordance with section 308 of the Act, notice of a general meeting of the Company can be given to members either in hard copy form or electronic form.
 - 25.2. Notice of a general meeting must contain:
 - 25.2.1. the date and time of the meeting;
 - 25.2.2. the place of the meeting;
 - 25.2.3. the general nature of the business to be conducted at the meeting;
 - 25.2.4. the right of members to appoint proxies as stated in section 234 to 325 inclusive) of the Act.
- 26. Annual General Meetings**
 - 26.1. After the Handover Date, the Company shall in each year hold a general meeting to be known as the annual general meeting. There shall elapse no

more than fifteen months between annual general meetings and the first such meeting shall be held within eighteen months of the Handover Date.

26.2. The business to be conducted at an annual general meeting, shall include the following:

- (a) the consideration of the annual accounts of the Company; and
- (b) appointment of directors (if any), including any directors appointed by the directors pursuant to article 13.2.2.

27. Votes of members

27.1. Until the Handover Date, in the case of any resolution proposed at any general meeting or by written resolution, the Developer or its nominee shall be entitled to cast such number of votes as is necessary to pass or defeat the resolution.

27.2. Subject to article 27.1 and the Act:

27.2.1. at any general meeting every Member who is present in person (or by proxy) shall on a show of hands have one vote and shall on a poll have one vote;

27.2.2. every Member shall on a written resolution have one vote;

except that article 20.4 shall apply so where a Member is a Property Owner of more than one Property he shall have one vote in respect of each Property owned (whether on a show of hands or a poll or a written resolution).

27.3. A Member which is a body corporate may authorise a person to act as its representative at general meetings and may exercise the same powers as the body corporate could exercise if it was an individual members.

28. Poll votes

28.1. 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.

28.2. 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.

29. Proxies

29.1. 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".

- 29.2. 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

30. Secretary

- 30.1. The Company is not required to have a company secretary, but 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.

31. Change of company name

- 31.1. The name of the Company may be changed by:

31.1.1. a decision of the directors; or

31.1.2. a special resolution of the Members

or otherwise in accordance with the Act.

ADMINISTRATIVE ARRANGEMENTS

32. Means of communication to be used

- 32.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

32.1.1. if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;

32.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;

32.1.3. if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied;

and for the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 32.2. In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

- 32.3. 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.
- 32.4. 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.

33. Inspection and copying of accounts and other records

- 33.1. 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 Member. However, this article 33.1 shall apply only until the Handover Date.
- 33.2. After the Handover Date, the following shall apply in place of article 33.1:
- 33.2.1. 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.
- 33.2.2. Such right shall be subject:
- 33.2.2.1. to any resolution of the Company in general meeting;
and
- 33.2.2.2. 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.

34. Indemnity and insurance

- 34.1. Subject to article 34.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 34.1.1. 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 in the actual or purported execution or discharge of his duties, or in relation to them;

- 34.1.2. 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 34.1.1 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.

- 34.2. 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.

- 34.3. In this article 34:

- 34.3.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- 34.3.2. 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
- 34.3.3. 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).

Note: These Model Articles are adopted subject to the exclusions and amendments in article 1 of the Articles of Association

SCHEDULE 2 Companies (Model Articles) Regulations 2008

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY GUARANTEE

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PART 1
INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—
- “articles” means the company’s articles of association;
 - “bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
 - “chairman” has the meaning given in article 12;
 - “chairman of the meeting” has the meaning given in article 25;
 - “Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
 - “director” means a director of the company, and includes any person occupying the position of director, by whatever name called;
 - “document” includes, unless otherwise specified, any document sent or supplied in electronic form;
 - “electronic form” has the meaning given in section 1168 of the Companies Act 2006;
 - “member” has the meaning given in section 112 of the Companies Act 2006;
 - “ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;
 - “participate”, in relation to a directors’ meeting, has the meaning given in article 10;
 - “proxy notice” has the meaning given in article 31;
 - “special resolution” has the meaning given in section 283 of the Companies Act 2006;
 - “subsidiary” has the meaning given in section 1159 of the Companies Act 2006; and
 - “writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

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

Liability of members

2. The liability of 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—
- (a) payment of the company’s debts and liabilities contracted before he ceases to be a member,
 - (b) payment of the costs, charges and expenses of winding up, and
 - (c) adjustment of the rights of the contributories among themselves.

PART 2
DIRECTORS
DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

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

Members' reserve power

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

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

Directors may delegate

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

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

as they think fit.

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

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

Committees

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

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

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

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

(2) If—

- (a) the company only has one director, and
- (b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

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

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

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

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

Calling a directors' meeting

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

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

- (a) its proposed date and time;

- (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

- 10.—**(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

- 11.—**(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—
- (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the members to appoint further directors.

Chairing of directors' meetings

- 12.—**(1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

- 13.—**(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

- 14.—**(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
 - (b) subscription, or an agreement to subscribe, for securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such securities; and

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

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

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

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

Records of decisions to be kept

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

Directors' discretion to make further rules

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

APPOINTMENT OF DIRECTORS

Methods of appointing directors

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

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

(2) In any case where, as a result of death, the company has no 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.

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

Termination of director's appointment

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

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

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

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

(3) Subject to the articles, a director's remuneration may—

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3 MEMBERS BECOMING AND CEASING TO BE A MEMBER

Applications for membership

21. No person shall become a member of the company unless—

- (a) that person has completed an application for membership in a form approved by the directors, and
- (b) the directors have approved the application.

Termination of membership

22.—(1) A member may withdraw from membership of the company by giving 7 days' notice to the company in writing.

(2) Membership is not transferable.

(3) A person's membership terminates when that person dies or ceases to exist.

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

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

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

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

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

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

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

Quorum for general meetings

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

Chairing general meetings

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

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

- (a) the directors present, or
- (b) (if no directors are present), the meeting,

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

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

Attendance and speaking by directors and non-members

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

(2) The chairman of the meeting may permit other persons who are not members of the company to attend and speak at a general meeting.

Adjournment

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

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

(a) to the same persons to whom notice of the company's general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

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

Errors and disputes

29.—(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

(2) Any such objection must be referred to the chairman of the meeting whose decision is final.

Poll votes

30.—(1) A poll on a resolution may be demanded—

(a) in advance of the general meeting where it is to be put to the vote, or

(b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by—

(a) the chairman of the meeting;

(b) the directors;

(c) two or more persons having the right to vote on the resolution; or

(d) a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

(a) the poll has not yet been taken, and

(b) the chairman of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

31.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

- (a) states the name and address of the member appointing the proxy;
- (b) identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

32.—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

(2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

Amendments to resolutions

33.—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman’s error does not invalidate the vote on that resolution.

PART 4 ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

34.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

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

No right to inspect accounts and other records

36. 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 member.

Provision for employees on cessation of business

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

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

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

Insurance

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