

**THE COMPANIES ACTS 1985 & 1989**

**COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION  
OF**

*[name of commonhold association]*

**INTERPRETATION**

1. In these articles—

“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.

“the commonhold” means the land in respect of which the commonhold community statement is registered.

“the commonhold association” means the commonhold association named above.

“the commonhold community statement” means the document held by Land Registry which makes provision for the rights and duties of the commonhold association and the unit-holders and defines the extent of each commonhold unit.

“communication” includes a communication comprising sounds or images or both and a communication effecting a payment.

“the Companies Act” means the Companies Act 1985 or any statutory modification or re-enactment of it for the time being in force.

“the developer” means the person who makes an application to register a freehold estate in land as a freehold estate in commonhold land, and his successor in title who is treated as the developer, and who carries on development business on the commonhold land.

“electronic communication” means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa)—

- (a) by means of a telecommunication system; or
- (b) by other means but while in an electronic form.

“member” means a person whose name is entered in the register of members as a member but excluding any person who has ceased to be a unit-holder or joint unit-holder of a commonhold unit or who has resigned as a member.

“pre-commonhold period” means the period beginning with incorporation of a commonhold association and ending when land specified in its memorandum becomes commonhold land.

“secretary” means the secretary of the commonhold association or any other person appointed to perform the duties of the secretary of the commonhold association, including a joint, assistant or deputy secretary.

“subscribers (or subscriber)” means the first members (or member) of the commonhold association.

“telecommunications system” means a system for the conveyance, through the agency of electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy, of—

- (a) speech, music and other sounds;
- (b) visual images;
- (c) signals serving for the impartation (whether as between persons and persons, things and things or persons and things) of any matter otherwise than in the form of sounds or visual images; or
- (d) signals serving for the actuation or control of machinery or apparatus.

“the United Kingdom” means Great Britain and Northern Ireland.

“unit-holder” means a person entitled to be registered as the proprietor of the freehold estate in a commonhold unit (whether or not he is registered).

Unless the context otherwise requires, words and expressions contained in these articles bear the same meaning as in the Commonhold and Leasehold Reform Act 2002, including any statutory modification or re-enactment of it for the time being in force, or in the Companies Act and words in the singular include the plural and words in the plural include the singular.

## **MEMBERS**

2. The persons who are entitled to be entered in the register of members of the commonhold association are—
  - (a) in the pre-commonhold period, the subscribers (or subscriber) to the memorandum of association of the commonhold association;
  - (b) where the registration is without unit-holders, during the transitional period, the subscribers (or subscriber) to the memorandum of association of the commonhold association and a person who for the time being is the developer in respect of all or part of the commonhold;
  - (c) where the registration is with unit-holders or on transfer of a unit, a person who becomes the unit-holder of a commonhold unit; and
  - (d) where the registration is with unit-holders or on transfer of a unit and there are two or more joint unit-holders of a commonhold unit and—
    - (i) the joint unit-holders nominate, in writing to the commonhold association, one of themselves to be entered in the register of members, the person so nominated;
    - (ii) if no nomination is received by the commonhold association in accordance with paragraph (i) within seven days beginning with the date on which the joint unit-holders are entitled to be registered as proprietors of the freehold estate in the unit, the person whose name appears first in the proprietorship register;
    - (iii) the court orders a joint unit-holder to be entered in the register of members in place of a person who is or who would be entitled to be registered under sub-paragraph (ii), the person so ordered by the court; or
    - (iv) the joint unit-holders nominate one of themselves to be entered in the register of members in place of the person previously entered by virtue of sub-paragraph (i), (iii) or this sub-paragraph, the person so nominated.
3. The commonhold association must keep a register of members and enter in it—

- (a) the name, address and unit number of each member and an address for correspondence (if different);
  - (b) the date on which the person was registered as a member; and
  - (c) the date at which the person ceased to be a member.
4. The commonhold association must enter the particulars of a person in the register of members of a commonhold association where the person is entitled to be entered in the register within fourteen days beginning with—
- (a) in the pre-commonhold period, the date of incorporation of the commonhold association; or
  - (b) in the transitional period, the date on which the developer notifies the commonhold association of his right to be registered; or
  - (c) on registration with unit-holders, the date on which Land Registry gives notice that the registration of the land as commonhold land has been completed;
  - (d) on the transfer of a unit, the date on which the commonhold association receives notification, in writing, from the new unit-holder that the transfer has taken place; or
  - (e) in the event that no nomination is received from joint unit-holders under article 2(d)(i)—
    - (i) the date on which the commonhold association becomes aware that the joint unit-holders are registered as the freehold proprietors in the commonhold unit; or
    - (ii) if the court orders a joint unit-holder to be entered in the register of members in place of a person who is or who would be entitled to be registered under paragraph (i), the date of the court order.
  - (f) in the event that joint unit-holders nominate one of themselves to be entitled to be entered in the register of members in place of the person entered by virtue of paragraph (d), (e)(ii) or this paragraph, the date on which the commonhold association receives the nomination.

### **GENERAL MEETINGS**

- 5. Subject to the provisions of the Companies Act, the commonhold association must hold an annual general meeting.
- 6. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Companies Act, must immediately proceed to convene a general meeting for a

date not more than twenty-eight days after the date of the notice convening the meeting. If there are insufficient directors in the United Kingdom to call a general meeting, any director or any member of the commonhold association may call a general meeting.

### **NOTICE OF GENERAL MEETINGS**

7. An annual general meeting or any general meeting called for the passing of a special resolution, a unanimous resolution, a termination-statement resolution, a winding-up resolution or a resolution appointing a person as a director must be called by at least twenty-one clear days' notice. All other general meetings must be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice of at least three clear days' if it is so agreed—
  - (a) in the case of an annual general meeting, by all the members entitled to attend and vote at that meeting; and
  - (b) 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 at least ninety-five % of the total voting rights at that meeting of all the members.
8. The notice must specify the time and place of the meeting and in the case of an annual general meeting, must specify the meeting as an annual general meeting. The meeting should take place on the commonhold or at a similarly convenient location.
9. The notice must also include or be accompanied by a statement of the agenda of the business to be transacted at the meeting, the text of any resolution or resolutions to be proposed (save that the text of ordinary resolutions need not be given) and a brief written explanation of them.
10. The notice must be given to the members and the directors of the commonhold association; but if any person entitled to receive notice is not sent it or does not receive it, this does not invalidate the proceedings at the meeting if the failure to notify was accidental.

### **PROCEEDINGS AT GENERAL MEETINGS**

11. Business must not be transacted at any general meeting unless details of it were included in the notice convening the meeting in accordance with article 9. In the event that the text of an ordinary resolution is given in the notice convening the meeting in accordance with article 9 a

proposal to amend an ordinary resolution may, however, be voted upon if the terms of the proposed amendment were received by the commonhold association at its registered office, or at an address specified in the notice convening the meeting for the purpose of receiving electronic communications before the time appointed for the meeting. The decision of the chairman as to the admissibility of any proposed amendment will be final and conclusive and does not invalidate any proceedings on the substantive resolution.

12. At any general meeting, so far as practicable and subject to any contrary ordinary resolution of the meeting, any business arising from a requisition of members will be transacted before any other business, and if there is more than one requisition, the business arising from it will be transacted in the order in which the requisitions were received by the commonhold association.
13. Business must not be transacted at any general meeting unless a quorum is present. The quorum for the meeting is one-fifth of the members of the commonhold association or 2 members of the commonhold association (whichever is the greater) present in person or by proxy.
14. If the relevant quorum is not present within half an hour after the time set for the meeting, or if during a meeting such a quorum ceases to be present, the meeting is adjourned to the same day in the next week, at the same time and place, or to another day, time and place as decided by the directors.
15. The chairman, if any, of the board of directors or in his absence some other director or person nominated by the directors will preside as chairman of the meeting. If neither the chairman nor such other director (if any) is present within fifteen minutes after the time set for the meeting and willing to act, the directors present may either elect one of themselves to be chairman and, if there is only one director present and willing to act, he will be chairman.
16. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time set for the meeting, the members present and entitled to vote must choose one of themselves to be chairman.
17. A director, despite not being a member, is entitled to attend, speak and propose (but, subject to article 23, not vote upon) a resolution at any general meeting.

18. The chairman may adjourn the meeting with the consent of any quorate meeting (and must if so required by the meeting), but no business is to be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. No notice is required of an adjourned meeting unless the meeting is adjourned for fourteen days or more, in which case at least seven clear days' notice must be given of the time and place of the adjourned meeting and the general nature of the business to be transacted.
19. A resolution put to the vote of a meeting will be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded. A poll may be demanded—
- (a) by the chairman; or
  - (b) by at least two members having the right to vote at the meeting; or
  - (c) 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 proxy for a member is the same as a demand by the member.
20. Unless a poll is demanded, a declaration by the chairman that a resolution has been carried or lost on a show of hands, whether unanimously or by a particular majority, and an entry to that effect in the minutes of the meeting is conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
21. The demand for a poll may be withdrawn before the poll is taken, but only with the consent of the chairman. The withdrawal of a demand for a poll does not invalidate the result of a show of hands declared before the demand for the poll was made.
22. A poll will be taken in such manner as the chairman directs, having particular regard to the convenience of members, and he may appoint scrutineers (who need not be members). The result of the poll will be announced at the meeting at which the poll takes place and is deemed to be the resolution of the meeting at which the poll was demanded.
23. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman is entitled to a casting vote in addition to any other vote he may have.

24. A poll demanded on the election of a chairman, or on a question of adjournment of a meeting, must be taken immediately. A poll demanded on any other question may be taken at such time as the chairman directs, having regard to the convenience of members, and not being more than thirty days after the poll is demanded. The demand for a poll does not prevent the meeting dealing with any business other than the business being determined by poll. If a poll is demanded before the declaration of the result of a show of hands and the demand is withdrawn, the meeting will continue as if the demand had not been made.
25. No notice need be given of a poll not taken immediately 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 must be given of the time and place at which the poll is to be taken.
26. A resolution in writing signed 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 is as effectual as if it had been passed at a general meeting convened and held and may consist of several instruments in similar form each signed by or on behalf of one or more members.
27. The commonhold association must forward a printed copy of a termination statement resolution and a unanimous resolution to the registrar of companies within 15 days beginning with the date on which it is passed.

## **VOTES OF MEMBERS**

28. On a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by an authorised representative, not being himself a member entitled to vote, has one vote.
29. On a poll—
- (a) during the pre-commonhold period or the transitional period, every member has one vote; and
  - (b) at any other time, every member has the number of votes allocated to him in the commonhold community statement in respect of each and every commonhold unit of which he is a unit-holder.

30. 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 or other person authorised in that behalf appointed by that court, and any such receiver or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote may be deposited at the registered office, or at such other place as is specified in accordance with the articles for the deposit of an appointment of proxy, before the time appointed for the meeting or adjourned meeting at which the right to vote is to be exercised or such evidence may be presented to the directors at the meeting. In default the right to vote is not exercisable.
31. A receiver appointed by the court or by a mortgagee, an administrator, a trustee in bankruptcy, a commissioner in sequestration or similar person may vote in place of a member, whether on a show of hands or on a poll. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote may be deposited at the registered office, or at such other place as is specified in accordance with the articles for the deposit of appointments of proxy, before the time appointed for the meeting or adjourned meeting at which the right to vote is to be exercised or such evidence may be presented to the directors at the meeting. In default the right to vote is not exercisable.
32. A mortgagee who provides—
- a) a certificate confirming that possession has been taken of a commonhold unit; and
  - b) an official copy of the charges register of the title to the commonhold unit showing it as the registered proprietor of the charge
- is entitled to vote in place of a member, whether on a show of hands or on a poll. The person claiming to exercise the right to vote must deposit such evidence at the registered office, or at such other place as is specified in accordance with the articles for the deposit of appointments of proxy, before the time appointed for the meeting or adjourned meeting at which the right to vote is to be exercised or such evidence may be presented to the directors at the meeting. In default the right to vote is not exercisable.
33. Objections to the qualification of any voter may only be raised at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting

is valid. Any objection made in due time must be referred to the chairman whose decision is final and conclusive.

34. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

35. The appointment of a proxy must be in writing, signed by or on behalf of the appointor and must be in the following form (or a form to the same effect or in any other form which the directors may approve in writing)—

“

[Name of commonhold association]

I/We \*\*\*\*\*, of \*\*\*\*\*, being a member/members of the above-named commonhold association, appoint \*\*\*\*\* of \*\*\*\*\*, or failing him, \*\*\*\*\* of \*\*\*\*\*, as my/our proxy to vote in my/our name and on my/our behalf at the (annual) general meeting of the commonhold association to be held on \*\*\*\*\*, and at any adjournment of it

Signed on \*\*\*\*\*”

36. Where members are to be given the opportunity to instruct the proxy how he must act, the appointment of a proxy must be in the following form (or a form to the same effect or in any other form which the directors may approve in writing)—

“

[Name of commonhold association]

I/We, \*\*\*\*\*, of \*\*\*\*\*, being a member/members of the above-named commonhold association, appoint \*\*\*\*\* of \*\*\*\*\*, or failing him, \*\*\*\*\* of \*\*\*\*\*, as my/our proxy to vote in my/our name and on my/our behalf at the (annual) general meeting of the commonhold association, to be held on \*\*\*\*\*, and at any adjournment of it.

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\*

\* Delete as appropriate

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

Signed on \*\*\*\*\* ”

37. The appointment of a proxy and any authority under which it is signed or a copy of such authority properly certified notorially or approved in another way by the directors may—

(a) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications—

(i) in the notice convening the meeting, or

(ii) in any form of proxy sent out by the commonhold association in relation to the meeting, or

(iii) in any invitation contained in an electronic communication to appoint a proxy issued by the commonhold association in relation to the meeting,

be received at that address; or

(b) in any other case, be deposited at the registered office of the commonhold association or at such other place within the United Kingdom as is stated either in the notice convening the meeting or in any form of proxy sent out by the commonhold association in relation to the meeting;

at any time before the meeting or adjourned meeting, at which the person named in the appointment proposes to vote, is held. Failing that it may be delivered at the meeting to the chairman, secretary or to any director. The appointment of a proxy which is not deposited, received or delivered in accordance with this article is invalid.

38. A vote given or poll demanded by a proxy for a member, or by the authorised representative of a corporation remains valid despite the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the commonhold association at—

(a) the registered office; or

(b) at such other place at which the appointment of proxy was deposited; or

(c) where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was received

before the start 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.

### **NUMBER OF DIRECTORS**

39. Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum but must not be less than two.

### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

40. A director need not be a member of the commonhold association.

41. At the first annual general meeting after the end of the transitional period, all of the directors must retire from office. At every subsequent annual general meeting, one-third of the directors who are subject to retirement by rotation must retire. If the number of directors is not three or a multiple of three, the number nearest to one-third must retire from office. If there is only one director who is subject to retirement by rotation, he must retire.

42. Subject to the provisions of the Companies Act, the directors to retire by rotation are those who have been in office longest since their last appointment or reappointment. Where there are directors who were appointed or re-appointed on the same day, those to retire must be determined by lot, unless the directors agree otherwise among themselves.

43. If the commonhold association, at the meeting at which a director retires by rotation, does not fill the vacancy, the retiring director, if willing to act, is deemed to have been re-appointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.

44. No person other than a director retiring by rotation may be appointed or re-appointed as a director at any general meeting unless—

- (a) he is recommended by the directors; or
- (b) at least fourteen and not more than thirty-five clear days before the date appointed for the meeting, notice signed by a member qualified to vote at the meeting has been given to

the commonhold association of the intention to propose that person for appointment or reappointment and stating the particulars which would be required to be included in the commonhold association's register of directors, if he were appointed or re-appointed, together with notice signed by that person of his willingness to be appointed or re-appointed.

45. At least seven and not more than twenty-eight clear days before the date appointed for holding a general meeting notice must 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 directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been given to the commonhold association of the intention to propose him at the meeting for appointment or reappointment as a director. The notice must give the particulars of that person which would, if he were appointed or re-appointed, be required to be included in the commonhold association's register of directors.
46. Subject to these articles, the commonhold association 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 and may also determine the rotation in which any additional directors are to retire.
47. 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 appointment does not cause the number of directors to exceed the number fixed by or in accordance with these articles as the maximum number of directors (if any). A director so appointed will hold office only until the next following annual general meeting and is not 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, he must vacate office at the end of the meeting.
48. Subject to these articles, a director who retires at an annual general meeting may, if willing to act, be re-appointed. If he is not re-appointed, he must hold office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

#### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

49. The office of a director must be vacated if—

- (a) an ordinary resolution is passed by the members in favour of removing a director (where special notice of the resolution has been given in accordance with the Companies Act);
- (b) he ceases to be a director by virtue of any provision of the Companies Act or he becomes prohibited by law from being a director; or
- (c) he becomes bankrupt or makes any arrangement with his creditors generally; or
- (d) he is, or may be, suffering from mental disorder and either:-
  - (i) 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
  - (ii) 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 or other person to exercise powers with respect to his property or affairs; or
- (e) he resigns his office by notice to the commonhold association; or
- (f) he is absent for more than three consecutive months from meetings of the directors held during that period or from three consecutive meetings (whichever is the greater) without permission from the directors and the directors resolve that his office be vacated.

50. Where there is only one or one remaining director of the commonhold association, an appointment of a new director must take place, before the director disqualified or being removed vacates his office.

### **POWERS OF DIRECTORS**

51. Subject to the provisions of the Companies Act, the memorandum and the articles, and to any directions given by special resolution, the directors must manage the business of the commonhold association and they may exercise all the powers of the commonhold association. No alteration of the memorandum or articles and no such direction invalidates any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article are not limited by any special power given to the directors by the articles and the directors' powers may be exercised at a meeting at which a quorum is present.

52. Subject to the article 71, the directors may, by power of attorney or otherwise, appoint any person to be the agent of the commonhold association for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

### **DELEGATION OF DIRECTORS' POWERS**

53. Where an ordinary resolution is passed in favour, the directors may delegate any of their powers to any committee consisting of one or more directors, members of the commonhold association and others as they think fit, provided that the majority of the members of any such committee from time to time are members of the commonhold association. They may also delegate to any managing director or any director holding any other executive office or any managing agent such of their powers as they consider desirable to be exercised by him. Any such delegation is subject to any provisions of the commonhold community statement, may be made subject to any conditions the directors may impose, may be made either collaterally with or to the exclusion of their own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members are governed by the articles regulating the proceedings of directors so far as they are capable of applying. A record must be kept giving details of any powers that have been delegated.

### **REMUNERATION OF DIRECTORS**

54. Directors are entitled to such remuneration as the commonhold association may determine by ordinary resolution, where the directors are not members of the commonhold association, and by special resolution, where the directors are members of the commonhold association. Unless the resolution provides otherwise, the remuneration is deemed to accrue from day to day.

### **DIRECTORS' EXPENSES**

55. The directors may be paid all travelling, hotel, and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the members of the commonhold association or otherwise in connection with the discharge of their duties.

## **DIRECTORS' APPOINTMENTS AND INTERESTS**

56. Subject to the provisions of the Companies 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 commonhold association and may enter into an agreement or arrangement with any director for his employment by the commonhold association or for the provision by him of any services outside the scope of the ordinary duties of a director. Any appointment of a director to an executive office must terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the commonhold association.
57. Subject to the provisions of the Companies Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director—
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the commonhold association or in which the commonhold association is otherwise interested; and
  - (b) 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 commonhold association or in which the commonhold association is otherwise interested; and
  - (c) is not, by reason of his office, accountable to the commonhold association 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 is liable to be avoided on the ground of any such interest or benefit.
58. For the purposes of article 57—
- (a) a general notice given to the directors 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 is deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
  - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge will not be treated as an interest of his.

59. A commonhold association must keep a register of directors' interests and whenever it receives information from a director given in fulfilment of an obligation imposed on him by article 57, it is under obligation to enter in the register, against the director's name, the information received and the date of the entry.

### **PROCEEDINGS OF DIRECTORS**

60. Subject to the provisions of these articles, the directors may regulate their proceedings, as they think fit. A director may, and the secretary at the request of a director must, call a meeting of the directors. It is not necessary to give notice of a meeting to a director who is absent from the United Kingdom unless he has given to the commonhold association an address to which notices may be sent using electronic communications. In such case the director is entitled to have notices given to him at that address. In all other cases, a notice calling a meeting of directors need not be in writing. Questions arising at a meeting will be decided by a majority of votes. In the case of an equality of votes, the chairman will have a second or casting vote.

61. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other greater number, is half of the number of appointed directors for the time being or two directors (whichever is the greater).

62. The continuing directors or a sole continuing director may act despite any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing director or directors may act only for the purpose of filling vacancies or of calling a general meeting.

63. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed must preside at every meeting of directors 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 fifteen minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

64. All acts done by a meeting of directors, or of a committee, or by a person acting as a director are valid even if it is discovered later 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.

65. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors is as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors convened and held and may consist of several documents in similar form each signed by one or more directors.

66. A director is not entitled to vote at a meeting of directors or of a committee of directors 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 commonhold association. For the purposes of this article, an interest of a person who is, for any purpose of the Companies Act (excluding any statutory modification of it not in force when this article becomes binding on the commonhold association), connected with a director is treated as an interest of the director. A director must not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

67. The commonhold association may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provisions of these articles prohibiting a director from voting at a meeting of directors or of a committee of directors.

68. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may be referred to the chairman of the meeting before the end of the meeting, and his ruling in relation to any director other than himself must be final and conclusive.

## **SECRETARY**

69. Subject to the provisions of the Companies Act, the secretary will be appointed by the directors for such terms, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

## **MINUTES**

70. The directors must cause minutes to be made in books kept for the purpose—
- (a) of all appointments of officers made by the directors or by the developer; and
  - (b) of all proceedings at meetings of the commonhold association and of the directors, and of committees, including the names of the persons present at each such meeting, the date of the meeting and any action agreed at the meeting.

### **AGENTS**

71. The directors have the power on behalf of the commonhold association to appoint and enter into contracts with managing agents of the commonhold on such terms as they think fit including a term providing for cancellation of the contract and return of records and monies paid. The directors remain bound to supervise the managing agent so appointed.

### **NO DISTRIBUTION OF PROFITS**

72. Save in accordance with a termination statement or in a winding up, the commonhold association must not distribute its profits or assets, whether in cash or otherwise, to its members.

### **WINDING UP**

73. If the commonhold association is wound up, the liquidator may, if authorised by an extraordinary resolution of the commonhold association and any other authorisation required by the Companies Act, divide among the members in specie the whole or any part of the assets of the commonhold association and may, for that purpose, value any assets and determine how the division is to be carried out as between the members or different classes of members. The liquidator may, with the like authorisation, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like authorisation determines, but no member is to be compelled to accept any assets upon which there is a liability.

### **INSPECTION AND COPYING OF BOOKS AND RECORDS**

74. In addition to, and without derogation from, any right conferred by statute, any member has the right, on reasonable notice and at a reasonable time and place, to inspect, and to be provided with a copy of, any book, minute, register, document, or accounting record of the commonhold

association, upon payment of any reasonable charge for copying. Such rights are subject to any ordinary resolution of the commonhold association in general meeting, and, in the case of any book, minute, register, document, or accounting record which the directors reasonably consider contains confidential material, the disclosure of which would be contrary to the interests of the commonhold association or to another member, to the exclusion or excision of such confidential material (the fact of such exclusion or excision being disclosed to the member), and to any other reasonable conditions that the directors may impose.

75. Subject to any statutory requirement, all books, minutes, registers, documents, or accounting records of the commonhold association must be retained for a minimum period of 3 years.
76. Up-to-date copies of the commonhold community statement and the memorandum and articles of association must be kept at the registered office of the commonhold association and any unit-holder has the right, on reasonable notice and at a reasonable time and place, to inspect the commonhold community statement or the memorandum and articles of association.

## NOTICES

77. Unless otherwise stated, any notice to be given under these articles must be in writing.
78. Any notice may be given—
- (a) personally;
  - (b) by leaving it at an address given to the commonhold association as an address for correspondence;
  - (c) by sending it by first class post in a prepaid envelope properly addressed to the member at an address given to the commonhold association as an address for correspondence; or
  - (d) where an electronic address has been provided as an address for correspondence, by electronic communication to that address in accordance with any terms or conditions as previously specified by the recipient.
79. Proof that an envelope containing a notice was properly addressed, prepaid and posted by first class post is conclusive evidence that it was given to a postal address. Electronic confirmation of receipt is conclusive evidence that a notice was given to an address.

80. A notice is deemed to be given, unless proved otherwise—
- (a) on the day it was handed to the recipient or left at the address for correspondence;
  - (b) on the second day after it was posted to the recipient; or
  - (c) on the day after it was transmitted by electronic communication.

### **INDEMNITY**

81. Subject to the provisions of the Companies Act but without affecting any indemnity to which he may otherwise be entitled, every director or other officer of the commonhold association must be indemnified out of the assets of the commonhold association against any liability incurred by him in defending any proceedings, whether civil or criminal, alleging liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the commonhold association, and 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.

We/I, the subscribers/subscriber to these articles of association, wish to be formed into a company pursuant to these articles.

DRAFT

Names and addresses of subscribers (or subscriber)

Dated

Witness to the above signature(s)