Dated 2023

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

Company number 01731043

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PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

HEATHFIELDS RESIDENTS ASSOCIATION LIMITED

(Adopted by special resolution passed on 2023)

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

Act: the Companies Act 2006.

appointor: has the meaning given in article 15.1.

Articles: the company's articles of association for the time being in force.

Business Day: a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

Conflict: has the meaning given in article 10.1.

eligible director: a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

Member: means a person whose name in entered in the Register of Members of the Company and **Membership** shall be construed accordingly

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

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

1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.

1.6 A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.

1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.

1.10 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 30 – 36, 44(2), 52 and 53 of the Model Articles shall not apply to the company.

1.11 Article 7 of the Model Articles shall be amended by:

1.11.1 the insertion of the words "for the time being" at the end of article 7(2)(a);

1.11.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"; and

1.11.3 the insertion of the words at the end of article 7(2) "A sole director shall be entitled to exercise all powers and discretions conferred on the directors by the Act or the articles and nothing in these articles is to be construed as requiring the Company to have more than one director ".

1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".

1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".

1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".

2. OBJECTS

2.1 The objects for which the company is established are set out in the Companies Memorandum of Association as detailed upon the Company's incorporation dated 10 June 1983.

3. INCOME

3.1 The income of the company, from wherever derived, shall be applied solely in promoting the company's objects and, save on a winding up on the company, no distribution shall be made to its Members in cash or otherwise. Nothing in these Articles shall prevent any payment in good faith by the company of:

3.1.1 reasonable and proper remuneration to any Member, officer or servant of the company for any services rendered to the company;

3.1.2 any interest on money lent by any Member or any director at a reasonable and proper rate;

3.1.3 reasonable and proper rent for premises demised or let by any Member or director; or

3.1.4 reasonable out-of-pocket expenses properly incurred by any Director.

3.2 The Company shall be entitled to establish and maintain capital reserves, management funds and any form of sinking fund established by way of the Deeds of Covenant each Owner agrees to when purchasing a property in order to pay or contribute towards all fees, costs and other expenses incurred in the implementation of the company's objects and require Members of the company to contribute towards such reserves or funds at any time in such amounts and in a such a manner as the company may think fit.

DIRECTORS

4. **UNANIMOUS DECISIONS**

4.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

4.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.

4.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

5. **CALLING A DIRECTORS' MEETING**

5.1 Any director may call a directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

5.2 Notice of the meeting of the Directors must be given to the each Director but need not be in writing. The notice must specify:

5.2.1 the time, date and place of the meeting;

5.2.2 the general particulars of the business to be considered at the meeting; and

5.2.3 if it is anticipated that the Directors participating in the meeting will not all be in the same place, how it is proposed that they should communicated with each other during the meeting.

5.3 Any individual may be entitled to attend and speak at a Board Meeting but only Directors shall be entitled to vote.

6. QUORUM FOR DIRECTORS' MEETINGS

6.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors, unless the Members have resolved pursuant to article 12 that there is to be only one director in office for the time being, that director shall form a quorum.

6.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 10 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

6.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

6.3.1 to appoint further directors; or

6.3.2 to call a general meeting so as to enable the Members to appoint further directors.

7. ATTENDANCE AND SPEAKING BY NON-DIRECTORS

7.1 The Directors may appoint up to two individuals to attend a meeting of directors with attendance to be on such terms as the Directors determine. The attendance of the individuals shall be at the sole discretion of the Directors and the Directors may ask the individuals to leave at any time. The individuals will not be entitled to a vote at a meeting of the Directors.

8. CASTING VOTE

8.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chair or other director chairing the meeting has a casting vote.

8.2 Article 5.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chair or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

9. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

9.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;

9.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he or she is interested;

9.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he or she is interested;

9.4 may act by himself or herself, or his or her firm in a professional capacity for the company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she were not a director;

9.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and

9.6 shall not, save as he or she may otherwise agree, be accountable to the company for any benefit which he or she (or a person connected with him or her (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his or her duty under section 176 of the Act.

10. DIRECTORS' CONFLICTS OF INTEREST

10.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his or her duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

10.2 Any authorisation under this article 10 will be effective only if:

10.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

10.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and

10.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.

10.3 Any authorisation of a Conflict under this article 10 may (whether at the time of giving the authorisation or subsequently):

10.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

10.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;

10.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

10.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

10.3.5 provide that, where the Interested Director obtains, or has obtained (through his or her involvement in the Conflict and otherwise than through his or her position as a director of the company) information that is confidential to a third party, he or she will not be obliged to disclose that information to the company, or to use it in relation to the company’s affairs where to do so would amount to a breach of that confidence; and

10.3.6 permit the Interested Director to absent himself or herself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

10.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself or herself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

10.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

10.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

11. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

12. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

13. APPOINTMENT OF DIRECTORS

13.1 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

13.2 In any case where, as a result of death or bankruptcy, the company has no directors, the Members shall have the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a director.

14. DISQAULIFICATION AND REMOVAL OF DIRECTORS

14.1 A Director shall cease to hold office if they:

14.1.1 are removed by ordinary resolution of the Company pursuant to the Act;

14.1.2 are absent from all the meetings of the Directors held within a period of 6 consecutive months, without the permission of the Directors, and the Directors resolve that their office be vacated; or

14.1.3 are removed from office by a resolution of the Directors that it is in the best interests of the Company that their office be vacated passed at a meeting at which at least half of the Directors are present. Such a resolution must not be passed unless:

(a) the Director has been given at least 14 Clear Days' notice in writing of the meeting of the **Directors** at which the resolution will be proposed and the reasons why it will be proposed; and

(b) the Director has been given a reasonable opportunity to make representations to the meeting either in person or in writing. The other Directors must consider any representations made by the Director (or the Director's representative) and inform the Director of their decision following such consideration. There shall be no right of appeal from a decision of the Directors to terminate the Directorship of a Director.

14.2 The Directors shall not be required to resign by rotation.

15. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

15.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

15.1.1 exercise that director's powers; and

15.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

15.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.

15.3 The notice must:

15.3.1 identify the proposed alternate; and

15.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

16. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

16.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

16.2 Except as the Articles specify otherwise, alternate directors:

16.2.1 are deemed for all purposes to be directors;

16.2.2 are liable for their own acts and omissions;

16.2.3 are subject to the same restrictions as their appointors; and

16.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his or her appointor is a member.

16.3 A person who is an alternate director but not a director:

16.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

16.3.2 may participate in a unanimous decision of the directors (but only if his or her appointor is an eligible director in relation to that decision, but does not participate); and

16.3.3 shall not be counted as more than one director for the purposes of article 16.3.1 and article 16.3.2.

16.4 A director who is also an alternate director is entitled, in the absence of his or her appointor, to a separate vote on behalf of his or her appointor, in addition to his or her own vote on any decision of the directors (provided that his or her appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

16.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

17. **TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates:

17.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

17.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

17.3 on the death of the alternate's appointor; or

17.4 when the alternate's appointor's appointment as a director terminates.

18. **SECRETARY**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

19. **SHARES**

19.1 No person may own Shares unless they are the freehold owner of a property on the estate known as Heathfield Estate (such persons are hereafter called "the Owners").

19.2 Where two or more persons jointly are the Owners of one house, flat or maisonette on the said estate they shall be entitled to one share only and shall together constitute one Shareholder and the person whose name appears first on the share certificate shall exercise the voting and other powers vested in such Shareholder.

19.3 The trustee in bankruptcy of any bankrupt member or the personal representative of any deceased member shall be entitled to become a Shareholder if, at the time of their application, they are an Owner.

19.4 A Shareholder shall cease to be a Shareholder when they are no longer an Owner and on the registration as a Shareholder of their successor in title.

19.5 Where a Shareholder is a limited company, corporation or organisation, that limited company, corporation or organisation shall be entitled to appoint one of its directors or authorised persons as its corporate representative to attend Shareholder meetings and to exercise the voting and other powers vested in such Shareholder.

20. **SHARE TRANSFERS**

20.1 No Member or person becoming entitled to a Share or Shares by consequence of the death or bankruptcy of a Member shall be entitled to transfer any Share:

20.1.1 to any person not being an Owner; or

20.1.2 in any such manner as would procure any Owner more than one Share in respect of each house, flat or maisonette of which they are an Owner;

20.1.3 at any price in excess of the nominal value.

20.2 Where a Member has ceased for any reason to be an Owner the Directors may give notice to the Member requiring them to transfer their Share in the company within the next succeeding period of 14 days and if such notice shall not be complied with the Directors may at any time thereafter, by resolution, approve the transfer of such Share by way of stock transfer form executed by the Owner in accordance with these Articles. The transfer of such Share shall be for a consideration not exceeding its nominal value to the then Owner who shall be registered as the holder of the Share and their title to said Share shall not be affected by an irregularity or invalidity in the proceedings in reference to the disposal of the Share.

20.3 Where a Member fails to comply with a notice under Article 20.2 above and has not for any reason lodged an executed stock transfer form with the company, the Directors may at any time thereafter authorise any two of the Directors to execute a stock transfer form on behalf of such Member. The Directors shall approve the transfer to the then Owner who shall be registered holder of the Share and their title to the said Share shall not be affected by any irregularity or invalidity in the proceedings by reference to the disposal of the Share.

DECISION MAKING BY MEMBERS

21. POLL VOTES

21.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

21.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

22. PROXIES

22.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles 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 accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

22.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid ,unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

23. MEANS OF COMMUNICATION TO BE USED

23.1 Subject to article 23.3, any notice, document or other information shall be deemed received by the intended recipient:

23.1.1 if delivered by hand at the time the notice, document or other information is left at the address;

23.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of postage, at 9.00 am on the second Business Day after posting;

23.1.3 if sent by pre-paid airmail providing proof of postage, at 9.00 am on the fifth Business Day after posting;

23.1.4 if sent by email or fax, at the time of transmission; or

23.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

23.2 If deemed receipt under article 23.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 18.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.

23.3 To prove service, it is sufficient to prove that:

23.3.1 if delivered by hand, the notice was delivered to the correct address; or

23.3.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted;

23.3.3 sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or

23.3.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

24. ACCOUNTS

24.1 The Board shall be responsible for agreeing and complying with accounting procedures and shall ensure that the funds and assets of the Company are applied only in relation to the Company’s purposes and that such procedures are transparent, clear and appropriate.

24.2 The Board shall be responsible for dealing with cheques, receipts, invoices and any other monetary transactions (unless the transaction required Member approval) and the Board shall have sole discretion as to how such transactions are executed.

25. INDEMNITY

25.1 Subject to article 25.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

25.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer:

(a) in the actual or purported execution and/or discharge of his duties, or in relation to them

including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

25.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in article 25.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

25.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

25.3 In this article:

25.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

25.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company.

26. **INSURANCE**

26.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

26.2 In this article:

26.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) , but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he or she is also a director or other officer), to the extent he or she acts in his capacity as auditor);

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

26.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.