

*THE COMPANIES ACT 2006*

*PRIVATE COMPANY LIMITED BY SHARES*

**ARTICLES OF ASSOCIATION OF  
SHELFORD WOODLANDS PROPERTIES LIMITED**

(adopted by special resolution on 13 November 2017 and amended by  
special resolution on 8 November 2021)

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PART 1  
INTERPRETATION AND LIMITATION OF LIABILITY

**Defined terms**

1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

*“contingency fund balance” means the balance on the bank account into which amounts representing contingency fund contributions received from members have been paid by the company, less any amount which the directors are authorised by article 4(3) to apply (including by ordinary resolution), but which has not, at the relevant date, been applied;*

*“contingency fund contribution” means the amount so described and calculated in accordance with article 2;*

*“dues amount” means the amount so described and calculated in accordance with article 2;*

*“dwelling” means any residential dwelling house comprised in Woodlands Road, Great Shelford, Nr Cambridge CB22 5LW or in Woodlands Close, Great Shelford, Nr Cambridge CB22 5LP;*

*“dwellingholder” means the person or persons who hold the freehold of a dwelling and so that whenever two or more persons are for the time being dwellingholders of a dwelling, they shall, for all purposes of the articles, be deemed to constitute one dwellingholder;*

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

*“financial year” means a financial year of the company determined in accordance with section 390 of the Companies Act 2006*

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“instrument” means a document in hard copy form;

*“member” has the meaning given in section 112 of the Companies Act 2006;*

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

*“RPI” means the index of retail prices published by the Office of National Statistics (or by any successor body) and, if such index ceases to be available, such alternative official index of retail or consumer prices as the directors reasonably consider to be appropriate to the type of expenditure generally incurred by the company;*

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

### **Liability of members**

2.—(1) *Subject to the remaining paragraphs of this article, the liability of the members is limited to the amount, if any, unpaid on the shares held by them.*

(2) *In respect of each financial year, a member shall also be liable to pay such further amounts, calculated in accordance with paragraphs (3) to (6), as have been notified to that member as payable in respect of the relevant financial year.*

(3) *Subject to paragraph (5), the amount calculated in respect of a financial year by way of contingency fund contribution, is the contingency fund contribution calculated for the immediately preceding financial year increased by a percentage that is the greater of (i) RPI plus 2% and (ii) 2%, rounded up to the nearest pound<sup>1</sup>. Where no contingency fund contribution was payable under these articles in respect of the immediately preceding financial year, the amount calculated for the most recent financial year in respect of which a contingency fund contribution was payable shall be treated for the purposes of this article as the contingency fund contribution calculated for the immediately preceding financial year.*

(4) *Subject to paragraph (6), the amount calculated in respect of a financial year by way of dues amount is the dues amount calculated for the immediately preceding financial year increased by a percentage that is the greater of (i) RPI plus 2% and (ii) 2%, rounded up to the nearest pound<sup>2</sup>.*

(5) *No contingency fund contribution is payable in respect of any financial year where the contingency fund balance on the date six weeks before the annual general meeting of the company immediately preceding the start of that financial year exceeds £7,000 (or such greater amount as may be approved for this purpose by ordinary resolution).*

(6) *If, in respect of any financial year, the directors determine that a higher contingency fund contribution than that calculated in accordance with paragraph (3) or a lower or a higher dues amount than that calculated in accordance with*

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<sup>1</sup> The most recent contingency fund contribution (which was set in 2020) was £68

<sup>2</sup> The dues amount set in 2021 for the period financial year to commence 1 June 2022 was £174

*paragraph (4), is appropriate, such lower or higher amount shall not be payable unless it is approved by ordinary resolution. The company shall also determine by ordinary resolution whether any approved lower or higher amount is to be used for the calculation in respect of the subsequent financial year pursuant to paragraph (3) or (4) (as the case may be).*

*(7) The contingency fund contribution and the dues amount payable by a member must be paid within a period of 28 days from the date of notification, save that any amounts required by paragraph (6) to be approved by ordinary resolution, must be paid within 14 days of the date of the relevant approval.*

*(8) Contingency fund contributions may be collected through any bank account of the company but must, within one month by the later of (a) 1 January immediately preceding the financial year to which they relate and (b) one month of receipt, be transferred into a bank account in which only amounts representing contingency fund contributions paid by members, together any interest paid on them, are held.*

*(9) The directors may seek an additional voluntary contribution from any member where they consider it appropriate to do so.*

*(10) For the purposes of this paragraph, the RPI to be used is the 12 month RPI figure most recently available at the date of making the relevant calculation.*

## PART 2

### DIRECTORS

#### DIRECTORS' POWERS AND RESPONSIBILITIES

##### **Directors' general authority**

3. Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

##### **Shareholders' reserve powers**

4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

(3) *Save for the purposes of—*

*(a) paying bank charges related to the relevant bank account;*

*(b) paying any tax payable in respect of the contingency fund contributions or any interest earned on them; or*

*(c) meeting the costs of an emergency;*

*the directors may not apply any part of the contingency fund balance unless authorised to do so by ordinary resolution. The restrictions in paragraphs (4) to (9)*

*shall not apply in respect of any expenditure authorised under this paragraph (including by ordinary resolution).*

*(4) Subject to paragraphs (5) to (9), unless authorised to do so by ordinary resolution, the directors may not enter into any contract or knowingly incur any other liability which they reasonably conclude would be likely to involve expenditure by the company exceeding the aggregate of the dues amount to be paid by members in respect of the financial year in which the relevant amount falls or may fall to be paid. For the purposes of this calculation—*

*(a) unless and until the dues amount to be paid by members has been determined in respect of the relevant financial year, the aggregate dues amount paid by members (calculated on the basis that all members have paid what was due from them) in respect of the immediately preceding financial year shall be used for the purposes of this calculation;*

*(b) any voluntary contribution which has been agreed by a member in connection with the relevant expenditure is to be deducted from that expenditure in determining whether it exceeds the relevant aggregate amount.*

*(5) Unless authorised to do so by ordinary resolution, the directors may not incur any borrowings on behalf of the company, other than temporary use of an overdraft facility.*

*(6) Where a budget which sets out the directors' expectations as regards amounts of expenditure by area of expenditure in respect of a financial year has been approved by ordinary resolution, the aggregate amount of expenditure shown in that budget shall apply as an overall expenditure limit in respect of that financial year and the expenditure limit in paragraph (4) shall not apply in respect of that financial year. For the purposes of calculating the company's actual overall expenditure in respect of the relevant financial year, any voluntary contribution which has been agreed by a member in connection with an area of expenditure shown in the budget, but which was not reflected in the budget, is to be deducted from that expenditure in making that calculation and any expenditure authorised under paragraph 3 (including by ordinary resolution) is to be deducted.*

*(7) Where paragraph (6) applies in respect of a financial year, if, during that financial year, the directors decide to alter their expectations on amounts or areas of expenditure from those shown in the approved budget and such alteration exceeds the greater of £500 and 25% of the aggregate amount of expenditure shown in the approved budget, the directors must, as soon as reasonably practicable, notify shareholders to allow shareholders to consider whether to exercise the powers in paragraph (1). No such notification is required where any increase in expenditure which would otherwise be required to be notified under this paragraph is covered by a voluntary contribution which, under paragraph (6), is to be deducted in the calculation of the company's actual overall expenditure. For the avoidance of doubt, nothing in this paragraph shall permit the directors to exceed the overall expenditure limit in respect of that financial year which applies under paragraph (6) without the approval of an ordinary resolution.*

*(8) Notwithstanding paragraphs (4) and (6), if the directors have exercised their powers under paragraph (3) to meet the costs of an emergency, but the contingency fund balance is insufficient to meet those costs in full, the directors may meet any*

*remaining costs of that emergency from other funds of the company without requiring the approval of an ordinary resolution.*

*(9) For the purposes of this article, an “emergency” is an event—*

*(a) which materially impedes use of Woodlands Road or Woodlands Close by one or more dwellingholders; or*

*(b) which, in the reasonable opinion of the directors, presents a material threat to the the safety of dwellingholders or other users of Woodlands Road or Woodlands Close; or*

*(c) to which the directors reasonably conclude that an urgent response by the company is required.*

*(10) Where the directors have exercised their powers under paragraphs (3) or (8) to meet the costs of an emergency, they must notify shareholders that they have done so, as soon as reasonably practicable, together with (in the case of an exercise of their powers under paragraph (8)), an assessment of the impact of that expenditure on any expectations of expenditure shown in a budget approved under paragraph (6) in respect of the relevant financial year.*

*(11) For the purposes of paragraph (4) as it applies to the financial year commencing on 1 June 2021, the aggregate dues amount is £4,536.*

### **Directors may delegate**

**5.—**(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

*(a) to such person or committee (including, without limitation, to any treasurer they may choose to appoint);*

*(b) by such means (including by power of attorney);*

*(c) to such an extent;*

*(d) in relation to such matters or territories; and*

*(e) on such terms and conditions;*

*as they think fit.*

*(2) If the directors so specify, any such delegation may authorise further delegation of the directors’ powers by any person to whom they are delegated.*

*(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.*

### **Committees**

**6.—**(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

*(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them and may set a quorum for any committee, which shall prevail, in relation to that committee over any quorum for the directors set by or under the articles.*



## DECISION-MAKING BY DIRECTORS

### **Directors to take decisions collectively**

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### **Unanimous decisions**

8.—(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.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) 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.

### **Calling a directors' meeting**

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time;

(b) where it is to take place; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

### **Participation in directors' meetings**

**10.**—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

### **Quorum for directors' meetings**

**11.**—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than *four*, and unless otherwise fixed it is *four*.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors.

### **Chairing of directors' meetings**

**12.**—(1) The directors may appoint a director to chair their meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman's appointment at any time.

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

### **Conflicts of interest**

**14.**—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company *or other matter* in which a director is interested, that director *must declare their interest and* is not to be counted as participating in the decision-making process for quorum or voting purposes.

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or

part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

### **Records of decisions to be kept**

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

### **Directors' discretion to make further rules**

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

## **APPOINTMENT OF DIRECTORS**

### **Methods of appointing directors**

17.—(1) *Subject to paragraphs (2) and (4) to (5)), any member* who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

(4) *No member shall be appointed a director unless that person—*

- (a) *is recommended by the directors, or*
- (b) *has served a notice on the company signed by them of their willingness to be appointed as a director accompanied by a notice signed by no less than two members of their intention to propose that person for appointment at the company's annual general meeting, such notices to be received by the company not more than twelve weeks, and not less than six weeks, before the relevant annual general meeting.*

(5) *the maximum number of directors may be determined from time to time by ordinary resolution and in default of such determination, the maximum number shall be six.*

## **Termination of director's appointment**

**18.** A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

(f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;

*(g) that person ceases to be a dwelling holder;*

*(h) the second annual general meeting following the annual general meeting at which that person was appointed is closed or, in the case of a director not appointed at an annual general meeting, midnight on the third anniversary of their appointment has passed.*

## **Directors' remuneration**

**19.—**(1) Directors may undertake any services for the company that the directors decide.

(2) Directors are entitled to such remuneration *as is determined by ordinary resolution*

- (a) for their services to the company as directors, and
  - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may—
- (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

## **Directors' expenses**

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

### PART 3

## SHARES AND DISTRIBUTIONS

### SHARES

#### **All shares to be fully paid up**

21.—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

#### **Powers to issue *shares***

22.—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

(3) *Sections 561 and 562 Companies Act 2006 do not apply in relation to any allotment of shares in the company.*

(4) *Any share issued by the company must be allotted to a dwellingholder.*

#### **Company not bound by less than absolute interests**

23. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

## **Share certificates**

**24.**—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

## **Replacement share certificates**

**25.**—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## **Share transfers**

**26.**—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

(2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

(3) The company may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

*(5) A member must hold one share (and only one share) in respect of each dwelling of which that member is a dwellingholder and must not transfer that share while they remain a dwellingholder of the relevant dwelling. The directors must refuse to register any purported transfer of shares in contravention of this paragraph.*

*(6) A member who ceases for any reason whatsoever to be a dwellingholder must promptly transfer any share held by them to the person or persons who are their successor as dwellingholder of the relevant dwelling and must not charge any consideration on that transfer in excess of the nominal value of the share. Such a member must promptly deliver to the company, or procure that the relevant successor delivers to the company—*

*(a) an instrument of transfer which meets the requirements of paragraph (1);*

*(b) any certificate issued in respect of the share held by that member or a duly executed indemnity in a form satisfactory to the directors;*

*(c) a deed of covenant relating to the use and maintenance of the property registered in the company's name under title number CB360175 in the form appended to these articles, with such amendments as are approved by the directors;*

*(d) a copy of the register of title relating to the relevant dwelling showing that the successor is registered as the owner of that dwelling;*

*(e) unless otherwise agreed by the directors, a copy of any restrictive covenants burdening that dwelling and not set out in full in the document referred to in (d).*

*(7) If a member to whom paragraph (6) applies, or any transmittee of that member, refuses or neglects to comply with its provisions, one of the directors, duly nominated for that purpose by the directors, shall be the attorney of such holder with full power on his behalf and in his name to execute, complete and deliver a transfer of their share to that person's successor as dwellingholder of the relevant dwelling and the company may give a good discharge for any purchase money and enter the name of the transferee of the relevant share in the register of members as its holder.*

*(8) The directors may refuse to register any purported transfer of shares made in contravention of paragraph (6) or when any dues amount or contingency fund contribution payable by the transferor or transferee is outstanding, but otherwise, subject to paragraphs (5) and (9), shall have no power to refuse a transfer.*

*(9) Notwithstanding any other provision of these articles, the directors shall not enter in the register of members the name of a person (other than the company itself) who is not a dwellingholder.*

### **Transmission of shares**

**27.—***(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.*

*(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—*

*(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and*

*(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.*

*(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled,*

by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

*(4) A transmittee must comply with article 26(6) in the same way as the member whose title has been transmitted to them would have been required to do before becoming the holder of the relevant share or in order to perfect the transfer to another (as the case may be).*

### **Exercise of transmittees' rights**

**28.**—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish *and provide the documentation required under article 27(4).*

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it *and provide the other documentation required under article 27(4).*

(3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **Transmittees bound by prior notices**

**29.** If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### ***Limits on distributions***

**30.**—(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 of the company, no distribution shall be made to its members in cash or otherwise. Nothing in this article shall prevent any payment in good faith by the company of:*

*(a) reasonable and proper remuneration to any member for any services rendered to the company;*

*(b) any interest on money lent by any member at a reasonable and proper rate;*

*(c) the payment of reasonable out-of-pocket expenses properly incurred by any member in their capacity as an officer of the company.*

(2) *The company shall keep records of contributions received from members and former members and, on a winding up, any surplus shall be distributed among members and former members whose membership has ceased in the five years preceding the date of winding up in a reasonable proportion to the contributions made by them to the company (with due allowance for any benefits received).*



- (3) *The company may not purchase its own shares.*

## PART 4

### DECISION-MAKING BY SHAREHOLDERS

#### ORGANISATION OF GENERAL MEETINGS

##### **Attendance and speaking at general meetings**

**37.**—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

##### **Quorum for general meetings**

**38.**—(1) No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

(2) *Ten qualifying persons (as defined for the purposes of section 318 Companies Act 2006) shall constitute a quorum.*

##### **Chairing general meetings**

**39.**—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

(a) the directors present, or

(b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

### **Attendance and speaking by non-shareholders**

**40.**— The chairman of the meeting may permit other persons who are not—

(a) shareholders of the company, or

(b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

### **Adjournment**

**41.**—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

(a) the meeting consents to an adjournment, or

(b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must—

(a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

(b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days’ notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

(a) to the same persons to whom notice of the company’s general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## VOTING AT GENERAL MEETINGS

### Voting: general

**42.—**(1) A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

(2) *Where a member has failed to pay in full the dues amount or the contingency fund contribution payable by that member within the period set out in article 2(7), the voting rights attached to that member's share are suspended until full payment has been received by the company, unless the directors decide, on reasonable grounds, to permit the member in question to exercise those rights.*

### Errors and disputes

**43.—**(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

### Poll votes

**44.—**(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by—

- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.

(4) *Any poll on the election of the chairman of the meeting or adjournment of the meeting must be taken immediately and any poll on any other matter may be taken immediately or at such time and place as the chairman of the meeting directs (being not more than thirty days after the poll is demanded) and, in either case, in such manner as the chairman of the meeting directs.*

### Content of proxy notices

**45.—**(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") *the contents of which have been determined by the directors or which—*

- (a) states the name and address of the shareholder appointing the proxy;

- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

### **Delivery of proxy notices**

- 46.**—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

### **Amendments to resolutions**

- 47.**—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## PART 5

### ADMINISTRATIVE ARRANGEMENTS

#### Means of communication to be used

- 48.**—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- (4) *Section 1147 Companies Act 2006 shall apply in relation to documents or information sent or supplied by the company as if in sub-section (3) "48" was deleted and "24" substituted and as if sub-section (5) was deleted in its entirety.*

#### Company seals

- 49.**—(1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by *two authorised persons*.
- (4) For the purposes of this article, an authorised person is—
- (a) any director of the company;
  - (b) the company secretary (if any).

#### No right to inspect accounts and other records

- 50.** Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

## DIRECTORS' INDEMNITY AND INSURANCE

### Indemnity

**52.**—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(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.

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant director" means any director or former director of the company or an associated company.

### Insurance

**53.**—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director'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
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## **APPENDIX**

### **PARTIES**

[ ] of [ ] (the "Buyer")

*SHELFORD WOODLANDS PROPERTIES LIMITED (company no 585290)  
whose registered office is at [ ] Woodlands Road/Close, Great Shelford,  
Cambridge CB22 5L[W/P] (the "Company")*

### **BACKGROUND**

*A The Principal Deed contains provisions concerning the use and maintenance of the roadways and services which benefit the properties in Woodlands Road and Woodlands Close, Great Shelford, Cambridge.*

*B The Buyer has agreed to purchase the Property and has agreed to enter into this deed in accordance with the terms of the Principal Deed.*

### **OPERATIVE PROVISIONS**

#### **1. Definitions and interpretation**

*1.1 In this Deed:*

*"Company" includes its successors in title to the Company's Land.*

*"Company's Land" means the freehold land comprising Woodlands Road and Woodlands Close Great Shelford Cambridgeshire registered at the Land Registry under title number CB360175.*

*"Principal Deed" means the Deed of Grant dated [ ] made between the Company (1) and [ ] (2)<sup>3</sup>.*

*"Property" means the land known as [ ] Woodlands Road/Close Great Shelford Cambridgeshire [registered at the Land Registry under title number [ ]].*

*1.2 Words in this Deed denoting the singular include the plural meaning and vice versa.*

*1.3 When at any time the Buyer is two or more persons, obligations in this Deed expressed or implied to be made with or by the Buyer are to be treated as made with or by such individuals jointly and severally.*

#### **2. Covenants**

*2.1 The Buyer hereby covenants to pay a proportion (as determined under clause 2.2) of the costs incurred by the Company in relation to the Company's Land (including the costs of maintenance repair improvement replacement and installation of the roadways verges and services (including street lighting) on over or under the Company's Land) within 21 days of demand.*

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<sup>3</sup> Please check CB360175 to determine the date of the relevant Deed of Grant

*2.2 The proportion referred to in clause 2.1 shall prima facie be an equal proportion based on the number of residences which obtain access from Woodlands Road and/or Woodlands Close. But if in the reasonable opinion of the Company the circumstances are exceptional, the proportion shall be a fair (rather than an equal) proportion as determined by the Company (acting reasonably).*

*2.3 The Buyer hereby covenants that before any transfer of the Property the Buyer will procure that the transferee or transferees enter into a covenant directly with the Company in the terms of clauses 2.1, 2.2 and 2.3 of this deed. The Buyer shall cease to be liable under this clause 2 in respect of costs incurred after the date of any transfer of the Property by the Buyer (or its mortgagee) to a transferee who has entered into such a covenant which is valid and binding.*

*Delivered as a deed on the date of this document etc*