

**COMPANY NUMBER 12119538**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**of**

**HILLCREST (SURBITON) FREEHOLD LIMITED (Company)**

**28 AUGUST 2019 (Circulation Date)**

Under Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the Resolution 2 below is passed as an ordinary resolution (**Ordinary Resolution**) and that Resolutions 1 and 3 below are passed as special resolutions (**Special Resolutions**).

**1. ADOPTION OF ARTICLES**

THAT, the articles of association in the form attached to this resolution are adopted in their entirety in substitution for and to replace in their entirety the Company's existing articles of association.

**2. AUTHORITY TO ALLOT**

THAT, in accordance with section 551 of the Companies Act 2006 (**CA 2006**), the directors of the Company (**Directors**) be generally and unconditionally authorised to allot shares in the Company up to an aggregate nominal amount of £12.00 (to be made up of 6 Ordinary A Shares and 6 Ordinary B Shares) provided that this authority shall, unless renewed, varied or revoked by the Company, expire within 5 years from the Circulation Date save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority revokes and replaces all unexercised authorities previously granted to the Directors.

**3. DISAPPLICATION OF PRE-EMPTION RIGHTS**

THAT, subject to the passing of resolution 2 and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 2, as if section 561(1)

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of the CA 2006 did not apply to any such allotment, provided that this power shall:

- 3.1 be limited to the allotment of equity securities up to an aggregate nominal amount of £12.00; and
- 3.2 expire on within 5 years from the Circulation Date (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

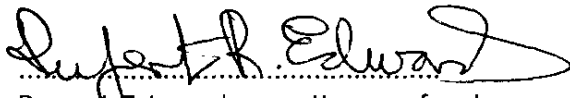
## AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Ordinary Resolution and Special Resolutions.

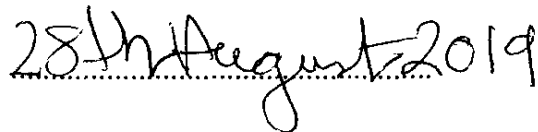
The undersigned persons entitled to vote on the Ordinary Resolution and Special Resolutions on the Circulation Date, hereby irrevocably agree to the Ordinary Resolution and Special Resolutions:

Signed by

.....  
David Newell

  
.....  
Rupert Edwards as attorney for June  
Tournay

Date:

  
.....

## NOTES

1. If you agree with the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following delivery methods:

- **By hand:** delivering the signed copy to the Directors of Hillcrest (Surbiton) Freehold Limited at 162-164 Arthur Road, London SW19 8AQ

- **Post:** returning the signed copy by post to the Directors of Hillcrest (Surbiton) Freehold Limited at 162-164 Arthur Road, London SW19 8AQ

If you do not agree to the Ordinary Resolution and Special Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Ordinary Resolution and Special Resolutions, you may not revoke your agreement.

3. Unless within 28 days of the Circulation Date, sufficient agreement is received for the Ordinary Resolution and Special Resolutions to pass, they will lapse. If you agree to the Ordinary Resolution and Special Resolutions, please ensure that your agreement reaches us before or during this date.

4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

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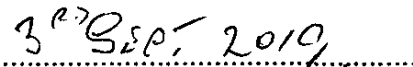
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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

**OF**

**HILLCREST (SURBITON) FREEHOLD LIMITED (the "Company")**

**(Adopted by special resolution passed on 3 September 2019)**

**INTERPRETATION, OBJECTS AND LIMITATION OF LIABILITY**

**1. INTERPRETATION**

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

**1.1 Definitions:**

**'A' Shareholder:** means the holders of 'A' Shares;

**'A' Shares:** means the ordinary A shares issued by the Company;

**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;

**Available Profits:** means the profits available for distribution within the meaning of part 23 of the Act;

**'B' Shareholder:** means the holders of 'B' Shares;

**'B' Shares:** means the ordinary B shares issued by the Company;

**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;

**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 8.2;

**chairman of the general meeting:** has the meaning given in article 23.4;

**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) 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; and
- (d) the director being a Flat Tenant;

**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);

**Flat:** means a flat forming part of the Property;

**Flat Lease:** means a lease of a Flat granted for an original term of over 21 years;

**Flat Tenant:** means the tenant for the time being of a Flat Lease;

**Interested Director:** has the meaning given in article 10.1;

**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;

**Net Proceeds:** means:

- (a) in respect of a lease extension of flat 2 of the Property an amount equal to the amount received by the Company by way of premium paid by the tenant (of which such amount shall be as recommended by a Valuation Expert appointed by the Company); or
- (b) in respect of a sale of flat 2 of the Property, an amount equal to the amount received by the Company in respect of the sale (of which such amount shall be as recommended by a local estate agent dealing with the sale)



in each case, less the sum of all costs and any taxes payable by the Company in respect of the transaction.

**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;

**Property:** means the land and buildings known as Hillcrest, 12 Upper Brighton Road, Surbiton KT6 6JX registered at HM Land Registry with the number SY131271;

**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;

**Shareholders:** means 'A' Shareholders and 'B' Shareholders;

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

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

**Valuation Expert:** means a valuer who is a Member or Fellow of the Royal Institution of Chartered Surveyors who specialises in leasehold enfranchisement; 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.
- 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:

- (a) 1 (Defined terms);
- (b) 2 (Liability of members);
- (c) 8 (Unanimous decisions);
- (d) 9(1) and (3) (Calling a directors' meeting);
- (e) 11(2) and (3) (Quorum for directors' meetings);
- (f) 12 (Chairing of directors' meetings);
- (g) 13 (Casting vote);
- (h) 14(1), (2), (3) and (4) (Conflicts of interest);
- (i) 17 (Methods of appointing directors);
- (j) 18 (Termination of director's appointment);
- (k) 19 (Directors' remuneration);
- (l) 20 (Directors' expenses);
- (m) 37 (Quorum for general meetings);
- (n) 38 (Chairing general meetings);
- (o) 44(2) (Poll votes);
- (p) 45(1)(d) (Content of proxy notices);
- (q) 49 (Company seals);
- (r) 50 (No right to inspect accounts and other records);
- (s) 52 (Indemnity); and
- (t) 53 (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:

- (a) the insertion of the words "for the time being" at the end of Model Article 7(2)(a); and

- (b) 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 40(2), 41, 43(2), 44(3) and (4) and 47, each of the references to "chairman of the meeting" shall be deemed to be a reference to "chairman of the general meeting".

## **2. OBJECTS**

The objects for which the Company is established are:

- (a) to acquire the Property;
- (b) to hold the Property as an investment; and
- (c) to enter into the Flat Leases, exercise its powers and perform its obligations under the Flat Leases and generally to manage the Property.

## **3. POWERS**

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

- (a) 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;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;

- (f) 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;
- (g) 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;
- (h) enter into contracts to provide services to or on behalf of other bodies;
- (i) provide and assist in the provision of money, materials or other help;
- (j) 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;
- (k) incorporate subsidiaries to carry on any trade; and
- (l) 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. SHARES**

4.1 Subject to article 4.2, 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:

- (a) reasonable and proper remuneration to any Shareholder, officer or servant of the Company for any services rendered to the Company;
- (b) any interest on money lent by any Shareholder or any director at a reasonable and proper rate;
- (c) reasonable and proper rent for premises demised or let by any Shareholder or director; or
- (d) reasonable out-of-pocket expenses properly incurred by any director.

- 4.2 The 'A' Shares and 'B' Shares shall rank pari passu in all respects except that:
- (a) the 'B' Shares shall not carry any rights to attend or vote at meetings of the Shareholders;
  - (b) any Available Profits arising from the Net Proceeds relating to any lease extension of flat 2 of the Property, shall be distributed to the 'B' Shareholders only; and
  - (c) any Available Profits arising from the Net Proceeds of the sale of flat 2 of the Property (arising in the event that such property reverts to the Company at the end of its lease term), shall be distributed to the 'B' Shareholders only.

## **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 20 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.

#### **7. QUORUM FOR DIRECTORS' MEETINGS**

- 7.1 Subject to article 7.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors, except when one director is in office.
- 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.

## **8. CHAIRING OF DIRECTORS' MEETINGS**

- 8.1 The directors may appoint a director to chair their meetings.
- 8.2 The person so appointed for the time being is known as the chairman of the board.
- 8.3 The directors may terminate the appointment of chairman of the board at any time.
- 8.4 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**

- 10.1 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.
- 10.2 Any authorisation under this article 10 shall be effective only if:
  - (a) 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;
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) 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.
- 10.3 Any authorisation of a Conflict under this article 10 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) 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;
- (c) 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;
- (d) impose on the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) 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
- (f) 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.

10.4 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.

10.5 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.

10.6 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.

10.7 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:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such 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.

10.8 A director shall not be an Interested Director by reason of being a Flat Tenant, unless the conflict directly concerns the Flat that they own.

#### **11. 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.

#### **APPOINTMENT OF DIRECTORS**



**12. 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 shall not be less than two.

**13. APPOINTMENT OF DIRECTORS**

13.1 Every director must be an 'A' Shareholder, with no more than one director per Flat at the Property being permitted, and no further directors can be appointed unless it is a unanimous decision.

13.2 In any case where, as a result of death or bankruptcy, the company has no Shareholders and no directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

13.3 For the purpose of article 13.1, where two or more Shareholders die in circumstances rendering uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.

**14. TERMINATION OF DIRECTOR'S APPOINTMENT**

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 Act 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) notification is received by the Company from the director that the director is resigning from office and such resignation has taken effect in accordance with its terms; or
- (f) he ceases to be an 'A' Shareholder.

**15. 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.*

**16. DIRECTORS' EXPENSES**

The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary 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 any class of Shareholders 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:

- (a) exercise that director's powers; and
- (b) 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:

- (a) identify the proposed alternate; and
- (b) 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:

- (a) deemed for all purposes to be directors;
- (b) liable for their own acts and omissions;
- (c) subject to the same restrictions as their Appointors; and
- (d) 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 Shareholder.

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

- (a) 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);
- (b) 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
- (c) shall not be counted as more than one director for the purposes of article 18.3(a) and article 18.3(b).

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), but shall not count as more than one director for the purposes of determining whether a quorum is present.

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**

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

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate director's Appointor ceases to be a director for whatever reason.

## **SHAREHOLDERS: BECOMING AND CEASING TO BE A SHAREHOLDER**

### **20. 'A' SHAREHOLDERS**

- 20.1 No person may be an 'A' Shareholder other than a Flat Tenant.
- 20.2 Where two or more persons are jointly the tenants of a Flat Lease they together constitute one 'A' Shareholder, and the person first named in the Company's register may exercise all voting and other rights and powers vested in that 'A' Shareholder to the exclusion of the other Flat Tenants in respect of that Flat. All such Flat Tenants shall be subject jointly and severally to any liability imposed on that 'A' Shareholder under or pursuant to the Articles.
- 20.3 Where a person is a Flat Tenant of more than one Flat he shall (except where the Articles provide otherwise) be treated under the Articles as a separate 'A' Shareholder in respect of each Flat.
- 20.4 'A' Shares shall be transferred and may only be transferred upon or immediately before a change in the ownership of the Flat in respect of which they are held and to the person becoming or about to become upon such change the owner of the Flat.
- 20.5 The price to be paid on the transfer of shares shall in default of agreement between the Transferor and the Transferee be the nominal value of such shares.
- 20.6 If the holder of a share refuses or neglects to transfer it in accordance with these Articles the Chairman for the time being of the Directors or, failing him, one of the Directors duly nominated by resolution of the Board for that

purpose, shall forthwith be deemed to be the duly appointed Attorney of that holder with full power in his name and on his behalf to execute complete and deliver a transfer of the share to the person to whom it should be transferred thereunder and the Company may receive and give a good discharge for the purchase money and enter the name of the Transferee in the Register of Members as the holder by transfer of that share.

## **21. 'B' SHARES**

- 21.1 Any person may be a 'B' Shareholder, and the 'B' Shares shall be transferrable.
- 21.2 'B' Shares shall not carry any voting rights.
- 21.3 Upon distribution in accordance with articles 4.2(b) or 4.2(c), the 'B' Shares shall be redeemed by the Company at nominal value with the Company ensuring that it complies with Part 18 of the Companies Act 2006.

## **ORGANISATION OF GENERAL MEETINGS**

### **22. QUORUM FOR GENERAL MEETINGS**

- 22.1 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.
- 22.2 The quorum shall be two members of the Company so entitled present in person or by proxy.

### **23. CHAIRING GENERAL MEETINGS**

- 23.1 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.
- 23.2 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:
  - (a) the directors present, or
  - (b) (if no directors are present) the meeting,

must appoint a director or Shareholder to chair the meeting.

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

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

#### **VOTING AT GENERAL MEETINGS**

##### **24. VOTES OF SHAREHOLDERS**

24.1 Subject to the Act, at any general meeting:

- (a) every 'A' Shareholder who is present in person (or by proxy) shall on a show of hands have one vote; and
- (b) every 'A' Shareholder present in person (or by proxy) shall on a poll have one vote.

##### **25. POLL VOTES**

25.1 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.

25.2 Article 44(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.

##### **26. PROXIES**

26.1 Article 45(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".

26.2 Article 45(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**

**27. 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.

**28. CHANGE OF COMPANY NAME**

The name of the Company may be changed by:

- (a) a decision of the directors; or
- (b) a special resolution of the 'A' Shareholders.

or otherwise in accordance with the Act.

**ADMINISTRATIVE ARRANGEMENTS**

**29. MEANS OF COMMUNICATION TO BE USED**

- 29.1 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.
- 29.2 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.
- 29.3 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.

**30. INSPECTION AND COPYING OF ACCOUNTS AND OTHER RECORDS**

- 30.1 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.
- 30.2 Such right shall be subject:

- (a) to any resolution of the Company in general meeting; and
- (b) 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.

### 31. INDEMNITY AND INSURANCE

31.1 Subject to article 31.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) 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; and
- (b) 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 31.1(a) 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.

31.2 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.

31.3 In this article 31:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- (b) 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 or any associated company; and
- (c) 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).