

## **THE COMPANIES ACTS 1985 AND 2006**

### **PRIVATE COMPANY LIMITED BY SHARES**

#### **ARTICLES OF ASSOCIATION OF G.W. RESIDENT CO., LIMITED**

(Adopted by special resolution of the Company passed on 2007)

##### **1. PRELIMINARY**

- 1.1 The regulations constituting Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No. 2) Regulations 2007 (SI 2007/2826), and as otherwise amended prior to the adoption of these Articles (Table A) apply to **G.W. RESIDENT CO., LIMITED** (the Company) except in so far as they are excluded or varied by these articles.
- 1.2 Words and expressions defined in Regulation 1 of Table A have the same meanings in these articles where the context admits.
- 1.3 Regulations 2, 3, 8, 24, 35, 41, 44, 46, 54, 64, 66, 76-79, 84, 94 and 118 of Table A do not apply to the Company. If there remains any conflict or inconsistency between these Articles and Table A, the provision of these Articles shall prevail.
- 1.4 The Company is a private company and no shares or debentures of the Company may be offered to the public.

##### **2. SHARE CAPITAL**

- 2.1 The share capital of the Company is £4,000 divided into 4,000 ordinary shares of £ 1 each.
- 2.2 No person shall be entitled to be the holder of any share in the capital of the Company unless he or she is the beneficial owner of land and property on the Garden Wood Estate, East Grinstead, West Sussex (Garden Wood Estate) and no person shall be recognised by the Company as holding any share who does not own such land and property.
- 2.3 Subject to the Act and without prejudice to the rights attached to any existing shares, any share may be issued with or have attached to it such rights or restrictions as the Company may by special resolution determine.

2.4 In accordance with and subject to the provisions of Part V of the Companies Act 1985 the Company may:

- (a) issue shares that are to be redeemed or are liable to be redeemed at the option of the Company or holder;
- (b) purchase its own shares (including any redeemable shares);
- (c) make a payment in respect of the redemption or purchase of any of its own shares as authorised by these articles otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

### **3. LIEN**

The Company shall have a first and paramount lien on all shares whether fully paid or not registered (whether as sole registered holder or as one of two or more joint holders) in the name of any person indebted or under liability to the Company for all moneys presently payable by him or his estate to the Company. The directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation.

### **4. TRANSFER OF SHARES**

4.1 The directors may in their absolute discretion and without giving any reason refuse to register the transfer of any share whether or not it is a fully paid share and in particular the directors shall not register a transfer if the transferee is not the beneficial owner of land and property on the Garden Wood Estate.

4.2 When members sell or dispose of part or the entirety of their interest in land and/or property on the Garden Wood Estate, they shall be bound to sell their shares to the transferee of the interest.

4.3 A member who wishes to sell part of his or her interest in land and/or property on the Garden Wood Estate shall require the approval of the directors and upon any such sale shall be obliged to sell all the shares he or she holds at the time to the new purchaser of the land or property. For as long as the selling member retains an interest as a beneficial owner of land and/or property on the Garden Wood Estate, the member shall be obliged to subscribe for such number of new shares in the Company as may be required by the directors (which at the date of the adoption of these Articles is 10) so that the member has the same holding of shares as other members. The price to be paid for the new subscription shall be the higher of par and the price received per share on the sale.

4.4 If the member selling part of his or her interest in land and/or property on the Garden Wood Estate divides this interest into more than one additional interest, the selling member is required to subscribe for such number of new shares in the Company as may be required by the directors (which at the date of the adoption of these Articles is 10) so that the selling member is able to sell the requisite number of shares to the purchasers of each such interest. For as long as the selling member retains an interest as a beneficial owner of land and/or property on the Garden Wood Estate, the member shall also be obliged to subscribe for such number of new shares in the Company as may be required by the directors (which at the date of the adoption of these Articles is 10) so that the member has the same holding of shares as other members. The price to be paid for the new subscriptions shall be the higher of par and the price received per share on the sales.

## **5. OBLIGATIONS OF MEMBERS**

5.1 All members shall be required to pay their pro rata share of the annual maintenance charge and other communal expenditure which is charged to them by the Company according to their respective interests in the land and property on the Garden Wood Estate.

## **6. PROCEEDINGS AT GENERAL MEETINGS**

6.1 If a quorum is not present within half an hour of the time appointed for a general meeting, the meeting is adjourned to such day and at such time and place as the directors may determine and if a quorum is not present within half an hour from the time appointed for the adjourned meeting the meeting is dissolved.

6.2 A poll may be demanded at any general meeting by any member present in person or by proxy and entitled to vote.

## **7. VOTES OF MEMBERS**

Subject to any rights or restrictions attached to any shares and to any other provisions of these articles, on a show of hands every member present in person or by proxy shall have one vote, unless the proxy is himself a member entitled to vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

**8. NUMBER OF DIRECTORS**

8.1 Unless otherwise determined by ordinary resolution, there shall be no maximum number of directors. The minimum number of directors is one.

**9. ALTERNATE DIRECTORS**

9.1 An alternate director may act as alternate director to more than one director and is entitled at a meeting of the directors or of a committee of the directors to one vote for every director that he acts as alternate director for in addition to his own vote (if any) as a director of the Company, but an alternate director counts as only one director in determining whether a quorum is present.

9.2 An alternate director is entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member; to attend and vote at any such meeting at which the director appointing him is not personally present; and generally to perform all the functions of his appointor as a director in his appointor's absence. But it is not necessary to give notice of such a meeting to an alternate director who is absent from the UK.

9.3 Unless otherwise determined by ordinary resolution of the Company, an alternate director is not entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice to the Company direct.

**10. POWERS OF DIRECTORS**

10.1 The directors are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 for a period of five years from the date of incorporation of the Company to allot all or any of the unissued shares of the Company. The maximum aggregate nominal amount of ordinary shares that may be allotted is £ 4,000. This authority may be varied or revoked by ordinary resolution of the Company.

10.2 The directors are authorised in accordance with section 91 of the Companies Act 1985 to allot shares of the Company as if section 89(1) of the Companies Act 1985 did not apply to the allotment. This power will expire on the date the section 80 of the Companies Act 1985 authority to which it relates is revoked or (if not renewed) expires, except that the

directors may after such date allot securities pursuant to any offer or agreement to do so made before such date.

## **11. APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 11.1 No person shall be appointed a director at any general meeting unless:
- (a) he or she is recommended by the directors and qualifies in accordance with article 11.5 below; or
  - (b) not less than 14 or more than 35 clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed.
- 11.2 Not less than seven nor more than 28 clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment as a director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment as a director. The notice shall give particulars of that person which would, if he were so appointed, be required to be included in the Company's register of directors.
- 11.3 Subject as aforesaid the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 11.4 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the candidate qualifies in accordance with article 11.5 below and the appointment does not cause the number of directors to exceed any maximum number of directors that may be fixed by ordinary resolution.
- 11.5 In order to qualify for appointment and to remain as a director, a person must be a member and beneficial owner of land and property on the Garden Wood Estate. A director must resign his office when he ceases to be a member or beneficial owner of land and property on the Garden Wood Estate.

- 11.6 No director shall be liable to vacate office by reason only of that person having attained a particular age.

## **12. DIRECTORS' APPOINTMENTS AND INTERESTS**

Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made on such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate (unless the terms of his appointment provide otherwise) if he ceases to be a director but without prejudice to any claim for damages for breach of the contract of service between the director and Company.

## **13. PROCEEDINGS OF DIRECTORS**

- 13.1 A person may participate in a meeting of the directors or of a committee of directors by means of electronic communication provided that throughout the meeting all persons participating in the meeting are able to communicate interactively and simultaneously with all other parties participating in the meeting notwithstanding accidental disconnection of the means of electronic communication during the meeting. A person participating in a meeting in this manner shall be deemed present in person at the meeting and shall be entitled to vote and be counted in the quorum.
- 13.2 Subject to disclosure in accordance with section 317 of the Companies Act 1985, a director is entitled to vote at any meeting of the directors or of a committee of directors on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company, and in relation to any such resolution (whether or not he votes on the same) he is to be taken into account in calculating the quorum present at the meeting.

## **14. INDEMNITY**

- 14.1 Except to the extent prohibited or restricted by the Act, the Company may indemnify out of the assets owned by or available to the Company
- (a) without prejudice to any indemnity to which a director or other officer may otherwise be entitled, every director or other officer

(including the company secretary but excluding an auditor) of the Company against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office in relation to the Company; and

- (b) every auditor of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, which relates to any thing done or omitted to be done or alleged to have been done or omitted to be done by him as auditor, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability to pay any amount in respect of any such action or omission.
- (c) The Directors are authorised to determine the scope and terms of any such indemnity granted to any such person which shall be recorded in the Minute books of Directors` proceedings together with a copy of any instrument of indemnity entered into in favour of any such person.

14.2 Subject always to the provisions of the Act, the directors shall have power to make advances at their discretion on behalf of any director or other officer (including the company secretary but excluding an auditor) to fund all or part of the defence costs of proceedings brought against any such person provided that –

- (a) any such advance, whether made directly to a third party supplier or to such person, shall be treated as a loan to the director (or other such person on whose behalf the advance was made) repayable by him and otherwise upon terms decided upon by the directors; and
- (b) the directors shall have power to waive the repayment of any such loan upon such terms as they see fit.

14.3 The Company may buy and maintain insurance against any liability falling upon its directors or other officers which arises out of their respective duties to the Company, or in relation to its affairs.

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These articles of association were adopted by special resolution of the members passed on [date] 2007.