

THE COMPANIES ACT 1985

AND

THE COMPANIES ACT 1989

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COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

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**MEMORANDUM OF ASSOCIATION**

(As altered by Special resolution passed on 21<sup>st</sup> November 2000)

of

**ST MARY'S ISLAND RESIDENTS' ASSOCIATION LIMITED**

1. The Company's name is ST MARY'S ISLAND RESIDENTS' ASSOCIATION LIMITED
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:-
  - 3.1. To promote the common interests of and to provide services to residents on the land known as St Mary's Island, Chatham Maritime shown edged red on the a plan annexed to an Agreement dated 41h June 1996 made pursuant to Section 106 of the Town and Country Planning Act 1990 between Gillingham Borough Council (1) The Urban Regeneration Agency (2) and Countryside Maritime Limited (3) ("the Estate"),
  - 3.2. To erect, repair and renew buildings and structures on the Estate or purchase or lease or otherwise acquire buildings on the Estate for the purposes of offering any sporting, leisure or social activity or any other activity intended to benefit the residents on the Estate.
  - 3.3. To operate public houses, bars, restaurants and other catering facilities and generally to provide and operate such amenities for the benefit of the residents of the Estate as the Company may think fit.
  - 3.4. To conduct appeals for money or other gifts or for any other assistance for any of the purposes of the Company, and to select and accept subscriptions and donations (whether real or personal property) and demises and bequests for the purposes of the Company.
  - 3.5. To purchase, take on lease or on hire or otherwise acquire, hold, develop, sell, hire out, grant leases of licences or otherwise dispose of or deal with real and personal property of all and any kinds and any interest, right or privilege therein, for such consideration and on such terms as may be considered expedient.

- 3.6. To purchase, subscribe for or otherwise acquire and hold and deal with, any shares, stocks, debentures, bonds or securities of any other Company.
- 3.7. To purchase or otherwise acquire and undertake, and to supervise and manage, all or any part of the business, property, assets and liabilities of any person or company.
- 3.8. To invest and deal with the moneys of the Company not immediately required for the purpose of its business in or such investments or securities and in such manner as may be considered expedient, and to dispose of or vary any such investments or securities.
- 3.9. To lend or advance any money or give credit to such persons or companies and on such terms as may be considered expedient, and to receive money on deposit or loan from any person or company.
- 3.10. To borrow or raise money on such terms and on such security as may be considered expedient and in particular, but without limiting the generality of the foregoing, by the issue or deposit of debentures, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the Company both present and future, including its uncalled capital.
- 3.11. To accept payment for any property, assets or rights disposed of or dealt with or for any services rendered by the Company, or in discharge or satisfaction of any debt, obligation or liability to the Company, either in cash or securities, or partly in one way and partly in another, and generally on such terms as may be considered expedient.
- 3.12. To draw, make, accept, endorse, negotiated, discount, execute, and issue promissory notes, bills of exchange, scrip warrants and other transferable or negotiable instruments.
- 3.13. To establish and maintain or procure the establishment and maintenance of, any pension, superannuation funds or retirement benefits schemes (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances, emoluments and any other relevant benefits to any persons who are or who were at the time in the employment or service of the Company, or who may be or have been Directors or officers of the Company, and the wives, widows, families and dependants of any such persons and to establish, subsidise and subscribe to any institutions, associations, societies, clubs trusts or funds calculated to be of benefit of, or to advance the interest and well being of, the Company or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and without prejudice to the generality of the foregoing to act either alone or jointly as trustee or administrator for the furtherance of any of the aforesaid purposes.
- 3.14. To subscribe or guarantee money for any national, charitable, benevolent, public, general, political or useful object, and to undertake and execute any trusts the undertaking whereof may be considered expedient and either gratuitously or otherwise.

- 3.15. To enter into any arrangement with any Government or other authority, supreme, municipal, local or otherwise, and to obtain from any such Government or authority any rights, concessions, privileges, licences and permits, and to promote any legislation, as may be considered expedient.
- 3.16. To carry on any business which, in the opinion of the Directors of the Company, may seem capable of being conveniently carried on in connection with or ancillary to any of the above businesses or calculated directly or indirectly to enhance the value of or render profitable any of the property of the Company or to further any of its objects and to do all other things as may be incidental or conducive to the attainment of any of the objects of the Company.
- 3.17. To do all or any of the above things in any part of the world, either alone or in conjunction with others, and either as principals, agents, contractors, trustees or otherwise and either by or through agents, contractors, trustees or otherwise.

It is hereby declared (1) that where the context so admits, the word "company" in this Clause shall be deemed to include any partnership or other body of persons whether or not incorporated and, if incorporated, whether or not a company within the meaning of the Companies Act 1985; and (2) that the objects specified in each of the sub-clauses of this Clause shall be regarded as independent objects and accordingly shall in no way be limited or restricted (except where otherwise expressed therein) by reference to or inference from the terms of any other sub-clause or the name of the Company, but may be carried out in full and ample a manner and construed in as wide a sense as if each defined the objects of a separate and distinct company.

4. The liability of the members is limited.
5. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10.00) to the Company's assets if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the Company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributories among themselves.

THE COMPANIES ACT 1985

AND

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COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL

---

NEW  
ARTICLES OF ASSOCIATION  
of

**ST. MARY'S ISLAND RESIDENTS ASSOCIATION LIMITED**

(Adopted by Special Resolution passed on 21<sup>st</sup> November 2000)

**1. Table C**

The regulations contained in Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the company.

**2. Interpretation**

"Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.
"articles"	means the articles of the company.
"Board"	means the Board of Directors for the time being of the Company (being the board of directors for the purposes of the Act).
"clear days"	in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"Commercial Property"	means any building erected on or land within the Estate or any part thereof which is intended for commercial occupation or for non residential use and which provides services and/or facilities for the use or benefit of some or all of the Residents.
"Director"	means a member of the Board
"Developer"	means Countryside Maritime Limited (registered number 2549379).
"Developers' Nominee"	means the Director appointed by the Developer pursuant to regulation 11.2.
"Dwelling"	means any building erected on the Estate or any part thereof which is intended for residential occupation.

"Estate"	shall have the meaning assigned to that expression by the Memorandum of Association.
"executed"	includes any mode of execution.
"Initial Members"	means Susan McKenna, Elizabeth Cohen and Richard Gordon Holt.
"office"	means the registered office of the company.
"Property"	means a Dwelling or a Commercial Property.
"Resident"	means (i) any person to whom (a) a lease or tenancy of a Dwelling has been granted for a term or at least 5 years; or (if no such lease or tenancy has been granted or assigned) (b) the freehold of a Dwelling has been transferred OR (ii) any person (a) to whom a lease or tenancy of a Commercial Property has been granted or assigned; or (if no such lease or tenancy has been granted) (b) who owns the freehold of a Commercial Property; and who (in either case) is liable to pay rent charge on the Commercial Property.
"seal"	means the common seal of the company.
"secretary"	means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.
"United Kingdom"	means Great Britain or Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the company.

### 3. Members

- 3.1. The subscribers to the Memorandum of Association, the Initial Members, the Developer and such other persons as are admitted to membership in accordance with the articles shall be members of the company. Only the Initial Members, the Developer and Residents shall be entitled to be admitted to membership. Every person who wishes to become a member shall deliver to the company an application for membership in such form as the Board requires executed by him (and such person is herein called an "Applicant").
- 3.2. The Board shall be entitled to require an Applicant to provide such evidence as it may reasonably require to prove that the Applicant is a Resident. Upon the Applicant proving to the reasonable satisfaction of the Board that he is a Resident, the Board shall be bound to admit the Applicant to membership Provided that where two or more persons shall qualify

as Residents by virtue of their having a joint interest in any Property then only one of those persons shall be entitled to be admitted to membership, and

- 3.2.1. in the case of competition among such joint holders, the person to be admitted to membership shall be at the absolute discretion of the Board; and
- 3.2.2. where one of those persons is already a member by virtue of such joint interest then no other person sharing that joint interest shall be entitled to be admitted as a member by virtue of that interest but (for the avoidance of doubt) this shall not preclude that other person from being admitted to membership by virtue of an interest in a different Property unless that person is disqualified by the earlier terms of this proviso.

3.3. A member may at any time withdraw from the company by giving notice to the company. Save as provided in this Sub-Article Membership shall not be transferable and shall cease on death.

3.4. Except for an Initial Member and the Developer a person shall cease to be a member if he shall cease to be a Resident. The Board shall be entitled at any time and from time to time by notice in writing to a member to require that member to provide such evidence as it may reasonably require to prove that the member is a Resident. Unless the member shall prove to the reasonable satisfaction of the Council that he is a Resident within 42 days of the notice requiring him to do so, that person shall cease to be a member.

3.5. The Developer shall automatically cease to be a member upon:

- 3.5.1. the number of members of the Company first exceeding 1500; or
- 3.5.2. development on the Estate being completed by the Developer (in respect of which a certificate from the Southeast England Development Agency (known as "SEEDA") shall be conclusive) whichever shall first arise.

3.6. The name of any person who ceases to be a member by virtue of the articles shall be removed from the register of members.

#### **4. General Meetings**

4.1. All general meetings other than annual general meetings shall be called extraordinary general meetings.

4.2. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or any group of not less than 30 (thirty) members or of members holding not less than 10% of the total voting rights in the Company may call a general meeting.

## **5. Notice of General Meetings**

5.1. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:-

5.1.1. in the case of annual general meeting, by all the members entitled to attend and vote thereat; and

5.1.2. in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent of the total voting rights at the meeting of all the members.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the articles the notice shall be given to all the members and to the Directors and the auditors.

5.2. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## **6. Proceedings at General Meetings**

6.1. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

6.2. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine.

6.3. The chairman, if any, of the Board or in his absence some other Director nominated by the Board shall preside as chairman of the meeting, but if neither the chairman nor such other Director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be chairman and, if there is only one Councillor present and willing to act, he shall be chairman.

6.4. If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

- 6.5. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 6.6. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
  - 6.6.1. by the chairman; or
  - 6.6.2. by at least two members having the right to vote at the meeting; or
  - 6.6.3. by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting: and a demand by a person as a proxy for a member shall be the same as a demand by the member.
- 6.7. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 6.8. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 6.9. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 6.10. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
- 6.11. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

- 6.12. No notice need to be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days notice shall be given specifying the time and place at which the poll is to be taken.
- 6.13. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

## **7. Votes of Members**

- 7.1. On a show of hands or on a poll every member present, in person or by proxy, shall have one vote.
- 7.2. Only a member who shall have paid every subscription and other sum (if any), which shall be due and payable to the Company in respect of his membership, shall (to the extent that he is otherwise entitled to do so) be entitled to be present or to vote on any question either personally or by proxy.
- 7.3. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 7.4. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
- 7.5. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve)

### **St Mary's Island Residents Association Limited**

I/We, \_\_\_\_\_, of \_\_\_\_\_,  
being a member/members of the above-named company, hereby appoint of or failing him,  
of \_\_\_\_\_ as my/our proxy to vote in my/our name(s) and

on my/our behalf at the annual/extraordinary general meeting of the company to be held on 20      and at any adjournment thereof. Signed on 20

- 7.6. Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the Board may approve)

**St Mary's Island Residents Association Limited**

IN/e,      of  
being a member/members of the above-named company, hereby appoint      of  
or failing him

Of      as my/our proxy to vote in  
my/our name(s) and on my/our behalf at the annual/extraordinary general meeting of the  
company, to be held on 20      and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:-

Resolution No 1 \* for\* against

Resolution No 2\* for\* against

\*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed this      day of      20

- 7.7. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board may:-

7.7.1.be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

7.7.2.in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

7.7.3.where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director or; and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

7.8. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

## **8. Number of Directors**

8.1. Unless otherwise determined by ordinary resolution, the number of Directors shall not exceed ten but shall not be less than two Provided that:

8.1.1. until the number of members exceeds 250 the number of Directors shall not exceed 5;  
and

8.1.2. until the number of members exceeds 500 the number of Directors shall not exceed 6;  
and

8.1.3. until the number of members exceeds 750 the number of Directors shall not exceed 8.

## **9. Powers of the Board**

9.1. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the Board who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Board by the articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

9.2. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as it determines, including authority for the agent to delegate all or any of his powers.

## **10. Delegation of Board's Powers**

10.1. The Board may delegate any of its powers to any committee consisting of one or more Directors. They may also delegate to any Director holding any executive office (including that of Chief Executive) such of their powers as they consider desirable to be exercised by him.

10.2. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of the powers of the Board and may be revoked or altered.

10.3. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of the Board so far as they are capable of applying.

## **11. Appointment and Retirement of Directors**

11.1. No person shall in any circumstances be eligible to hold office as a Director unless he is a member of the Company. Only individuals and not corporate bodies shall be eligible to hold office as a Director.

11.2. So long as the Developer is a member it shall be entitled at any time and from time to time to appoint one person a Director and to remove any such Director from office and to appoint any other person in place of any such Director so removed or dying or otherwise vacating office.

11.3. Every appointment or removal made pursuant to regulations 11.2 shall be made by notice in writing to the Company signed on behalf of the Developer. Such notice shall take effect when served or deemed to be served on the Company in accordance with regulation 23.4.

11.4. At the first annual general meeting all the Directors except the Developer's Nominee shall retire from office, and at every subsequent annual general meeting one third of the Directors who are subject to retirement by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he shall retire, The Developer's Nominee shall not be subject to retirement by rotation.

11.5. Subject to the provisions of the Act, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

11.6. If the company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-appointment of the Director is put to the meeting and lost.

11.7. Subject to regulation 11. 1 no person other than a Director retiring by rotation shall be appointed or re-appointed a Director at any general meeting unless:

11.7.1. he is recommended by the Board; or

11.7.2. not less than fourteen nor more than thirty-five 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 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 maintained pursuant to the Act together with notice executed by that person of his willingness to be appointed or reappointed.

- 11.8. Not less than seven nor more than twenty-eight 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 (other than a Director retiring by rotation at the meeting) who is recommended by the Board for appointment or re-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 or reappointment as a Director. The notice shall give the particulars of that person which would if he were so appointed or re-appointed, be required to be included in the company's register of directors maintained pursuant to the Act.
- 11.9. Subject as aforesaid, a Director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.
- 11.10. Subject as aforesaid Directors may be appointed (in accordance with these Articles) by an ordinary resolution of the Company in general meeting.
- 11.11. The Board may appoint a person who is willing to act to be a Director either to fill a vacancy provided that the appointment does not cause the number of Directors to exceed any number fixed as the maximum number of Directors in these Articles. A Director so appointed shall hold office only until the next following Annual General Meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. If not re-appointed at such Annual General Meeting the Directors shall vacate office at the conclusion thereof

## **12. Disqualification and Removal of Directors**

The office of a Director shall be vacated if:

- 12.1. he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
- 12.2. he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 12.3. he is, or may be, suffering from mental disorder and either:
- 12.3.1. he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
- 12.3.2. an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property, or affairs; or
- 12.4. he resigns his office by notice to the company; or

12.5. he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or

12.6. being the Developer's Nominee, the Developer ceases to be a member of the company or the Developer gives notice in writing to the Company removing him as a Director pursuant to regulation 11.2.

12.7. he is removed from office under Section 303 of the Act of by Extraordinary Resolution of the company.

### **13. Remuneration of Directors**

The Directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

### **14. Directors' Expenses**

The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of debentures of the company or otherwise in connection with the discharge of their duties.

### **15. Directors' Appointments and Interests**

15.1. Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director or notwithstanding his office:

15.1.1. may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;

15.1.2. may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and

15.1.3. shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

15.2. For the purpose of regulation 19.2:

15.2.1. a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

15.2.2. an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

## **16. Proceedings of the Board**

16.1. Subject to the provisions of the articles, the Board may regulate its proceedings as it thinks fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

16.2. The quorum for the transaction of the business of the Board shall be:

16.2.1. two; or

16.2.2. not less than one half of the Directors in office whichever the greater.

16.3. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of calling a general meeting.

16.4. The Board may appoint one of its number to be the chairman of the Board and may at any time remove him from that office. Unless he is unwilling to do so, the Director so appointed shall preside at every meeting of the Board at which he is present. But if there is no Director holding that office, or if the Director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Directors present may appoint one of their number to be chairman of the meeting.

16.5. All acts done by a meeting of the Board, or of a committee of the Board, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

16.6. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Directors.

16.7. A resolution in writing signed by all the persons entitled to receive notice of and to vote at a meeting of a committee of the Board shall be as valid and effectual as if it had been passed at a meeting of such committee duly convened and held and may consist of several documents in the like form each signed by one or more of such persons.

16.8. Any bank account in which in any part of the assets of the Company is deposited shall be operated by the Directors and shall be in the name of the Company. All cheques and orders for the payment of money from such account shall be signed by at least two Directors.

16.9. Save as otherwise provided by the articles, a Director shall not vote at a meeting of the Board or of a committee of the Board on any resolution concerning 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 unless his interest or duty arises only because the case falls within one or more of the following paragraphs:

16.9.1. the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiaries;

16.9.2. the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the company or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

16.9.3. his interest arises by virtue of his subscribing or agreeing to subscribe for any debentures of the company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting of sub-underwriting of an offer of any debentures by the company or any of its subsidiaries for subscription, purchase or exchange.

16.9.4. the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes. For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointer shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

16.9.5. with respect to the Developers Nominee if the interest or duty arises only as a result of his involvement duty or employment with the Developer.

16.9.6. if the interest arises by virtue of his being a Resident.

16.10. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

16.11. The company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a Director from voting at a meeting of the Board or of a committee of the Board.

16.12. Where proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the company or any body corporate in which the company is interested the proposal may be divided and considered in relation to each Director separately and (provided he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

16.13. If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive.

## **17. Patron and Others**

The Board may from time to time invite to become, and appoint as, Patron, President or Vice President of the company such persons as they think fit, and may at any time without showing cause remove any Patron, President or Vice President from office. A Patron, President or Vice President may attend meetings of the Board. Notices of meetings of the Board shall not be served upon a Patron, President or Vice President unless he requests the secretary in writing to serve such notices upon him; and if a Patron, President or Vice President attends a meeting of the Board he shall not by virtue of the holding of such office be entitled to vote thereat and shall not be counted for the purpose of a quorum. A Patron, President or Vice President shall be entitled to receive notice of, and to attend and speak at, any general meeting of the company, but shall not by virtue of the holding of any such office be entitled to vote thereat and shall not be counted for the purpose of a quorum.

## **18. Secretary**

Subject to the provisions of the Act, the secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as the Board may think fit; and any secretary so appointed may be removed by the Board.

## **19. Minutes**

The Board shall cause minutes to be made in books kept for the purpose:

19.1. Of all appointments of officers made by the Board; and

19.2. Of all proceedings at meetings of the company, and of the Board, and of committees of the Board, including the names of the Directors present at each such meeting.

## **20. The Seal**

The seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or by a second Director.

## **21. Accounts**

No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the Board or by ordinary resolution of the company.

## **22. Notices**

- 22.1. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the Board need not be in writing.
- 22.2. The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.
- 22.3. A member present, either in person or by proxy, at any meeting of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 22.4. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 24 hours after the envelope containing it was posted.

### **23. Indemnity**

Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, 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 for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.