



COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

THE GIVONS GROVE ESTATE LIMITED (Company)

Company number 02958898

Passed the *22nd* day of *February* 2016

At an annual general meeting of the Company, duly convened and held at Tyrrells Wood Golf Club, The Drive, Leatherhead on 22nd February 2016 at 7.30pm, the following resolution was duly passed as a special resolution

SPECIAL RESOLUTION - ALTERATION OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company shall be altered so as to take the form of the Articles of Association attached to this resolution in substitution for, and to the exclusion of, the Company's existing articles

Signature:

Date

6th Nov

2016

Name: **TREVOR WEST**
Chairman

Signature:

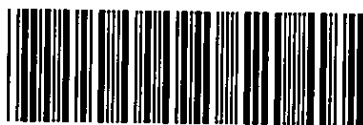
Date

22 February

2016

Name: **BARBARA VERNON**
Company Secretary

WEDNESDAY



R52DFGWJ

RM

09/03/2016

#83

COMPANIES HOUSE

THE DEPARTMENT OF
INTERNAL SECURITY - CIVIL RIGHTS
SECTION 5043

(NY 100-107891) (NY 100-107891) (NY 100-107891)
CONFIDENTIAL

CONFIDENTIAL

On 10/10/68, [redacted] advised that [redacted] had been
advised by [redacted] that [redacted] had been
advised by [redacted] that [redacted] had been
advised by [redacted] that [redacted] had been

On 10/10/68, [redacted] advised that [redacted] had been

advised by [redacted] that [redacted] had been
advised by [redacted] that [redacted] had been
advised by [redacted] that [redacted] had been
advised by [redacted] that [redacted] had been

NY 100-107891 (NY 100-107891) (NY 100-107891)

CONFIDENTIAL

NY 100-107891 (NY 100-107891) (NY 100-107891)

CONFIDENTIAL

NY 100-107891 (NY 100-107891) (NY 100-107891)

CONFIDENTIAL

Givons Grove Estate Ltd (GGEL)- Articles of Association

Note to shareholders

GGEL's current Articles of Association are based on the 1985 Companies Act but this legislation has since been updated by the 2006 Companies Act. As it is generally recommended that companies should adopt the 2006 style of Articles, the GGEL Board have had the Articles re-drafted to accord with the more recent legislation.

Draft revised Articles for GGEL were first presented to the last shareholder AGM in March 2015. However, Martin Newey raised three concerns. Firstly that there were aspects of the draft that needed further thought, secondly it was questionable whether the detail and implications of the proposed changes had been explained sufficiently well and thirdly, that the notice of the special resolution was defective. Whilst the Articles were approved, subject to confirmation as to the validity of the notice, subsequent legal advice confirmed that the notice was technically invalid.

Since the last AGM, the Directors have amended the draft and have produced explanatory papers as to the differences between the existing and proposed Articles. They are now bringing the revised draft Articles before the next AGM scheduled for February 22nd 2016.

Accordingly, in addition to the proposed draft Articles, you will find the following supporting documents attached:

Appendix 1 - A note that summarises the principal differences between Articles drawn up under the 2006 Act versus those drawn up under the 1985 Act

Appendix 2 - A note that summarises the principal differences between the proposed new GGEL Articles and our existing Articles

As highlighted at the last AGM, this is an important matter which should be considered by all shareholders in detail well before they vote. Accordingly, if shareholders have queries, please contact the Directors as soon as possible such that there is sufficient time to respond before the AGM. This should ensure that this important piece of company administration and management has the maximum chance of being approved at the forthcoming meeting.

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
THE GIVONS GROVE ESTATE LIMITED**

(Adopted by special resolution passed on 2016)

CONTENTS

Clause		
1	Interpretation	1
2	Exclusion of model articles	3
3	Liability of members	3
4	Objects of the company	3
5	Membership	4
6	Number of directors	5
7	Directors' general authority	5
8	Directors' Power to Allot	5
9	Shareholders' reserve power	5
10	Directors may delegate	5
11.	Committees	6
12	Directors to take decisions collectively	6
13	Calling a directors' meeting	6
14	Participation in directors' meetings	6
15	Quorum for directors' meetings	7
16	Chairing of directors' meetings	7
17	Conflicts of interest	7
18	Records of decisions to be kept	8
19	Directors' discretion to make further rules	8
20	Rules and Bylaws	8
21	Method of appointing directors	8
22	Retirement and reappointment of Directors	9
23	Termination of director's appointment	9
24	Directors' remuneration	10
25	Directors' expenses	10
26	All shares to be fully paid up	10
27	Powers to issue different classes of share	10
28	Company not bound by less than absolute interests	10
29	Share certificates	10
30	Replacement share certificates	11
31	Share transfers to whom shares are to be transferred	11
32	Share transfers, method	12
33	Transmission of shares	12
34	Exercise of transmitters' rights	13
35	Transmitters bound by prior notices	13
36	Dividends and other distributions	13
37	Maintenance Charges	13
38	Annual General Meetings	14
39	Calling general meetings	14
40	Attendance and speaking at general meetings	14
41	Quorum for general meetings	15

42	Chairing general meetings	15
43	Attendance and speaking by directors and non-shareholders	15
44	Adjournment.	15
45	Votes of members	16
46	Voting general	16
47	Errors and disputes	16
48	Poll votes	16
49	Content of proxy notices	17
50	Delivery of proxy notices	17
51	Amendments to resolutions	18
52	Means of communication to be used	18
53	Company seals	19
54	No right to inspect accounts and other records...	19
55	Indemnity	19
56	Insurance	20

AGREED TERMS

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires

'articles'	means the Company's articles of association
'bankruptcy'	includes (without limitation) individual insolvency proceedings in a jurisdiction other than England and Wales which have an effect similar to that of bankruptcy
'chairman'	has the meaning given in article 16
'chairman of the meeting'	has the meaning given in article 42
'Companies Acts'	means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company
'director'	means a director of the Company, and includes any person occupying the position of director, by whatever name called
'document'	includes, unless otherwise specified, any document sent or supplied in electronic form
'Dwelling'	means any individual residential property unit comprised in or erected upon the Givons Grove Estate whose access, services and other facilities are provided via or through the Property being either the freehold title to the relevant property or the leasehold title where the reversionary interest from the lease is the freehold title comprised in the definition of Property
'Dwellingholder'	means the person or persons who is or are entitled to be registered at the Land Registry as owner of a Dwelling and so that, whenever two or more persons are for that time being joint Dwellingholders of any one Dwelling, they shall for all the purposes of these articles be deemed to constitute one Dwellingholder
'electronic form'	has the meaning given in section 1168 of the Companies Act 2006
'eligible members'	has the meaning given in section 289 of the Companies Act 2006
'fully paid'	in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the

Company

'hard copy form'	has the meaning given in section 1168 of the Companies Act 2006
'holder'	in relation to shares means the person whose name is entered in the register of members as the holder of the shares
'instrument'	means a document in hard copy form
'Majority'	means 75 per cent of eligible voting members subject to the provisions of these articles
'Member'	has the meaning given in section 112 of the Companies Act 2006
'Maintenance Charge'	such amount due in accordance with the covenants contained in the title to each Dwelling or, where there is no such covenant, such fair and equitable share of the costs contributed pursuant to the covenants of other Dwellings as if the covenants were applicable to that Dwelling, in each case, applied in accordance with article 37
'model articles'	has the meaning given in section 19 of the Companies Act 2006
'objects'	has the meaning given in article 4
'ordinary resolution'	has the meaning given in section 282 of the Companies Act 2006
'paid'	means paid or credited as paid
'participate'	in relation to a directors' meeting, has the meaning given in article 14
'Property'	means the freehold property known as The Givons Grove Estate, Leatherhead (title number SY173612)
'proxy notice'	has the meaning given in article 49
'qualifying person'	has the meaning given in section 318 of the Companies Act 2006
'shareholder'	means a person who is the holder of a share
'shares'	means shares in the Company
'special resolution'	has the meaning given in section 283 of the Companies Act 2006
'tenant'	means a person or persons who has or have been granted a Lease and so that, whenever 2 or more persons are, for that time being, joint Tenants of any one Dwelling, they shall for the purposes of these articles be deemed to constitute one Tenant

'transmittee'	means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law
'unanimous resolutions'	means a resolution approved by all shareholders entitled to vote in the relevant matter
'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 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company

1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these 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 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

1 5 1 any subordinate legislation from time to time made under it, and

1 5 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

1 6 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. EXCLUSION OF MODEL ARTICLES

These articles exclude the model articles

3. LIABILITY OF MEMBERS

The liability of each member is limited to the amount, if any, unpaid, whether as to nominal value or premium, on the shares held by them

4. OBJECTS OF THE COMPANY

The objects of the Company are

4 1 to acquire, hold, maintain, repair, manage and administer the communal areas of the land defined above as the Property as for the use of the Dwellings (or other properties as may be authorised by the Company and capable of being served thereby) and upon, under, through in, or over such land or part thereof, are laid and placed sewers, drains, pipes, cables, wires, conduits, mains and other service and transmission media for the benefit and service of the Property and each and every part thereof and also for the benefit of the Dwellings or other properties as aforesaid and for all other purposes or matters incidental to or in connection therewith, and

- 4 2 to undertake the control, management, and administration of the Property and all roads, landscaped areas, service and transmission media benefiting and serving the Property and the Dwellings and each and every part thereof and any land and buildings forming part of the Property and to undertake the repair, cleansing, renewal, replacement, landscaping, control, maintenance and upkeep of the Property and all service and transmission media and generally to manage the same and to collect rent, service and maintenance charges and income from the owners and occupiers of the Dwellings or from any other owners, occupiers or other persons who enjoy the benefit of such services or facilities and in connection therewith to engage and employ such servants, agents, contractors, professional advisers, engineers, gardeners and other persons as the board of directors may consider necessary in their absolute discretion to provide such services and to pay all rates, taxes and other outgoing costs expenses or otherwise in relation to the Property and all service and transmission media and to keep insured the Property (which, for this purpose, excludes the individual Dwellings) and to pay all premiums in respect thereof and
- 4 3 to carry on business which may seem capable of being conveniently carried on in connection with the above objects, or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property.

5 MEMBERSHIP

- 5.1 No person other than the following may be a member of the Company
- 5 1 1 the subscribers to the memorandum, or
- 5 1 2 a Dwellingholder
- 5 2 Subject to article 21 and 23, every director must be a member of the Company and a Dwellingholder
- 5 3 Where two or more persons are a Dwellingholder they together constitute one member, and one of the joint Dwellingholders (such person to be determined by the relevant joint Dwellingholders or, in the absence of such determination or any dispute, the first named person in the register of members) may exercise all voting and other rights and powers vested in that member to the exclusion of the other joint Dwellingholders All such Dwellingholders shall be subject jointly and severally to any liability imposed on that member under or pursuant to the articles
- 5 4 Where a person is a Dwellingholder under more than one Dwelling he shall (except where any article provides otherwise) hold a separate share in each of such capacities (but no more than one share for each Dwelling)

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

6. NUMBER OF DIRECTORS

Unless otherwise determined by a unanimous resolution, the number of directors shall be not less than 2 and not more than 10

7. DIRECTORS' GENERAL AUTHORITY

Subject to the articles, the directors are responsible for the management of the Company's business in accordance with its objects, for which purpose they may exercise all the powers of the Company

8. DIRECTORS' POWER TO ALLOT

Subject to the Companies Act 2006 and to the provisions of article 5 regarding who may be a member of the Company

8 1 all shares shall be under the control of the directors and the directors may allot, grant options over, or otherwise deal with or dispose of the same to such persons and generally on such terms and in such manner as they think fit

8 2 if, and for so long as, the Company has in issue only one class of shares, the directors shall, in accordance with section 569 of the Companies Act 2006, be empowered to exercise the powers given to them in article 8 1 as if section 561 of that Act did not apply to any allotment of equity securities (as defined in section 560 of that Act) made under those powers

9. SHAREHOLDERS' RESERVE POWER

9 1 Save as provided in article 9 2 the directors may not

9 1 1 sell, dispose of, or transfer the business, property and undertaking of the Company, or any part thereof, whether or not for any consideration,

9 1 2 waive or change any rights, privileges or covenants or agree to do so, or

9 1 3 act outside the objects of the Company as set out in article 4

9 2 The directors may take any action otherwise restricted by article 9 1

9 2 1 with the authority of a special resolution, or

9 2 2 if so required by law, or

9 2 3 for the purpose of granting an easement to a Shareholder for the benefit of a Dwelling for such consideration as the directors deem appropriate

9 3 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action save that no such special resolution invalidates anything which the directors have done before the passing of the resolution

10. DIRECTORS MAY DELEGATE

The directors may not delegate any of the powers which are conferred on them under the articles to any other such person, director or committees, by any means or to any extent under any circumstances other than with the approval of a unanimous resolution

11. COMMITTEES

Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors. The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

12. DIRECTORS TO TAKE DECISIONS COLLECTIVELY

12 1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision, that being more than 50% of eligible directors and subject to article 16 5, at a meeting or a decision taken in accordance with article 13.

12 2 If, in accordance with the provisions of these articles, the Company has only one director the general rule shall not apply and the director may take all decisions within the power of the directors.

13. CALLING A DIRECTORS' MEETING

13 1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

13 2 Notice of any directors' meeting must indicate--

13 2 1 its proposed date and time,

13 2 2 where it is to take place, and

13 2 3 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.

13 3 Notice of a directors' meeting must be given to each director, but need not be in writing.

13 4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

14. PARTICIPATION IN DIRECTORS' MEETINGS

14 1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when--

14 1 1 the meeting has been called and takes place in accordance with the articles, and

14 1 2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

18. RECORDS OF DECISIONS TO BE KEPT

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

19. DIRECTORS' DISCRETION TO MAKE FURTHER RULES

Subject to the articles and without limiting the powers of the directors pursuant to article 20, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors

20. RULES AND BYLAWS

20 1 The directors may from time to time make such rules and/or bylaws as they may deem necessary or expedient or convenient for the proper conduct and management of the business of the Company and in particular but without prejudice to the generality of the foregoing, they shall by such rules and/or bylaws regulate

20 1 1 any management fees, subscriptions and other fees, charges, contributions or payments to be made by Dwellingholders to the Company (which shall not limit or prejudice the right of the Company to require payments under any contractual or other legal right existing or created outside of such rules and/or byelaws),

20 1 2 the setting aside of the whole or any part or parts of the Estate at any particular time or times or for a particular purpose or purposes,

20 1 3 the procedure at general meetings of the Company, and

20 1 4 generally, all such matters as are commonly the subject matter of company rules or bylaws or rules or regulations appropriate to property of a similar nature and type as the Property

20 2 The Company in general meeting shall have power to alter or repeal the rules and/or bylaws and to make additions thereto and the Directors shall adopt such means as they deem sufficient to bring to the notice of shareholders and Dwellingholders all such rules and bylaws, which so long as they shall be in force, shall be binding on all shareholders, provided that no rule or bylaw shall be inconsistent with, or shall affect or repeal anything contained in, the memorandum or articles of association of the Company

APPOINTMENT OF DIRECTORS

21 METHOD OF APPOINTING DIRECTORS

21 1 No shareholder shall be appointed or re-appointed as a director of the Company unless either

21 1 1 He is recommended by the directors of the Company, or

21 1 2 Not less than 14 nor more than 35 clear days before the date appointed for the general meeting, notice signed by no less than three shareholders proposing the first mentioned shareholder for appointment or re-appointment as a director has been given to the Company of the intention

to propose that shareholder for appointment or re-appointment stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors, together with notice signed by that shareholder of his willingness to be appointed or re-appointed

21 2 Subject to article 21 1, the Company may, by ordinary resolution, appoint any member who is willing to act to be a director, either to fill a vacancy or as an additional director

21 3 The directors may appoint a shareholder who is willing to act to be a director, either to fill a vacancy caused by resignation or death or as an additional director, PROVIDED THAT the appointment does not cause the number of directors to exceed any number determined in accordance with article 6 as the maximum number of directors and for the time being in force A director so appointed shall hold office only until the next following general meeting If not re-appointed at such general meeting, he shall vacate office at the conclusion thereof

21 4 If, at any time, there are no directors then each member permitted by law to be a director shall be required to consent to be appointed as a director

22. RETIREMENT AND REAPPOINTMENT OF DIRECTORS

At each annual general meeting of the Company any director then in office

22 1 who has been appointed by the Board since the previous annual general meeting in accordance with article 21 3, or

22 2 for whom it is the third annual general meeting following the annual general meeting at which he was elected or last re-elected,

shall retire from office but shall be eligible for re-appointment

23. TERMINATION OF DIRECTOR'S APPOINTMENT

A person ceases to be a director as soon as

23 1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,

23.2 a bankruptcy order is made against that person,

23 3 a composition is made with that person's creditors generally in satisfaction of that person's debts,

23 4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,

23 5 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms, or

23 6 he ceases to be a member of the Company, or

23 7 he ceases to be a Dwellingholder

24. DIRECTORS' REMUNERATION

- 24 1 Directors may undertake any services for the Company and may be paid such reasonable and proper remuneration such that the directors decide in respect of such services
- 24 2 No director shall be entitled to any remuneration from the Company in respect of their office and ordinary duties as a director

25. DIRECTORS' EXPENSES

The Company, with the approval of 2 of the directors, may pay any reasonable expenses which the directors properly incur in relation to the Property or in carrying out their duties

SHARES AND DISTRIBUTIONS

SHARES

26. ALL SHARES TO BE FULLY PAID UP

- 26 1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue
- 26 2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum

27. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

- 27 1 Subject to the articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by unanimous resolution.
- 27 2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares

28. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

29. SHARE CERTIFICATES

- 29 1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds
- 29 2 Every certificate must specify
- 29 2 1 in respect of how many shares, of what class, it is issued,
- 29 2 2 the nominal value of those shares,

14 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

14 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

15. QUORUM FOR DIRECTORS' MEETINGS

15 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

15 2 The quorum for directors' meetings shall be two unless otherwise determined by resolution of the directors

16. CHAIRING OF DIRECTORS' MEETINGS

16 1 The directors may appoint a director to chair their meetings

16 2 The directors may terminate the chairman's appointment and re-appoint a chairman at any time

16 3 The person so appointed for the time being is known as the chairman

16 4 If the chairman is not participating in a directors' meeting within 10 minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

16 5 In the event that the number of votes for and against a proposal are equal, the chairman shall have the casting vote

17 CONFLICTS OF INTEREST

17 1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director may not be counted as participating in the decision-making process for quorum or voting purposes (subject to the Companies Acts and to article 17 2)

17 2 A director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes where either the Company, by ordinary resolution, has approved or the directors interest arises out of being a Dwellingholder

17 3 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting

17 4 Subject to article 17 5, if a question arises at a meeting of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive

17 5 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

29 2 3 that the shares are fully paid, and

29 2 4 any distinguishing numbers assigned to them

29 3 No certificate may be issued in respect of shares of more than one class

29 4 If more than one person holds a share, only one certificate may be issued in respect of it

29 5 Certificates must

29 5 1 have affixed to them the Company's common seal, or

29 5 2 be otherwise executed in accordance with the Companies Acts

30. REPLACEMENT SHARE CERTIFICATES

30 1 If a certificate issued in respect of a shareholder's shares is.

30 1 1 damaged or defaced, or

30 1 2 said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares

30 2 A shareholder exercising the right to be issued with such a replacement certificate

30 2 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,

30 2 2 must return the certificate which is to be replaced to the Company if it is damaged or defaced, and

30 2 3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

31. SHARE TRANSFERS TO WHOM SHARES ARE TO BE TRANSFERRED

31 1 A member shall transfer his shares at the time and to the person prescribed below as follows

31 1 1 on the transfer of his Dwelling a Dwellingholder must transfer his shares to the transferee of the Dwelling, or

31 1 2 if a lease which comprises the title to a Dwelling ('the Former Lease') held by a Dwellingholder is forfeited or surrendered or otherwise comes to an end, the Dwellingholder shall

(a) if a director, resign from his office, and

(b) when a new lease is granted of the same premises as were comprised in the Former Lease, transfer his share to the incoming Dwellingholder under that new lease or if the freehold title to the unit comprising the Dwelling is transferred to the holder of the freehold title, and

(c) until entry of the incoming shareholder is entered into the register of members, and if a Majority so resolves, shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those shares and shall be suspended (or if applicable his or her representative(s) on the board shall be suspended) from being entitled to receive notice of, attend and/or vote at meetings of the Shareholder and, if a director, the board

31 2 If a subscriber to the memorandum of association or a Dwellingholder fails to transfer his shares in accordance with article 31 1 then the departing Dwellingholder may continue to hold a share but will be unable to attend general meetings or receive notices

31 3 No Dwellingholder may transfer his shares except in accordance with article 31 1

32. SHARE TRANSFERS; METHOD

32 1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor

32 2 The directors shall not register the transfer of a share unless

32 2 1 it is permitted or required by, and made in accordance with, the articles, and

32 2 2 there are no debts due from the departing Shareholder (transferor) to the Company,

and the directors shall not register any other transfer of a share

32 3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share

32 4 The Company may retain any instrument of transfer which is registered

32 5 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it

32 6 If the directors refuse to register the transfer of a share, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

33. TRANSMISSION OF SHARES

33 1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share

33 2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require

33 2 1 may, subject to the articles (and in particular article 5), choose either to become the holder of those shares or to have them transferred to another person (subject always to such transmittee or other person being a Dwellingholder), and

33 2 2 subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had

but transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares

34. EXERCISE OF TRANSMITTEES' RIGHTS

34 1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

34 2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it

34 3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

35. TRANSMITTEES BOUND BY PRIOR NOTICES

If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is to be bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members

DISTRIBUTIONS

36. DIVIDENDS AND OTHER DISTRIBUTIONS

Without the sanction of a special resolution, the Company shall not have power to pay or declare any dividend or bonus or make any distribution of any assets to the members except on a winding up provided that nothing in this article shall prevent the payment of proper remuneration or fees to any person employed by or providing services to the Company nor the payment of interest at a rate not exceeding 10% a year on money lent by a member to the Company

MAINTENANCE CHARGE

37. MAINTENANCE CHARGES

37 1 All Dwellingholders shall pay to the Company the Maintenance Charge in accordance with the provisions in the covenants relevant to the Dwelling (and/or the provisions of a lease which comprises the Dwelling, where applicable) or determined by the directors in accordance with the definition of Maintenance Charge where no such covenant exists for such time as they are a Dwellingholder

37 2 The directors shall apply the revenue gained from the Maintenance Charge towards the objects, costs and obligations of the Company in such manner as they, in their sole discretion, deem fit

37 3 A Dwellingholder who ceases to be a member shall not be entitled to a refund of any Maintenance Charge and shall remain liable to pay the Company any

Maintenance Charge owed by him that relates to the period of time he was a Dwellingholder

DECISION-MAKING BY SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

38. ANNUAL GENERAL MEETINGS

An annual general meeting shall be held once a year, at such time (consistent with the terms of the Companies Acts) and place as may be determined by the board of directors

39. CALLING GENERAL MEETINGS

If

- i the Company has no directors or fewer than two directors, and
- ii the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more members may call a general meeting or may instruct the Company secretary (if any) to do so for the purpose of appointing one or more directors

40. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 40 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
- 40 2 A person is able to exercise the right to vote at a general meeting when--
- 40 2 1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - 40 2 2 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.
- 40 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
- 40 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
- 40 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

41 QUORUM FOR GENERAL MEETINGS

- 41 1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum
- 41 2 The quorum shall be 15 Shareholders or persons appointed as a proxy of a Shareholder in relation to the meeting

42. CHAIRING GENERAL MEETINGS

- 42 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 42 2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within 10 minutes of the time at which a meeting was due to start--
- 42 2 1 the directors present, or
- 42 2 2 (if no directors are present) the meeting,
- must appoint a director or shareholder to chair the meeting
- 42 3 The appointment of the chairman of the meeting must be the first business of the meeting
- 42 4 The person chairing a meeting in accordance with this article is referred to as 'the chairman of the meeting'.

43. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

- The chairman of the meeting may permit other persons who are not
- 43 1 shareholders of the Company, or
- 43 2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting

44 ADJOURNMENT

- 44 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 44 2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if
- 44 2 1 the meeting consents to an adjournment, or
- 44 2 2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- 44 3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

- 44 4 When adjourning a general meeting, the chairman of the meeting must--
- 44 4 1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place fixed by the directors, and
- 44 4 2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- 44 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)--
- 44 5 1 to the same persons to whom notice of the Company's general meetings is required to be given, and
- 44 5 2 containing the same information which such notice is required to contain.
- 44 6 No business may be transacted at an adjourned meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

VOTING AT GENERAL MEETINGS

45. VOTES OF MEMBERS

Subject to any rights or restrictions attached to any shares--

- 45 1 on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and
- 45 2 on a poll every member shall have one vote

46. VOTING: GENERAL

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

47. ERRORS AND DISPUTES

- 47 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.
- 47 2 Any such objection must be referred to the chairman of the meeting, whose decision is final

48. POLL VOTES

- 48 1 A poll on a resolution may be demanded--
- 48 1.1 in advance of the general meeting where it is to be put to the vote, or

48 1 2 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

48 2 A poll may be demanded by--

48 2 1 the chairman of the meeting,

48 2 2 the directors,

48 2 3 two or more persons having the right to vote on the resolution, or

48 2 4 a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution

48 3 A demand for a poll may be withdrawn if--

48 3 1 the poll has not yet been taken, and

48 3 2 the chairman of the meeting consents to the withdrawal

48 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs

49. CONTENT OF PROXY NOTICES

49 1 Proxies may only validly be appointed by a notice in writing (a 'proxy notice') which--

49 1 1 states the name and address of the shareholder appointing the proxy,

49 1 2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,

49 1 3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and

49 1 4 is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate

49 2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

49 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

49 4 Unless a proxy notice indicates otherwise, it must be treated as--

49 4 1 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

49 4 2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as to the meeting itself

50. DELIVERY OF PROXY NOTICES

50 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

- 50 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
- 50 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
- 50 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

51. AMENDMENTS TO RESOLUTIONS

- 51 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if--
- 51 1 1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- 51 1 2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution
- 51 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if--
- 51 2 1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- 51 2 2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- 51 3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

ADMINISTRATIVE ARRANGEMENTS

52. MEANS OF COMMUNICATION TO BE USED

- 52 1 Subject to the articles, anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company
- 52 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

52 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

53. COMPANY SEALS

53 1 Any common seal may only be used by the authority of the directors

53 2 The directors may decide by what means and in what form any common seal is to be used

53 3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

53 4 For the purposes of this article, an authorised person is--

53 4 1 any director of the Company,

53 4 2 the company secretary (if any), or

53 4 3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied

54. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder

DIRECTORS' INDEMNITY AND INSURANCE

55. INDEMNITY

55 1 Subject to paragraph 55 2, a relevant director of the Company or an associated company may be indemnified out of the Company's assets against--

55 1.1 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,

55 1 2 any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

55 1 3 any other liability incurred by that director as an officer of the Company or an associated company

55 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

55 3 In this article--

55 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

55 3 2 a 'relevant director' means any director or former director of the Company or an associated company

56. INSURANCE

56 1 The directors shall purchase and maintain insurance, at the expense of the Company, for the benefit of all relevant directors in respect of all relevant loss, save that the directors shall not be obliged to obtain such insurance if, having taken advice from an appropriate insurance broker or other adviser, the directors conclude that such insurance is not available on the market at a premium which, having regard to the income, expenses and cashflow of the Company in that year, is affordable to the Company

56 2 In this article--

56 2 1 a 'relevant director' means each director and former director of the Company or an associated company,

56 2 2 a 'relevant loss' means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

56 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

APPENDIX 1

Articles of Association - changes made by the 2006 Companies Act to the form of model Articles (a summary of information contained in various legal papers on the subject).

Formerly model Articles were drafted in accordance with the 1985 Companies Act. The 2006 Act sought to update this legislation and was based on four general principles

- 1 make the basic law apply to small companies and add further provisions to deal with large ones
- 2 make setting up and running a company easier
- 3 encourage shareholder engagement
- 4 make it easier for the Government to add new regulations when required in the future, without having to bring in a new Act

The key changes that the 2006 act brought about are as follows -

- electronic media can be used in all communications, although a company member can ask for hard copies
- directors must be over 16
- shareholder approval is required for service contracts longer than 2 years (previously 5)
- directors' duties codified to some extent to include:
 - to act in accordance with the company's constitution
 - to promote the success of the company
 - to exercise independent judgement:
 - to exercise reasonable care and skill
 - to avoid conflicts of interest:
 - not to accept benefits from third parties
 - to declare interests where relevant
- shareholders have new rights to sue directors, but only with the courts consent
- rights of public to inspect register of members curtailed
- a company secretary is no longer required, but someone must carry out the duties
- private companies can give financial assistance for the purchase of their own shares
- there is no limit to the authorised share capital unless limited by the articles
- private companies can now reduce their capital by special resolution accompanied by a solvency statement
- written resolutions no longer need unanimity—a simple majority only is needed for ordinary written resolutions and a 75% majority is needed for special written resolutions
- private companies are not required to hold annual general meetings—but can choose to do so
- notice for an AGM is reduced to 14 days

- private companies do not need to present accounts at their AGMs but shareholders are entitled to receive them
- companies can now make loans to directors, but only with shareholder approval
- auditors can limit their liability, but only in a fair and reasonable manner
- private companies have 9 months to file their accounts
- memorandum of association now less important as it only need contain details of the initial subscribers
- the objects of the company move from the memo to the articles
- directors do not need authority to allot shares unless the articles require it
- information to be shown on company stationery defined

APPENDIX 2

A summary of the main differences between the existing Givons Grove Estate Ltd (GGEL) Company Articles based on the 1985 Companies Act and the proposed Articles based on the 2006 Companies Act

- Definition of majority (page 2)-now 75% except where provided for elsewhere
Actually 75% only applies to the majority needed for special resolutions at general meetings. Otherwise required majorities remain simple (50%)
- Definition of maintenance charge (page 2 & Art 37)-is now more specifically defined as to what it is, how it is applied and that it can be used for any of the Objects of the Company
- Definition of property (page 2)-now defined by reference to land registry title number
- Liability of members (Art 3)-limited to any unpaid sum in respect of purchase of shares held
- Objects of company (Art 4)-now in the articles instead of the Memorandum of Association.
- Shareholders reserve power (Art 9)-directors can now carry out disposals without shareholder approval, but only where granting an easement to a shareholder (At the AGM the Chairman will confirm that where a proposed easement is of more significance, the Board will refer the matter to shareholders)
- Directors may not delegate their powers (Art 10)-except with the approval of a special resolution.
- Appointing directors (Art. 21)-an applicant needs 3 proposers at a general meeting (was 1)
- Directors' remuneration (Art 24)-directors can now undertake services for the company and be paid. This was not previously permitted but the new provision only applies to services rendered outside a directors normal duties
- Directors' expenses (Art 25)-with the approval of 2 other directors the company may pay directors expenses. There was no specific mention of the subject previously, although properly incurred expenses have been paid
- Power to issue shares (Art 27)-the Company can issue shares with rights/restrictions but only as agreed by unanimous resolution.
- Deferred shareholders (Art 31)-in the existing articles a shareholder who fails to transfer his/her share when he/she sells his/her house becomes a deferred shareholder with no rights. In the new articles he/she similarly loses his/her rights but is not referred to as a deferred shareholder
- Quorum for general meetings (Art 41)-now 15 as opposed to the existing 20% of shareholders (approx 22)
- Right to inspect company documents (Art 54)-shareholders cannot inspect documents except as provided by law, as authorised by the directors or as authorised by an ordinary resolution