

THE COMPANIES ACTS 1985 AND 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ORMSBY (FREEHOLD) LTD

I GENERAL

1. Subject as hereinafter provided the regulations contained or incorporated in Table “A” in the Companies (Tables A to F) Regulations 1985 as amended by SI 2007/2541 and SI 2007/2826 (hereinafter referred to as “Table A”) shall apply to the Company
2. Regulations 27, 30, 55, 64, 65-69 inclusive, 76-78 inclusive and 87 of Table A shall not apply to the Company but the Articles hereinafter contained together with the remaining regulations of Table A subject to the modifications expressed shall constitute the regulations of the Company.

DEFINITIONS

3. In these regulations except where the context otherwise requires:
 - “the Act” means the Companies Act 1985 including any statutory modifications or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force
 - “the Estate” means the land and buildings known as Ormsby, Grange Road and Stanley Road in the London Borough of Sutton
 - “Lessee” means any person who is the holder of a lease of a flat on the Estate granted for 999 years or is the mortgagee of such a lease
 - “Flat” means any flat or other dwelling on the estate

II SHARE CAPITAL AND VARIATION OF RIGHTS

4. The share capital of the Company is £96 divided into 24 shares of £4 each
5. A. In accordance with Section 91(1) of The Companies Act 1985 Section 89(1) and Section 90(1) thereof shall be excluded from applying to the Company. A share may only be issued to a lessee or a person who is the mortgagee of a lessee.

B. No lessee may hold more than one share in the Company for each flat on the estate of which he is the lessee.

III TRANSFER AND TRANSMISSION OF SHARES

6. A. A share may be transferred only to a person who is or is about to become a lessee. Provided that the Directors may refuse the registration of any transfer if the Company has a lien on the share or shares comprised in the transfer or if there are any moneys due and owing from the proposing transferor to the Company or if the proposed transferee whether a member of the Company or not has not at the time when the transfer is presented for registration acquired the interest of the proposing transferor as a lessee

B. If at any time for any reason whatsoever any share is registered in the name of a person who is not a lessee or if any person shall become entitled to a share by reason of the death or bankruptcy of a member without at the same time becoming a lessee the Directors may give notice in writing to such shareholder or person or, in the case of the executors or administrators of a deceased member (not being a joint holder) becoming so entitled to such executors or administrators requiring him or them to transfer such share to a person who is a lessee and if the same shall not have been transferred within one month after such notice has been given the Directors may at any time thereafter (unless in the meantime the same shall have been so transferred) call upon the holder or upon such executors or administrators as aforesaid to transfer such share to any person being a lessee found by the Directors to be willing to purchase the same at the nominal value thereof and the holder or such executors or administrators as aforesaid shall thereupon sell and transfer such share accordingly: Provided that if such holder, executors or administrators shall make default in so selling and transferring such share the Directors may appoint any person to execute a transfer thereof to the purchaser selected by them who shall then be entered on the register as the holder of such share and upon such registration in purported exercise of the power of the Directors under this Article the validity of the proceedings shall not be questioned by any person. The receipt of the Company for the sale price for such share shall be a good discharge to the purchasing member and the Company shall hold such sale price on trust for the transferor who shall be bound to deliver up the share certificate for such share to the Company and upon such delivery shall be entitled to receive the sale price. The price to be paid to the Company in such circumstances shall be the nominal value.

IV ORDINARY RESOLUTIONS AND GENERAL MEETINGS

7. A. Ordinary resolutions will be issued in writing to members and members will have a period of 21 days from the date of issue of such resolution to make and return a vote in such manner prescribed on the resolution document. Votes returned within the prescribed timescale will be counted and the outcome notified to members within 21 days thereof.

B. Additionally, the Directors may call general meetings at any time. They will also do so on written requisition of members together holding not less than ten per cent in nominal value of the shares in the Company – such requisition to state the broad purpose for which the general meeting is being sought. A general meeting called at the requisition of members is to be held on a date not more than 30 days later than the date on which the written requisition is received at the Company's registered office.

V VOTES OF MEMBERS

8. A. If more than one person is jointly the owner of a flat such persons shall jointly hold the share in the Company referable to such flat but shall have only the vote appropriate to such share. If

such joint holders at any time seek to cast separate votes only the vote cast by the holder whose name first appears in the register of members shall be valid.

B. No shareholder shall be entitled to vote who is in arrears with any payments due to the Company.

C. Each share shall confer the right to receive notice of and vote on all propositions for resolution by members and at any general meeting of the Company.

VI DIRECTORS

9. A Director need not hold any qualification share in the Company but shall be entitled nevertheless to receive notice of and to attend any general meeting of the Company.
10. Unless and until otherwise determined by ordinary resolution the number of Directors shall be not less than two and not more than seven Directors.
11. A Director may hold any office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director and he or his firm may act in a professional capacity to the Company on such terms (as to remuneration or otherwise) as the Directors may determine.
12. A nomination for the appointment of a Director may be made in writing to the Company at any time and must be signed by two members. The nomination will be considered immediately if a vacancy exists. If the nomination is agreed by the Directors the appointment will have immediate effect. If the nomination is not agreed by the Directors the matter will be put to ordinary resolution. If at the time of nomination no vacancies exist the foregoing process will be delayed until such time as a vacancy occurs either by the death, resignation or removal of a Director or at the next point of retirement by rotation.
13. If at the time a vacancy occurs there exists more than one valid nomination (including a Director who is retiring by rotation and offering themselves for reappointment) selection will be made by ordinary resolution.

VII RESERVE

14. A. The Directors may in their absolute discretion make provision for creating and setting aside a reasonable reserve fund for any general or particular purpose.

B. The Directors may set aside out of any moneys of the Company not immediately required for the purposes of its business such sums as they think proper as a reserve or reserves. All money set aside and standing to revenue or general or special reserve accounts or capital reserve account and all other moneys of the Company not immediately applicable for payment to be made by the Company may (subject to the provisions of the Act with respect to the purchase by the Company of its own shares or loans upon the security thereof) be invested by the Board in such manner as the Board may from time to time think proper with power to employ the same and the assets

constituting the same or any part thereof in the business of the Company and without it being necessary to keep separate or distinguish between the investments of the reserve accounts and investments of other moneys of the Company or between investments of the revenue or general or special reserve accounts and investments of the capital reserve account. All moneys so set aside as aforesaid shall, at the discretion of the Directors, be applicable for any purpose for which the moneys of the Company may be properly applied.

15. The Directors may subject to Article 16 hereof exercise all the powers of the Company to borrow money as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as a security for any debt, liability or obligation of the Company or of any third party.
16. The Directors shall not in the exercise of their voting powers or their powers as Directors of the Company do any of the following acts without having obtained a resolution supported by at least ninety per cent of members
 - a. Permit any alteration in the Memorandum or Articles of Association of the Company
 - b. Permit any increase or alteration in the share capital of the Company
 - c. Permit any further shares in the Company to be issued to persons other than lessees
 - d. Permit the Company to go into a members' voluntary winding up
 - e. Do or abstain from doing or neglect to do any act which will or may result in the Company being removed from the Register of Companies
 - f. Permit the freehold interest in the estate or any part thereof to be sold leased or charged or otherwise used for the security of any loan
 - g. Permit any material change to the layout of the estate or the use of any flat or garage thereon
 - h. Permit the Company to borrow any sum in excess of such sum as represents eight times the annual insurance premium for effecting the current replacement value of the estate from time to time