

THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE

ARTICLES OF ASSOCIATION

of

SHERFORD COMMUNITY LAND TRUST LIMITED

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1 EXCLUSION OF DEFAULT ARTICLES AND DEFINED TERMS

1.1 In these articles, unless the context requires otherwise:

"**A Director**" means any director of the Company appointed or nominated jointly by the Developers in accordance with article 8.1;

"**Alternate**" or "**Alternate Director**" has the meaning given in article 11;

"**A Member**" means a Developer;

"**Annual General Meeting**" means the annual general meeting of the Members of the Company held in accordance with article 36;

"**Apartment**" means a leasehold apartment on the Estate;

"**Appointor**" has the meaning given in article 11;

"**Asset-locked Body**" means a community interest company, charity, or body established outside the United Kingdom that is equivalent to any of those;

"**B Director**" means any director of the Company appointed or nominated by a Council;

"**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;

"**B Member**" means a Council admitted as a member of the Company following the procedure set out in article 31.10;

"**Bovis**" means Vistry Homes Limited, previously named Bovis Homes Limited (registration number 397634) whose registered office is 11 Tower View, Kings Hill, West Malling, United Kingdom, ME19 4UY;

"**Business Hours**" means the period from 9.00am to 5.00pm on any Working Day;

"**Companies Act**" means the Companies Act 2006;

"**Chairperson**" has the meaning given in article 26;

"**Chairperson of the Meeting**" has the meaning given in article 38;

"**City Council**" means Plymouth City Council of The Council House, Armada Way, Plymouth, Devon, PL1 2AA;

"**C Member**" means a member of the Company in accordance with article 31.11 to 31.15;

"**Companies Acts**" means the Companies Acts (as defined in section 2 Companies Act), in so far as they apply to the Company;

"**Commercial Unit**" means one of the freehold or long leasehold commercial units on the Estate;

"**Community**" means the people who live or work within the Estate;

"**Community Benefit**" means the enhancement of the wellbeing of the Community;

"**Community Trust Fees**" means an annual amount (to be determined by the Directors) which may be levied on Property Owners

"**The Company**" means Sherford Community Land Trust Limited;

"**Connected Persons**" in relation to a director means persons connected with that director for the purposes of section 252 of the Companies Act;

"**Council**" means the City Council, District Council, County Council or Brixton Parish Council;

"**County Council**" means Devon County Council of County Hall, Topsham Road, Exeter, Devon, EX2 4QD;

"**Developer**" means Bovis, Taylor Wimpey or Linden or any company in the same group as any of them or any person or company nominated by Bovis, Taylor Wimpey or Linden from time to time to succeed it as a Developer for the purposes of these Articles;

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

"**District Council**" means South Hams District Council of Follaton House, Plymouth Road, Totnes, Devon, TQ9 5NE;

"**D Member**" means a member of the Company admitted in accordance with article 31.16 to 31.19;

"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;

"Eligible Director" means a Director who would be entitled to vote on a matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of that matter);

"Estate" means all the land and buildings situated at the development known as Sherford (and land South and South West of A38 Deep Lane and East of Haye Road, Elburton, Plymouth) defined as the Site in the S.106 Agreement including up to 5,500 new dwellings, up to 67,000 square metres of business and commercial space, 16,740 square metres of mixed retail accommodation, community sports and open space facilities, three primary schools and one secondary school (or two primary schools and an All Through School), healthcare centre, community park, two community wind turbines, park and ride interchange at Deep Lane and Main Street Link between Deep Lane Junction and Stanborough Cross built by the Developers and at the time of formation of the Company registered at the Land Registry under title number DN642685 together with all common parts, land, buildings, roads, parking areas, pathways and landscaped areas, public open spaces, pumping or electricity substation (if any), and other such land as shall from time to time form part of the Estate;

"Estate Managed Areas" means any unadopted landscaped areas, accessways and service media within the Estate which are not, and are not intended to be, adopted or included in the sale of any Unit and which are to be used in common by the occupants of two or more Units, and such other land as the Developers and all the Councils shall agree from time to time form part of the Estate to be held and used on the same terms;

"Executive" means officers of the Company (including any managing director) appointed in accordance with article 18.1 to be responsible for the day to day management of the Company;

"Facilities" means each or any of the following:

- a) Adult Social Care Base
- b) All Through School
- c) Bowling Green Land
- d) Children's Centre
- e) Community Police Facility
- f) Community Reuse and Repair Centre
- g) Forest School
- h) GP Surgeries
- i) Indoor Sports Centre
- j) Library and Information Centre
- k) Open Space

- l) Outdoor Sports Provision
- m) Park and Ride Facility
- n) Permanent Place of Worship Facilities
- o) Play Facilities
- p) Police Station Land
- q) Primary Education Provision
- r) R and D Centre
- s) Secondary Education Provision
- t) Town Hall
- u) Youth Facility; and
- v) Any temporary facility

as defined in the S.106 Agreement

"FOG" means a freehold flat over a garage (if any);

"Board" means the board of Directors;

"Group Company" means a Company which is at the relevant time;

- (a) a subsidiary of the Company; or
- (b) the Company's holding company or a subsidiary of that holding company and for these purposes 'holding company' has the meaning given to it by section 1159 of the Companies Act;

"House" means a freehold or leasehold dwelling house (as the case may be);

"Linden" means Linden Homes (Sherford) LLP (OC384496) whose registered office is Wey Court West, Union Road, Farnham, Surrey, GU9 7PT;

"Local Worker" means any person defined as such by the Directors from time to time, provided that a Property Owner may not be a local worker, and no local worker shall be removed from membership as a result of any change in definition.

"Long Leasehold" means a lease for an original term of more than 7 years;

"Manco" means Sherford Estate Management Company Limited (registration number 10525216) or such other company or companies established by the Developers from time to time to manage and maintain the whole or any part of the Estate Managed Areas, or a company to which the Company has given a contract to do so.

"Member" has the meaning given in section 112 of the Companies Act;

"Membership Fee" means such reasonable fee, which may vary by membership class, as the Directors may decide as a contribution towards the running costs of the Company;

"Model Articles" means the articles contained in Schedule 2 to the Companies (Model Articles) Regulations 2008;

"Neighbourhood" means either the Western Neighbourhood, Town Centre Neighbourhood, Southern Neighbourhood or Eastern Neighbourhood as defined in the S.106 Agreement;

"Community Director" means a Director elected or appointed to represent a particular Neighbourhood;

"Ordinary Resolution" has the meaning given in section 282 of the Companies Act;

"Participate", in relation to a Directors' meeting, has the meaning given in article 24;

"Property Owner" means:

- a) Subject to paragraphs (b) - (c) below, in respect of a freehold or leasehold residential Unit, its registered proprietor or joint registered proprietor;
- b) in respect of a Unit subject to an Islamic mortgage, the customer of the bank providing the mortgage who is the occupier of a freehold or leasehold residential Unit;
- c) in respect of a Unit to be transferred for the purpose of social housing, the RP which owns or part owns it;
- d) in respect of a Commercial Unit, the registered proprietor or joint registered proprietor of the freehold or long leasehold interest in that Unit;

"Proxy Notice" has the meaning given in article 45

"RP" means a registered provider of social housing on the Estate;

"Resident" means a person who lives within the Estate and has done so for more than 6 months and is not a Property Owner;

"S.106 Agreement" means the Agreement dated 12 November 2013 made under S106 of the Town and Country Planning Act 1990 relating to the new settlement known as Sherford between the Councils, Red Tree LLP and others which obtained planning permissions 06/0236/OUT and 7_49/2426/06/O, as amended by the Deed of Variation dated 4 January 2017 made between the Councils and the Consortium;

"Service Charge" means a charge levied on the Property Owners to meet the anticipated costs of providing the Services while making reasonable provision for future expenditure;

"Services" means the maintenance and upkeep of the Estate Managed Areas;

"Special Resolution" has the meaning given in section 283 of the Companies Act;

"Subsidiary" has the meaning given in section 1159 of the Companies Act;

"Taylor Wimpey" means Taylor Wimpey UK Limited (registration number 01392762) whose registered office is at Gate House, Turnpike Road, High Wycombe, Buckinghamshire HP12 3NR;

"Tenant" means any person who occupies under licence, leases or rents social housing provided on the Estate by the Company or an RP or otherwise;

"Transfer Date" means the date on which the last of the Estate Managed Areas are transferred to the Company or to the Councils or their nominee(s) in accordance with the S.106 Agreement;

"Unit" means one of the Apartments, Houses, FOGs, RP Units or Commercial Units on the Estate;

"Vistry" means Vistry Group PLC, and includes Bovis and Linden, (registration number 00306718) whose registered office is 11 Tower View, Kings Hill, West Malling, United Kingdom, ME19 4UY;

"Working Day" means any day other than Saturday or Sunday or a statutory or public holiday in England when banks in London are open for business;

"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 The Model Articles do not apply to the Company.
- 1.3 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act, as in force on the date when these articles become binding on the Company.
- 1.4 Headings in these articles are used for convenience only and shall not affect the construction or interpretation of the articles.
- 1.5 A reference in these articles to an "article" is a reference to the relevant article of these articles unless expressly provided otherwise.
- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.7 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2 LIABILITY OF MEMBERS

- 2.1 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 or she is a Member or within one year after he or she ceases to be a Member, for:

- (a) payment of the Company's debts and liabilities contracted before he or she 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 amongst themselves.

PART 2

ASSET LOCK

3 COMMUNITY LAND TRUST

- 3.1 The Company is set up to operate as a Community Land Trust as defined in Section 79 Housing and Regeneration Act 2008.

4 ASSET LOCK

- 4.1 The Company shall not transfer its assets other than for full consideration.

- 4.2 Provided the conditions in article 4.3 are satisfied, article 4.1 shall not apply to:

- (a) the transfer of assets to any specified Asset-Locked Body, or to any other Asset- Locked Body; and
- (b) the transfer of assets made for the benefit of the Community other than by way of a transfer of assets into an Asset-Locked Body.

- 4.3 The conditions are that the transfer of assets must comply with any restrictions on the transfer of assets for less than full consideration which may be set out elsewhere in the Memorandum or Articles of Association of the Company.

- 4.4 If:

- (a) the Company is wound up under the Insolvency Act 1986; and
- (b) all its liabilities have been satisfied

any residual assets shall be given or transferred to such an Asset-Locked Body specified in accordance with article 4.5 below.

- 4.5 For the purposes of this article 4, an appropriate recipient of the Company's assets under articles 4.2 and 4.4 must be an Asset Locked Body nominated by ordinary resolution of the members.

- 4.6 For the purposes of article 4, the Company's assets shall include (without limitation) such of the Estate Managed Areas as have been transferred to it.from time to time.

5 NOT FOR PROFIT

- 5.1 The Company is not established or conducted for private gain: any surplus or assets are used for the furtherance of the Company's objects set out in article 6.

- 5.2 The income and property of the Company shall be held on trust and no part of the Company's income

or property shall be paid or transferred directly or indirectly by way of bonus or otherwise howsoever to any Member or Members of the Company provided that nothing in these articles shall prevent any payment in good faith by the Company of:

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

RESTRICTION OF COMPANY'S OBJECTS

6 COMPANY'S OBJECTS

6.1 In accordance with the Companies Act section 31(2), the Company's objects are restricted as follows:

- a) to furthering the social, economic and environmental interests of the community;
- b) to acting always to further Community Benefit and in particular (but without limitation) carrying out any or all of the following activities:
 - (i) to uphold, promote and progress sustainable living on the Estate;
 - (ii) to bring together those who live, work or own property on the Estate to promote the development of social networks including associations, clubs and networks to enhance their community life and wellbeing;
 - (iii) to ensure that the Company has membership that is representative of the Community and that decisions are made for Community Benefit in such a way as to be accountable to the Company's Members;
 - (iv) to promote good design and management of Facilities to deliver efficient long term management and Community Benefit;
 - (v) to manage, or promote the management of, assets (including Facilities and Estate Managed Areas) for Community Benefit;
 - (vi) to promote and support commercially viable social enterprises, socially beneficial initiatives and economic development;
 - (vii) to ensure that sufficient sources of funding are available or can be generated to ensure the Company has the opportunity to carry out its objectives; and
 - (viii) if it shall be deemed by the Directors to be most likely to promote its success for the benefit of the Members as a whole (acting in good faith in accordance with their duty under S.172 Companies Act 2006) and subject to the procedure set out in article 34, to re-register the Company as a charity.

- 6.2 The objects specified in each sub-article of this article 6 shall not be limited or restricted in any way by reference to or inference from the terms of any other sub-clause, or the name of the Company, unless such limitation or restriction is expressly stated in that sub-clause. None of the sub-clauses shall be deemed merely subsidiary or auxiliary to the objects mentioned in the first sub-clause.

7 POWERS

- 7.1 The Company has the power to do anything to further its objects set out in article 6 above or is conducive to, or incidental in, doing so. In particular the Company has the power to:

- (a) Recruit and assist in the recruitment of voluntary workers for the promotion of the Company's objects;
- (b) Co-operate with charities, voluntary bodies and statutory authorities and to exchange information and advice with them;
- (c) Establish or support any charitable companies, associations, or institutions formed for any of the purposes included in the objects;
- (d) Promote and support in any way the establishment of a Subsidiary to carry out any of the Company's objects;
- (e) Borrow and raise money for the purposes of the Company on such terms and security as the Company shall think fit in the same manner and subject to the same conditions as the directors of a Company are permitted to do by the Trustee Act 2000;
- (f) Invest the moneys of the Company not immediately required for the furtherance of its objects in deposits with or loans to any recognised Bank (within the meaning of the Banking Act 1987 or any statutory re-enactment or modification thereof) or local authority or in securities having a final redemption date not later than 5 years after the date of acquisition thereof issued by Her Majesty's Government in the United Kingdom or of any local or public authority or nationalised industry or undertaking in the United Kingdom or in building society stock or accounts as may be thought fit;
- (g) at its complete discretion:
 - (A) invest or permit to be invested such sums or any part thereof jointly with any other funds;
 - (B) hold all or any part of such sums in the name or names of a nominee or nominees;
 - (C) delegate within such investment policy or other limits as it thinks fit its powers of investment to any member or members of the London Stock Exchange and to remunerate such delegate or delegates;
- (h) collect the Service Charge, and prior to the establishment of the payment mechanisms for the Service Charge pursuant to article 7.1 (i) below accept from the Developers sums equivalent to the Service Charge collected by them from the first purchaser of each Unit (such sums to be provided by the Developers within 28 days of the transfer of each Unit) for the purpose of assisting with the anticipated expenditure of the Company in the provision and management of the Services

- (i) on or from the date of the first transfer of any Unit, and at any time thereafter:
 - (A) set or vary the Service Charge at the level reasonably and properly required from time to time;
 - (B) assess the Service Charge payable by each Property Owner on a fair and reasonable basis, being either per capita, per household or by reference to floor space;
 - (C) only collect the Service Charge on a fixed date each year following the first anniversary of the first transfer of each Unit in accordance with any requirements of the S.106 Agreement;
- (j) employ all workers, contractors, agents and professional advisers as may be necessary to enter into all contracts and execute all deeds as shall be requisite for the purposes of the Company;
- (k) effect insurance against any risk to which the Company, any property belonging to the Company, or any person employed by the Company, may be subject;
- (l) remunerate any person, firm or company rendering services to the Company including a solicitor or other legal representative;
- (n) subject to article 4, sell, let, lease, grant licences, easements and other rights over the whole or any part of the undertaking, property, assets, rights, effects and business of the Company for such consideration as may be thought fit;
- (o) execute such instruments and do such other acts and things as may be requisite for the purpose of ensuring the efficient management and administration of the Estate Managed Areas;
- (p) arrange such insurance cover as the Company may consider to be appropriate for the Estate Managed Areas and in respect of any risks for which the Company may be liable as an employer of persons working on the Estate Managed Areas;
- (q) pay all rates, taxes, duties, charges, assessments and outgoings of any description which may be assessed, charged or payable by the Company;
- (r) employ a firm of managing agents and enforce or attempt to enforce the observance of any covenants on the part of the Property Owners and/or occupiers of the Estate;
- (s) engage a qualified accountant if the Company thinks fit for the purpose of auditing the accounts of the Company in respect of the monies received and the monies expended or reserved for anticipated or periodical expenditure by or on behalf of the Company from time to time in connection with the Estate Managed Areas;
- (t) borrow and raise money in such manner and upon such terms (including all such terms relating to the payment of interest) as the Company thinks fit (in order to provide the Services and to discharge the obligations set out in these articles and to pay all such bank charges and interest from time to time as and when the same shall become due and payable), and in particular to enter into mortgages or charges, perpetual or otherwise, and, if the Company thinks fit, charged upon all or any of the Company's property (both present and future) and undertaking, and collaterally or further to secure any obligations of the Company by a trust deed or other

assurance;

- (u) purchase and maintain insurance for the benefit of any persons who are or were at any time officers or employees of the Company or any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has any interest, whether direct or indirect, or who are or were at any time trustees of any pension fund in which any employee of the Company or any other such company or subsidiary undertaking is or has been interested indemnifying such persons against liability for negligence, default, breach of duty of trust or to cover the terms of the indemnity given to the directors in article 55 or any other liabilities which may be lawfully insured against;
- (v) purchase, take on lease or licence, hire, exchange or otherwise acquire any property of any kind, which is appropriate or convenient for the proper discharge or conduct of the business of the Company
- (w) Set and require Property Owners to pay Community Trust Fees provided that in relation to non-residential buildings within the Estate this sum shall be fair and reasonable taking into account factors such as the size of the building, the nature of the business and the number of employees.
- (x) Set, and require C and D members to pay, membership fees.

7.2 The Company must act in accordance with generally accepted good commercial practice, maintain a balanced operating budget and execute financial planning where total projected expenses will not exceed total revenues.

PART 3

DIRECTORS

APPOINTMENT OF DIRECTORS

8 METHODS OF APPOINTING DIRECTORS

A Directors

8.1 Subject to article 8.2 below, each A Member shall have the right to appoint or replace one person as a Director, by serving notice upon the Company' at its registered office. Any such Director shall be known as an A Director.

B Directors

8.2 Each B Member shall have the right to appoint or replace one person as a Director by serving notice upon the Company at its registered office. Such Directors shall be known as B Directors.

Maximum Number of Directors

8.3 The Board shall comprise a maximum of three A Directors, four B Directors eight Community Directors and any Directors appointed in accordance with article 8.7.

Community Directors

- 8.4 The C and D Members within each Neighbourhood are entitled to elect one or more Community Directors at AGMs, once their number rises to 50% of the total number of potential units completed and occupied in that Neighbourhood.
- 8.5 Four Community Directors shall be from the Town Centre Neighbourhood, two from the Western Neighbourhood and two from the Eastern Neighbourhood.
- 8.6 Each Community Director shall serve until the next AGM, when they retire and may stand for re-election.

General Provisions

- 8.7 If the number of Directors falls below two, the remaining director shall have the right to appoint any person in its absolute discretion to act as a Director(s).

9 TERMINATION OF A DIRECTOR'S APPOINTMENT

- 9.1 A person ceases to be a Director as soon as:

- (a) Any A or B Member that appointed the Director has ceased to be a Member of the Company;
- (b) he or she does so by virtue of any provision of the Companies Act or is prohibited from being a Director by law;
- (c) a Bankruptcy order is made against him or her;
- (d) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (e) 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 3 months;
- (f) is (in the reasonable opinion of a majority of the Directors) in breach of the Company's code of conduct for Directors (if any);
- (g) is subject to a custodial sentence imposed by a Court in respect of any criminal act or omission, unless the Directors resolve that he or she should remain a Director;
- (h) is convicted of any other indictable offence and the Directors resolve that he or she should cease to be a Director;
- (i) 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;
- (j) that person has been absent from the UK for more than 6 months without permission from the other Directors; or
- (k) in the case of an A or B Director, the Director is removed in accordance with article 10 below.

10 REMOVAL OF DIRECTORS

- 10.1 Subject to articles 8.2 and 9, an A or B Director shall remain in office until removed by notice in Writing

given to the Company at its registered office address (or at the address where the Company's statutory registers are located) by the A or B Member which nominated him or her.

10.2 Any removal under this article takes effect on the date specified in the notice.

10.3 In addition and without prejudice to the provisions of sections 168 and 169 the Companies Act, the Company may by Ordinary Resolution remove any Community Director before the expiry of his or her period of office and may by Ordinary Resolution appoint another person in his or her place. Removal of a Director in accordance with this article shall be without prejudice to any claim that Director may have for damages for breach of any contract between him or her and the Company.

11 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

11.1 Any Director (the "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 Alternate's Appointor.

11.2 Any appointment or removal of an Alternate must be effected by notice in Writing to the Company signed by the Appointor, or in any other manner approved by the Directors. 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 the proposed Alternate is willing to act as the Alternate of the Director giving the notice.

12 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

12.1 An Alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the Alternate's Appointor.

12.2 Except as these 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.

12.3 A person who is an Alternate Director but not a Director may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating);

12.4 Subject to article 12.6 no Alternate may be counted as more than one Director for the above purposes.

12.5 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part (if any) of the Alternate's Appointor's remuneration as the Appointor may direct by notice in Writing made to the Company.

12.6 A Director who is also an Alternate Director shall be entitled in the absence of their Appointer to a separate vote on behalf of each Appointer in addition to their own vote.

13 TERMINATION OF ALTERNATE DIRECTORSHIP

13.1 An Alternate Director's appointment 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's Appointor's appointment as a Director terminates.

14 DIRECTORS' REMUNERATION

14.1 Directors may undertake any services for the Company that the Directors decide.

14.2 A and B Directors are not entitled to any remuneration for the services they provide to the Company.

14.3 The Community Directors are entitled to such remuneration as the Members determine by Ordinary Resolution;

- (a) for their services to the Company as Directors; and
- (b) for any other service which they undertake for the Company.

14.4 Subject to these 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.

14.5 Unless the Members decide otherwise, Directors' remuneration accrues from day to day.

14.6 Unless the Members 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 (if any) or of any other body corporate in which the Company is interested.

15 OFFICERS' EXPENSES

15.1 The Company may pay any reasonable expenses which the Directors (including Alternate Directors) and the secretary (if any) properly incur in connection with their attendance at:

- (a) meetings of Directors or committees of Directors;
- (b) general meetings; and
- (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.

DIRECTORS' POWERS AND RESPONSIBILITIES

16 DIRECTORS' GENERAL AUTHORITY

16.1 Subject to these articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

17 MEMBERS' RESERVE POWER

17.1 The Members may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.

17.2 No such Special Resolution invalidates anything which the Directors have done before the passing of the resolution.

18 DIRECTORS MAY DELEGATE

18.1 The Directors may appoint officers, including a managing director, to the Executive, who will be responsible for the day to day management of the Company.

18.2 The Directors may delegate any of their powers

(a) to any person or committee (including the Executive) responsible for the day to day management of the Estate Managed Areas;

(b) by such means (including by power of attorney), to such an extent, in relation to such matters or territories and on such terms and conditions:

as they think fit.

18.3 Article 18.2 above includes the ability for the Directors to delegate the power to execute any deed or document on behalf of the Company.

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

18.5 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

19 COMMITTEES

19.1 Committees to which the Directors delegate any of their powers must follow procedures which comply with these articles.

19.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

20 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 20.1 Each Director has one vote. All votes are of equal value and a motion is carried by a simple majority, except that:
- (a) the total value of all A Director votes cannot exceed 20% of the total value of all A and B director votes, and
 - (b) a motion to propose that the Membership consider an amendment to the Company's Articles of Association is only carried if one vote in favour is cast by a Community Director.

21 INFORMAL DECISION MAKING

- 21.1 A decision of the Directors may be taken in accordance with this article when all Eligible Directors have been asked to express a view on the matter in question and a majority of all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 21.2 Such a decision may take the form of a resolution in Writing, copies of which have been signed by a majority of Eligible Directors or to which a majority of Eligible Directors have otherwise indicated agreement in Writing, or may be in electronic form.
- 21.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting.

22 FREQUENCY OF DIRECTORS' MEETINGS

- 22.1 Directors' meetings shall be held at quarterly, or more frequently if the Board so decides.

23 CALLING A DIRECTORS' MEETING

- 23.1 Any director may call a Directors' meeting by giving notice of the meeting to the other Directors or by authorising the company secretary (if any) to give such notice
- 23.2 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.
- 23.3 Notice of a Directors' meeting must be given to each Director, but need not be in Writing.
- 23.4 A Director may waive the requirement that notice be given to him or her of a Directors' meeting, either prospectively or retrospectively and any retrospective waiver shall not affect the validity of the meeting or of any business conducted at the meeting. .

24 PARTICIPATION IN DIRECTORS' MEETINGS

- 24.1 Subject to these 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 these 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.
- 24.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 24.3 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.
- 24.4 Subject to these articles, if a Director has an interest in a proposed transaction or arrangement with the Company:
- (a) that Director's Alternate may not vote on any proposal relating to it unless the interest has been declared (if so required by the Companies Act section 177 or section 182); but
 - (b) this does not preclude the Alternate from voting in relation to that transaction or arrangement on behalf of another Appointor who does not have such an interest.
- 24.5 A Director who is also an Alternate Director has an additional vote on behalf of each Appointor who is:
- (a) not participating in a directors meeting; and
 - (b) would have been entitled to vote if they were participating in it.

25 QUORUM FOR DIRECTORS' MEETINGS

- 25.1 The quorum for a Director's meeting shall be as prescribed in Schedule 1.
- 25.2 For the purposes of any meeting (or part of a meeting) held in accordance with article 29 to authorise a Director(s) conflict, if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for that meeting (or part of a meeting) is one Eligible Director.
- 25.3 At a Directors' meeting, unless a quorum is participating, no motion is to be voted on, except a motion to call another meeting at least 14 days ahead. The date and time of the new meeting must be reasonably likely to facilitate attendance by enough directors to form a quorum. The quorum for such reconvened meeting shall be a minimum of three Eligible Directors.
- 25.4 If the total number of Directors for the time being is less than the quorum required, the Director(s) 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.

26 CHAIRING OF DIRECTORS' MEETINGS

- 26.1 The Directors shall appoint a B Director to chair their meetings, unless all B directors agree that the Directors may appoint any Director to do so. The B directors may so agree in respect of any appointment, for a period of time or in respect of all future such appointments.
- 26.2 The person so appointed for the time being is known as the Chairperson.
- 26.3 The Directors may terminate the Chairperson's appointment at any time.
- 26.4 If the Chairperson is not participating in a Directors' meeting within 10 minutes of the time at which it was to start, the participating Directors shall appoint another director to chair it.
- 26.5 The Chairperson shall have a casting vote.

27 CONFLICTS OF INTEREST

- 27.1 A Director shall declare an interest in any contract or matter in which they have a personal, material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter, except as provided for in Article 28.
- 27.2 Whenever a Director finds himself or herself in a situation that is reasonably likely to give rise to a Conflict of Interest, he or she must declare the interest to the Directors unless, or except to the extent that, the other Directors are or ought reasonably to be aware of it already.
- 27.3 If any question arises as to whether a Director has a Conflict of Interest, the question shall be decided by a majority decision of the other Directors, except that Community Directors always have a Conflict of Interest in respect of the level of the Community Trust Fee.
- 27.4 Whenever a matter is to be discussed at a meeting or decided in accordance with this Article 27 and a Director has a Conflict of Interest in respect of that matter then, subject to Article 28, he or she must:
- (a) remain only for such part of the meeting as in the view of the other Directors is necessary to inform the debate;
 - (b) not be counted in the quorum for that part of the meeting; and
 - (c) withdraw during the vote and have no vote on the matter.
- 27.5 When a Director has a Conflict of Interest which he or she has declared to the Directors, he or she shall not be in breach of his or her duties to the Company by withholding confidential information from the Company if to disclose it would result in a breach of any other duty or obligation of confidence owed by him or her.
- 27.6 The Directors shall cause a register of Directors' interests to be kept. A Director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared.

28 DIRECTORS' POWER TO AUTHORISE A CONFLICT OF INTEREST

- 28.1 The Directors may authorise a Director to be in a position of Conflict of Interest provided:

- (a) Subject to Article 28.1.(b), the conflicted Director complies with Article 28.4 in relation to the authorised Conflict of Interest;
- (b) in authorising a Conflict of Interest, the Directors can decide the manner in which it may be dealt with and, for the avoidance of doubt, they can decide that the Director with a Conflict of Interest can participate in a vote on the matter and can be counted towards the quorum;
- (c) the decision to authorise a Conflict of Interest can impose such terms as the Directors think fit and is subject always to their right to vary or terminate the authorisation.
- (d) If a matter, or office, employment or position, has been authorised by the Directors then, even if he or she has been authorised to remain at the meeting by the other Directors, the Director may absent himself or herself from meetings of the Directors at which anything relating to that matter, or office, employment or position, will or may be discussed.
- (e) A Director shall not be accountable to the Company for any benefit which he or she derives from any matter, or from any office, employment or position, which has been authorised by the Directors (subject to any limits or conditions to which such approval was subject).

29 RECORDS OF DECISIONS

- 29.1 The Directors must ensure that the Company keeps a written record for ten years of every decision taken by them.
- 29.2 Where a decision of the Directors is taken by electronic means, that decision must be recorded in permanent form, which may be read with the naked eye.

30 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

- 30.1 Subject to these articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are recorded or communicated to Directors.

PART 4

MEMBERS

BECOMING AND CEASING TO BE A MEMBER

31 APPLICATIONS FOR MEMBERSHIP

General

- 31.1 The subscribers to the memorandum are the first Members of the Company.
- 31.2 Such other persons as are admitted as Members in accordance with these articles shall be Members of the Company provided that they are:
- (a) aged 18 or over and are either:
- (i) a Property Owner; or
- (ii) a Resident; or

- (iii) a Local Worker, or
 - (b) a Developer; or
 - (c) a Council.
- 31.3 Subject to articles 32.8 - 32.19 below no person shall become a Member of the Company unless:
 - (a) that person meets one of the criteria set out in article 31.2;
 - (b) that person has completed an application for membership in a form approved by the Directors in accordance with article 31.4; and
 - (c) the Directors have approved the application.
- 31.4 Every person who wishes to become a Member shall deliver to the Company an application for membership in such form (and containing such information) as the Directors require and signed by him or her and the directors shall be entitled to require the applicant to present evidence of residency/ ownership and/or employment as part of their application.
- 31.5 If a Property Owner has signed a transfer or lease which states that they shall become a Member of the Company if called upon to do so by one of the Developers, that shall be treated by the Directors as an application for membership in accordance with article 31.4. In the case of an Islamic mortgage, if the bank has signed a lease or transfer which states that its customer (who is also the occupier of that Unit) shall become a Member, that shall be treated as an application for membership by the customer (and occupier of the Unit) in accordance with article 31.4.
- 31.6 The directors may only refuse an application for membership if, acting reasonably and properly, they consider it to be in the best interests of the Company to do so. The directors must inform the applicant in Writing of the reason for the refusal within twenty-one days of the decision. The directors must consider any written representations from the applicant about the refusal but the directors' decision following consideration of any written representations shall be final and shall be communicated to the applicant in Writing.

A Members

- 31.7 The maximum of A Members is three. Each Developer shall be entitled to be admitted as an A Member.
- 31.8 An A Member may nominate any person or legal entity to succeed it and thereupon shall cease to be a Member.

B Members

- 31.9 The maximum of B Members is four. Each Council shall be entitled to be admitted as a B Member.
- 31.10 A B Member may nominate any person or legal entity to succeed it and thereupon shall cease to be a Member.

C Members

- 31.11 Only Property Owners may be admitted as C Members, and shall be required to pay the

Membership Fee (if any) in addition to the Community Trust Fee before the directors approve any application for membership. There is no maximum number of C Members.

- 31.12 Where two or more persons jointly are a Property Owner, they will together constitute one Member and the person whose name first appears in the register of Members shall exercise the voting and other powers vested in that Member, save that both or all such persons shall be entitled to speak at a general meeting of the Company.
- 31.13 The Tenant(s) of the RP (if any) shall not be entitled to become C Members whilst the RP retains a legal interest in a Unit (even if the Tenants are joint Property Owners of that Unit under a shared ownership scheme) and only the RP shall be entitled to exercise the voting rights in respect of that Unit. If former Tenant(s) of a Unit become the registered proprietor(s) of a Unit (and own 100% of it) the RP shall cease to be a C Member in respect of that Unit and the Directors shall make arrangements within a reasonable time after such registration to admit the former Tenant(s) as a C Member and to terminate the RP's C Membership in respect of that Unit. This article 31.13 shall not affect the right of a Tenant to be admitted as a D Member.
- 31.14 The Directors shall refuse to register an application for C membership (other than upon the purchase of a Unit by its first Property Owner) unless the proposed Member has signed a Deed of Covenant requiring them to pay the annual Service Charge to the Company or a Manco in accordance with the terms of the lease or transfer or both of the applicant's Unit (as required by the S.106 Agreement) and not to transfer, assign, sub-let, licence or otherwise dispose of that Unit without ensuring that any such transfer, assignment, sub-lease, licence or other disposal contains a like covenant.
- 31.15 C members are required to pay any Service Charge, Community Trust Fee and membership fee set by the Directors from time to time

D Members

- 31.16 Individuals who are Residents or Local Workers may be admitted as D Members. There is no maximum number of D Members.
- 31.17 Where two or more persons jointly are residents of the same dwelling on the Estate, they will together constitute one Member and the person whose name first appears in the register of Members shall exercise the voting and other powers vested in that Member, save that both or all such persons shall be entitled to speak at a general meeting of the Company.
- 31.18 D members are required to pay any membership fee set by the directors from time to time.
- 31.19 The Directors shall refuse to register an application for D membership unless it is accompanied by any Membership Fee for the year in which it is made.

32 TERMINATION OF MEMBERSHIP

General

- 32.1 Membership is not transferable to anyone else.

A and B Members

- 32.2 An A Member may not withdraw from membership of the Company whilst retaining an interest in any land on the Estate.

32.3 An A Member will cease to be a Member on either the Transfer Date or on such date as it has ceased to have any interest in the Estate (whichever is earlier) and all the Property Owners who have acquired a Unit(s) from that Member who should be admitted as Members of the Company have been admitted as Members of the Company;

32.4 If the A Member becomes subject to an insolvency regime, the liquidator, administrator, administrative receiver or receiver of the A Member shall be entitled to become an A Member in place of that Member.

B Members

32.5 A Council may withdraw from membership once at least one Community Director from each Neighbourhood has been elected or appointed as a Director.

C Members

32.6 A C Member may not withdraw from membership while holding (either alone or jointly) a legal interest in a Unit.

32.7 A C Member ceases to be a Member:

- (a) on the registration as a Member of his or her successor in title to a Unit;
- (b) on death;
- (c) in the case of a company, on entering into liquidation, administration or voluntary arrangement or the appointment of a receiver, or the company is dissolved.

32.8 The estate of a deceased C Member shall be liable for any payments which the member has or would have incurred had he or she lived.

32.9 A chargee in possession of a Unit or other person entitled by law to title to a Unit shall be entitled to become a Member in place of the relevant Property Owner until such time as it ceases to be a chargee in possession or until title to a Unit has been transferred.

D MEMBERS

32.10 D Members may withdraw from Membership at any time by serving seven Working Days notice in Writing upon the Company at its registered office address.

32.11 A D Member ceases to be a Member:

- (a) on the Member no longer being a Resident or Worker;
- (b) on death;
- (c) if any sum due from the Member to the Company is not paid within 6 months after it is due;
- (d) upon becoming a C member;
- (e) if the Member is removed from membership by a resolution of the Directors stating that it is in the best interests of the Company that his or her or its membership is terminated. Such a resolution may only be passed if:
 - (f) the Member has been given at least twenty-one days' written notice of the meeting of the directors at which the resolution will be proposed and the reason why it is to be

proposed; and

- (ii) the Member, or at the option of the Member, the Member's representative (who need not be a Member) has been allowed to make representations to the meeting.

33 MEMBERSHIP CERTIFICATES

- 33.1 The Company is not obliged to issue membership certificates to its Members. However, the Company or its solicitors or managing agents may charge the Member a reasonable fee for preparing a membership certificate (if the Company chooses to issue one) or for preparing a copy of a board minute approving the Directors' decision to admit that Member to membership of the Company.

ORGANISATION OF GENERAL MEETINGS

34 GENERAL MEETINGS

ANNUAL GENERAL MEETING

- 34.1 The Company shall hold an Annual General Meeting of the Members each year; such a meeting shall be known as the AGM. The First AGM shall be held not later than 12 months after the admission of 300 C members, and subsequent AGMs shall be held within 15 months of the preceding one.

- 34.2 The following business shall be discussed at the AGM:

- (a) Election or re-election of Directors;
- (b) Appointment or re-appointment of the Company's auditors;
- (c) Consideration of the annual report of the work done by the Company;
- (d) Consideration of the accounts;
- (e) Consideration and approval of the plan and budget for future activities such plan to include at least the current and following financial year.
- (f) The transaction of such other matters as may from time to time be considered necessary and set out in the notice convening the general meeting.

SPECIAL GENERAL MEETINGS

- 34.3 A decision to amend the Articles of Association can only be made at an AGM or a special general meeting called in accordance with this article.

- 34.4 The Board may at any time resolve to call a special general meeting of the Company for the purposes of amending the Articles of Association or considering any other matter, provided that:

- (a) all directors have been given 15 working days notice of the intention to present a motion to call the meeting, and
- (b) the resolution specifies the reason for the meeting

- 34.5 Subject to article 34.7 and the Company receiving the prior written consent of all the A and B Members

on any Reserved Matters set out in article 35.6, the following decisions require only a simple majority vote:

- (a) Decisions, on the grounds of effectiveness, expense or otherwise, that it is necessary, advisable or appropriate that the Company be dissolved; and
- (b) Any other matter the Board has referred to the Members unless the Companies Act requires a higher majority vote.

34.6 Resolutions on the following matters (the "**Reserved Matters**") cannot be passed without the written consent of all A and B Members received by the Company at its registered office at least 48 hours before any general meeting at which at such matter(s) are to be proposed:

- (a) Winding up the Company;
- (b) Changing the Company's name;
- (c) Amending the Articles
- (d) Conversion of the Company to another form;
- (e) Borrowing or lending;
- (f) Acquisition of land and other assets;
- (g) Approval of the business plan;
- (h) Appointment of non-executive directors.
- (i) Changing the number and rights, including voting rights, of Members and Directors

34.7 Resolutions on the following matters additionally require a Special Resolution, with one of the votes in favour cast by a Community Director,

- (a) Changing the Company's Objects and Powers
- (b) Changing the number and rights, including voting rights, of Members and Directors

35 NOTICE OF GENERAL MEETING

35.1 The minimum periods of notice required to hold a general meeting of the Company are:

- (a) Twenty-one clear days for an AGM or a general meeting called for the passing of a special resolution; and
- (b) Fourteen clear days for all other general meetings.

35.2 A general meeting may be called by shorter notice if agreed by a majority in number of Members having the right to attend and vote at the meeting who together hold not less than 90 percent of the total voting rights.

35.3 The notice must specify the date, time and place of the meeting and the general nature of the business to be transacted. If the meeting is to be an AGM or special general meeting the notice must state this. The notice must contain a statement setting out the right to appoint a proxy under section 324 of the Act and these articles.

35.4 Notice must be given to all Members and Directors and to the Company's auditors. Any accidental failure by the Company to serve on any person entitled to receive it shall not invalidate the proceedings at the meeting.

36 ATTENDANCE, AND SPEAKING AND RECORDING DECISIONS AT GENERAL MEETINGS

36.1 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.

36.2 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.

36.3 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.

36.4 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.

36.5 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.

36.6 Minutes shall be taken recording all decisions of general meetings.

37 QUORUM FOR GENERAL MEETINGS AND VOTING RIGHTS

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

37.2 A person who is not a Member shall not have any right to vote at a general meeting; except to exercise any right to vote on a resolution affecting the rights attached to a class of the Company's debentures (if any).

37.3 Article 38.2 shall not prevent a person who is a proxy for a Member or a duly authorised representative from voting at a general meeting.

37.4 Until all A Members (or their successor(s)) cease to be Members, the quorum for general meetings shall be five Members to include one A Member, three B Members (or all B Members if there are two or less) and one Community Director (once appointed), present in person, by proxy or by authorised representative.

37.5 After all the A Members have ceased to be Members, the quorum for general meetings shall be five Members to include three B Members (or all B Members if there are two or less) and at least one Community Director present in person or by proxy or, in the case of a corporate Member, its authorised representative who is present.

37.6 In the event of the quorum not being present within thirty minutes of the appointed time of any general meeting, the Chairperson may adjourn the meeting to take place within a reasonable period of time and the quorum for any adjourned meeting shall be a minimum of three eligible Members including two B members.

38 CHAIRING GENERAL MEETINGS

38.1 If the Directors have appointed a Chairperson, the Chairperson shall chair general meetings if present and willing to do so.

38.2 If the Directors have not appointed a Chairperson, or if the Chairperson 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 Chairperson of the Meeting must be the first business of the meeting.

38.3 A proxy or a representative appointed in accordance with the Companies Act section 323 may chair a general meeting if appointed to do so in accordance with article 38.2 above.

38.4 The person chairing a meeting in accordance with this article is referred to as the "**Chairperson of the Meeting**".

39 ATTENDANCE AND SPEAKING BY DIRECTORS, MEMBERS AND NON-MEMBERS

39.1 Directors may attend and speak at general meetings, whether or not they are Members.

39.2 A and B Members may attend and speak and vote at general meetings represented either by their respective A or B Directors (provided appointed as a corporate representative or proxy), by the appointment of a proxy or by the appointment of a corporate representative.

39.3 C and D Members may attend, speak and vote at general meetings.

39.4 The Chairperson of the Meeting may permit other persons who are not Members of the Company to attend and speak at a general meeting.

40 ADJOURNMENT

40.1 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 Chairperson of the Meeting must adjourn it.

40.2 The Chairperson 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 Chairperson of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.
- 40.3 The Chairperson of the Meeting must adjourn a general meeting if directed to do so by the meeting.
- 40.4 When adjourning a general meeting, the Chairperson 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.
- 40.5 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.
- 40.6 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.

41 VOTING AT GENERAL MEETINGS

VOTING: GENERAL

- 41.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is demanded in accordance with these articles
- 41.2 Subject to articles 41.3 - 41.5 below, at a general meeting on a show of hands every Member who (being an individual) is present in person or by proxy, or by a representative authorised under the Companies Act section 323, and not being himself or herself a Member entitled to vote, shall have one vote.
- 41.3 No C or D Member shall be entitled to vote at any general meeting unless all amounts payable to the Company in respect of that person's membership have been paid at least fourteen days prior to the AGM, including any future Service Charge payments that may be due to the Company,

Rights of A Members

- 41.4 The voting rights of A members shall be as follows:
 - (a) Each shall have one vote.
 - (b) Collectively, they shall have such number of votes as equals 20% of the total voting rights of all members whether voting on a show of hands or poll.
 - (c) The percentage vote referred to in paragraph 41.4(b) shall be exercised as determined by a simple majority of the A Members, except that in the event of a tie it shall be cast against the

motion.

Rights of B Members

41.5 The voting rights of B members shall be as follows:

- a) Each shall have one vote;
- b) Collectively, they shall have 31% of the total voting rights whether on a show of hands or poll
- c) The percentage vote referred to in paragraph 41.4(b) shall be exercised as determined by a simple majority of the B Members, except that in the event of a tie it shall be cast against the motion.

Rights of C & D Members

41.6 Each C and D Member shall have one vote at any general meeting:

41.7 In a vote to elect a Community Director:

- a) Only C and D members shall be entitled to vote.
- b) C and D members may only vote in an election for a Community Director to represent the Neighbourhood in which they live or work.

42 ERRORS AND DISPUTES

42.1 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.

42.2 Any such objection must be referred to the Chairperson of the Meeting whose decision is final.

43 POLL VOTES

43.1 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.

43.2 A poll may be demanded by:

- (a) the Chairperson of the Meeting;
- (b) a Director;
- (c) a person or persons representing not less than one tenth of the total voting rights of all the Members present (in person or otherwise) having the right to vote on the resolution.

43.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the Chairperson of the Meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

43.4 Polls must be taken immediately and in such manner as the Chairperson of the Meeting directs.

44 CONTENT OF PROXY NOTICES

44.1 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 these articles and any instructions contained in the notice of the general meeting to which they relate,

and a Proxy Notice which is not delivered in that form and in that manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting.

44.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.

44.3 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.

44.4 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.

45 DELIVERY OF PROXY NOTICES

45.1 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.

45.2 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.

45.3 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.

45.4 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.

46 AMENDMENTS TO RESOLUTIONS

46.1 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 Chairperson of the Meeting may determine); and
- (b) the proposed amendment does not, in the reasonable opinion of the Chairperson of the Meeting, materially alter the scope of the resolution.

46.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution, if:

- (a) the Chairperson 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.

46.3 If the Chairperson of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairperson's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

47 ACCOUNTS AND ANNUAL REPORT

47.1 The Directors must keep accounting records and prepare for each financial year accounts as required by the Companies Act which show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to Statements of Recommended Practice.

48 MEANS OF COMMUNICATION TO BE USED

48.1 Subject to these articles, anything sent or supplied by or to the Company under these articles may be sent or supplied in any way in which the Companies Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company

48.2 Subject to these articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

48.3 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.

49 DEEMED DELIVERY OF DOCUMENTS AND INFORMATION

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

- (a) 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 (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address; and
- (c) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is outside Business Hours on a Working Day.

49.2 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 Companies Act 2006.

49.3 For the purposes of the Companies Act section 1147(3), where a document or information is sent or supplied by the Company to any Member by electronic means, and the Company is able to show that it was properly addressed, it is deemed to have been received by the intended recipient one hour after it was sent (but subject to section 1147(5)).

49.4 Article 50.3 above does not apply where a document or information is in Electronic Form but is delivered by hand or by post or by other non-electronic means.

49.5 Where a document or information is sent or supplied to the Company by one person (the "**Agent**") on behalf of another person (the "**Sender**"), the Company may require reasonable evidence of the authority of the Agent to act on behalf of the Sender.

50 FAILURE TO NOTIFY CONTACT DETAILS

50.1 If:

- (a) the Company sends two consecutive documents to a Member over a period of at least 12 months; and
- (b) each of those documents is returned undelivered, or the Company receives notification that each has not been delivered,

that Member ceases to be entitled to receive notices from the Company.

50.2 A Member who has ceased to be entitled to receive notices from the Company becomes entitled to

receive such notices again by sending in Writing to the Company:

- (a) a new address to be recorded in the register of Members; or
- (b) if the Member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs in order to use that means of communication effectively.

51 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

51.1 Except as provided by law or authorised by the Directors or an Ordinary Resolution, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Member.

52 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

52.1 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) 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

53 INDEMNITY

Directors Indemnity

53.1 Subject to article 53.2 below, 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) the Companies Act); and
- (c) any other liability incurred by that Director as an officer of the Company or an Associated Company.

53.2 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.

53.3 In this article:

- (a) "**Associated Company**" means where one company is a subsidiary of another *company* 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

Member and Employee Indemnity

- 53.4 The Company shall indemnify and keep indemnified every A and B Member and officer, volunteer and employee of the Company from and against all claims, demands, actions and proceedings (and all costs and expenses in connection with and arising therefrom) made or brought against the Company in connection with its activities, the actions of A and B Members or its officers, volunteers or employees, or in connection with its property or equipment but this indemnity shall not extend to liabilities arising from wilful and individual wrongdoing or wrongful omission on the part of the Member or officer volunteer or employee sought to be made liable.
- 53.5 The Company shall effect a policy of insurance in respect of the indemnity provided in article 54 and any other insurance policy from time to time that is generally considered to be good practice.

54 INSURANCE

- 54.1 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.
- 54.2 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' benefit scheme of the Company or Associated Company; and
 - (c) "**Associated Company**" means where one company is a subsidiary of another or both are subsidiaries of the same body corporate company or both are subsidiaries of the same body corporate.

PART 6

OTHER PROVISIONS

55 COMPANY SECRETARY

- 55.1 Subject to article 55.2, the Directors may appoint a suitably qualified Company Secretary for such term at such remuneration and conditions as they think fit; and any Company Secretary so appointed may be removed by them.
- 55.2 For so long as the A and B Members are Members of the Company, the Company Secretary shall be a person or company nominated jointly by the A and B Members.

56 COSTS OF GRANTING CONSENT TO SALES OF UNITS

- 56.1 Where the Company or its solicitors or managing agents are requested by the seller or buyer of a property on the Estate to give consent to the sale of a Unit or to deal with a Deed of Covenant as required under the transfer of a Unit, the Company or its solicitors or managing agent may charge a reasonable fee at the Directors' discretion to the seller or buyer of the Unit.

57 RULES

57.1 The Directors may from time to time make and amend such reasonable and proper rules or bye laws as they may deem necessary or expedient for the proper conduct and management of the Company.

57.2 The byelaws may regulate the following matters

- (a) The admission of Members (including fees);
- (b) The conduct of Members in relation to one another and to the Company's employees and volunteers;
- (c) The setting aside of the whole or any part of the Company's premises for any particular purpose; and
- (d) Generally all such matters which are commonly the subject matter of company rules or byelaws

57.3 No rule or byelaw shall be inconsistent with anything contained in these Articles and in the case of any inconsistency, these Articles shall prevail.

57.4 The Directors must take such steps as they think sufficient to bring the rules and byelaws to the attention of the Members

57.5 The Company may in general meeting alter, add to or repeal the rules or byelaws.

58 DISPUTE RESOLUTION

58.1 The Company may adopt a dispute resolution procedure. This procedure will identify how any issues, concerns or complaints about the Company may be notified, how parties shall then seek to resolve the issue by a process of consultation. This procedure will also identify how, if the issue cannot be resolved, such matters may be referred to the Board and if not resolved thereby within a certain period of time, the procedure will identify the body to which the matter shall be escalated for dispute resolution and how the responsibility for the costs of such procedure shall be allocated.

59 WINDING UP

59.1 On the winding up or dissolution of the Company, any assets or property that remains available to be distributed or paid to the members shall not be paid or distributed to such Members but shall be applied in the following order:

- (a) to meet the costs of winding up the Company; and
- (b) transferred to another body in accordance with article 4.5.

SCHEDULE 1

Sherford Community Land Trust Limited:

Formula to show the quorum for Directors' meetings.

The minimum number of eligible directors required to form a quorum at Directors' Meetings shall be the rounded up figure in the table below.

Quorate percentage =	60%	
Number of Directors in post	Minimum Directors required for quorum	
	Exact	Rounded Up
4	2.4	3
5	3	3
6	3.6	4
7	4.2	5
8	4.8	5
9	5.4	6
10	6	6
11	6.6	7
12	7.2	8
13	7.8	8
14	8.4	9