

## Companies Act 2006

### Company limited by guarantee and not having a share capital

#### ARTICLES OF ASSOCIATION OF CARDIFF COHOUSING LIMITED

##### 1. NAME

The name of the Company is Cardiff Cohousing Limited.

##### 2. LIMITED LIABILITY

The liability of the Members is limited.

##### 3. GUARANTEE

Every Member promises, if the Company is dissolved while he, she or it remains a Member or within 12 months afterwards, to pay £1 towards the costs of dissolution and the liabilities incurred by the Company while he, she or it was a Member.

##### 4. OBJECTS

The Objects are specifically restricted to:

- 4.1. the acquisition, provision, development, conversion, improvement and management of residential accommodation exclusively for the benefit of Members through sale or letting and the provision, maintenance and management of common areas and facilities ancillary to that accommodation;
- 4.2. the provision of advice, assistance, training, support, facilities, amenities and services to Members and/or to the local community in which the Company operates; and
- 4.3. such other activities which the Directors consider would further the social, economic and environmental interests of the Members and/or the local community in which the Company operates.

##### 5. POWERS

The Company has the following powers, which may be exercised only in promoting the Objects:

- 5.1. To acquire or hire property of any kind.
- 5.2. To let, develop or dispose of property of any kind.
- 5.3. To borrow money and give security for loans.

- 5.4. To make grants or loans of money and to give guarantees.
- 5.5. To set aside funds for special purposes or as reserves against future expenditure.
- 5.6. To promote or carry out research.
- 5.7. To provide advice.
- 5.8. To publish or distribute information.
- 5.9. To co-operate with other bodies.
- 5.10. To support, administer or set up other companies, including charities.
- 5.11. To raise funds.
- 5.12. To arrange for investments or other property of the Company to be held in the name of a Nominee Company acting under the control of the Directors or of a Financial Expert acting under their instructions, and to pay any reasonable fee required.
- 5.13. To insure the property of the Company against any foreseeable risk and take out other insurance policies to protect the Company when required.
- 5.14. To pay for Indemnity Insurance for the Directors.
- 5.15. To employ paid or unpaid agents, staff or advisers.
- 5.16. To enter into contracts to provide services to or on behalf of other bodies.
- 5.17. To establish or acquire subsidiary companies to assist or act as agents for the Company.
- 5.18. To acquire, merge with or enter into any partnership or joint venture arrangement with any other company formed for any of the Objects.
- 5.19. To pay the costs of forming the Company.
- 5.20. To do anything else within the law which promotes or helps to promote the Objects.

## **6. MEMBERS**

- 6.1. The first Members shall be the subscribers to the Memorandum. Until the Handover Date, the Directors acting unanimously may in their absolute discretion admit as Members prospective Unitholders.

- 6.2. On and from the Handover Date, the Members shall be the Unitholders from time to time. Any Member who is not also a Unitholder on the Handover Date shall immediately cease to be a Member. For the avoidance of doubt, a person shall be required to become a Member on becoming a Unitholder, whether before or after the Handover Date.
- 6.3. Associate Membership shall be made up as follows (and any person no longer qualifying for Associate Membership shall cease to be an Associate Member):
  - 6.3.1. persons who are not Unitholders but who are resident in the Cohousing Property;
  - 6.3.2. prospective residents of the Cohousing Property; and
  - 6.3.3. users of the communal facilities of the Cohousing Property, provided that, in respect of the persons referred to in Articles 6.3.1, 6.3.2 and 6.3.3 such person has first been approved as an Associate Member by a resolution passed at a General Meeting of the Company.
- 6.4. No person may be admitted to Membership who is under eighteen years of age.
- 6.5. Members and Associate Members shall be entitled to receive notice of, attend, and speak at all General Meetings of the Company. Only Members shall be entitled to vote at all General Meetings of the Company. For the avoidance of doubt, Associate Members shall not be considered to be members of the company under company law.
- 6.6. A mortgagee in possession is entitled to be registered as a Member in place of a Member or Members (as the case may be) on serving a notice in writing to the Company requesting such registration, together with a certificate confirming that possession has been taken of that Member's or Members' (as the case may be) Unit and an official copy of the Charges Register of Title to the Unit showing the mortgagee in possession as the registered proprietor of the charge under which possession was taken. On service of such notice and accompanying documents, the Member or Members (as the case may be) shall cease to be a Member or Members (as the case may be) and the mortgagee in possession shall be entered in the Register of Members of the Company in place of that Member or Members (as the case may be).
- 6.7. If a Member dies or is adjudged bankrupt, his legal personal representative or representatives or the trustee in his bankruptcy shall be entitled to be registered as a Member provided that he, she or they for the time being meet a qualification for Membership.

6.8. Subject to Articles 6.6 and 6.7:

6.8.1. Membership of the Company is not transferable; and

6.8.2. a Member shall not and cannot cease to be a Member of the Company while being, whether alone or jointly with others, a Unitholder.

## **7. REGISTER OF MEMBERS**

The Company shall maintain a Register of Members in which shall be recorded the name and address of every Member, and the dates on which they become a Member and on which they ceased to be a Member. Every Member shall either sign a written consent to become a Member or sign the Register of Members on becoming a Member. All Members shall be entitled to receive a copy of these Articles on request and at no charge.

## **8. CESSATION AND SUSPENSION OF MEMBERSHIP**

8.1. A Member, being a Member by virtue of meeting the qualification for Membership specified in Article 6.1 above, shall cease to be a Member immediately if, and only if:

8.1.1. they resign in writing to the Company;

8.1.2. they die; or

8.1.3. they are expelled as a Member by unanimous decision of the other Members at a General Meeting (excluding the Member who is the subject of the vote and any Connected Person in relation to that Member) on the basis that they are no longer prospective Unitholders or they are guilty of such conduct as in the opinion of the other Members is at a variance with the objects and principles of the Company, is prejudicial to the Company's interests, or is in breach of these Articles and/or the Company's rules, community agreements and bye-laws (provided that any Member whose expulsion is to be considered shall have the right to make a representation to the General Meeting at which the question is to be decided and that the notices calling that General Meeting specify that the question of such expulsion is to be raised).

8.2. A Member, being a Member by virtue of meeting any of the qualifications for Membership specified in Articles 6.2, 6.6 and 6.7 above, shall cease to be a Member immediately if, and only if:

8.2.1.1. they cease to be a Unitholder and the person who has acquired, or shall acquire, that Member's Unit or interest in his or her Unit has become a Unitholder and has signed a written consent to become a Member (in a form approved by the Directors); or

8.2.1.2.they cease to meet any of the qualifications for Membership specified in Article 6 above;

8.2.1.3.they die or cease to exist.

8.3. An Associate Member shall cease to be an Associate Member immediately if:

8.3.1. they resign in writing to the Company;

8.3.2. they die; or

8.3.3. they are expelled from Associate Membership, being guilty of such conduct as in the opinion of a General Meeting of the Company shall be at variance with the objects and principles of the Company, be prejudicial to the Company's interests, or be in breach of these Articles and/or the Company's rules, community agreements and bye-laws (provided that any Associate Member whose expulsion is to be considered shall have the right to make a representation to the General Meeting at which the question is to be decided and that the notices calling that General Meeting specify that the question of such expulsion is to be raised).

8.4. A Member, being a Member by virtue of meeting any of the qualifications for Membership specified in Article 6.1 above, or an Associate Member, may be suspended from being a Member or Associate Member (as the case may be) for such time as may be recommended by the Directors if they are guilty of such conduct as in the opinion of a General Meeting of the Company shall be at variance with the objects and principles of the Company, be prejudicial to the Company's interests, or be in breach of these Articles and/or the Company's rules, community agreements and bye-laws (provided that any Member or Associate Member whose suspension is to be considered shall have the right to make a representation to the General Meeting at which the question is to be decided and that the notices calling that General Meeting specify that the question of such suspension is to be raised).

8.5. During any period of suspension pursuant to Article 8.4, a Member shall be entitled to vote in writing including by email on any resolution put to a General Meeting but shall not be permitted to attend any General Meeting.

## **9. GENERAL MEETINGS**

9.1. A General Meeting may be called at any time by the Directors. General Meetings are called on at least 14 clear days' written notice to every Member entitled to vote at those meetings specifying the business to be discussed, unless all such Members have consented to short notice.

- 9.2. Members are entitled to attend General Meetings either personally, (in the case of a Member organisation) by an authorised representative, by proxy or by suitable means agreed by the Directors in which all participants may communicate with all the other participants. Proxy forms must be delivered to the Secretary at least 24 hours before the meeting.
- 9.3. There is a quorum at a General Meeting of the Company if the number of Members present in person or by proxy is at least one third of the Members.
- 9.4. The Chair or (if the Chair is unable or unwilling to do so) some other Member elected by those present presides at a meeting.
- 9.5. Decisions at General Meetings shall be made by passing resolutions:
  - 9.5.1. decisions to wind up the Company shall be made by a Unanimous Resolution;
  - 9.5.2. decisions involving an alteration to these Articles and other decisions if so required from time to time by statute shall be made by a Special Resolution; and
  - 9.5.3. decisions not governed by statute shall be made as follows:
    - 9.5.3.1. first, the General Meeting of the Company shall endeavour to arrive at a decision by consensus, by which is meant that all those present and entitled to vote (in person or by proxy) are in agreement with a proposal or agree not to maintain any objection to it;
    - 9.5.3.2. if consensus cannot be achieved, the question shall be deferred to the next General Meeting of the Company (which may be called specifically for this purpose) at which again a decision by consensus shall be sought; and
    - 9.5.3.3. finally, if no consensus can be achieved the matter shall be put to the vote of all those present and eligible to vote (in person or by proxy) at the General Meeting of the Company referred to in article 9.5.3.2 and the question shall be decided by a Special Resolution at that meeting.
- 9.6. Prior to the Handover Date each Member shall be entitled to one vote each. On and from the Handover Date, each Unit shall be entitled to two votes, regardless of how many Members live in that Unit.
- 9.7. A written resolution signed or otherwise authenticated by all of those entitled to vote at a General Meeting of the Company is as

valid as a resolution actually passed at that meeting, provided that it is passed in accordance with part 13, Chapter 2 of the Companies Act 2006. The written resolution may be set out in more than one counterpart.

- 9.8. The Company shall not be required to hold an AGM in any year. The Company may at its discretion invite other persons to attend its meetings, with or without speaking rights, and without voting rights.

## **10. THE DIRECTORS**

- 10.1. The subscribers to the Memorandum are the first Directors. Thereafter, the Directors shall be the Members from time to time, save that:

10.1.1. any Member appointed under Article 6.6 or 6.7 shall not be eligible to be a Director; and

10.1.2. any Member who is prohibited from or who ceases to be a Director under Article 10.2.1, 10.2.2 or 10.2.4 shall not be a Director (but shall continue to be a Member).

- 10.2. A Director's term of office automatically terminates if he or she:

10.2.1. is prohibited by law from being a director of a company;

10.2.2. is, in the opinion of the other Directors (acting unanimously), at any time incapable, whether mentally or physically, of managing his or her own affairs;

10.2.3. ceases to be a Member and, on and from the Handover Date, a Unitholder (but such a person may be reinstated by resolution passed by all the other Directors on resuming Membership of the Company); or

10.2.4. resigns by written notice to the Directors (but only if at least two Directors will remain in office).

- 10.3. A technical defect in the appointment of a Director of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.

## **11. DIRECTORS' PROCEEDINGS**

- 11.1. A meeting of the Directors may be held either in person or by suitable means agreed by the Directors in which all participants may communicate with all the other participants.

- 11.2. The Chair or (if the Chair is unable or unwilling to do so) some other Director chosen by the Directors present presides at each meeting.

- 11.3. Matters arising at any meeting of the Directors shall be decided in accordance with the procedures in Article 9.5.3 above, with the words "*Directors' meeting*" being substituted for "*General Meeting of the Company*" throughout.
- 11.4. In the case of equality of votes on any matter to be decided by majority rather than consensus, the Chair of the meeting shall not have a second or casting vote and the resolution shall be considered to be lost.
- 11.5. The quorum necessary for the transaction of the business of the Directors shall be at least one third of Directors.
- 11.6. Each Director shall be entitled to one vote each.
- 11.7. A procedural defect of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.
- 11.8. The Directors may at their discretion invite other persons to attend their meetings, with or without speaking rights, and without voting rights.
- 11.9. A written resolution signed by all the Directors is valid as a resolution passed at a Directors' meeting. For this purpose the resolution may be contained in more than one document and will be treated as passed on the date of the last signature or authentication.
- 11.10. The Directors may from time to time make community agreements or bye-laws (or similar, howsoever named) governing the activities which may take place at the Cohousing Property and for the proper conduct and management of the Company, provided that nothing in such agreements shall be inconsistent with these Articles (and in the event of such inconsistency, these Articles shall prevail). Such community agreements shall be binding on all Members and Directors, and on all other persons living in the Cohousing Property. The Company in General Meeting may alter, add to or repeal such community agreements.

## **12. DIRECTORS' POWERS**

- 12.1. The Directors have the following powers in the administration of the Company:
  - 12.1.1. to appoint (and remove) any person, who may be a Member, to act as Secretary in accordance with the Companies Acts;
  - 12.1.2. to appoint (and remove) a Chair, Treasurer and other honorary officers from among their number;
  - 12.1.3. to delegate any of their functions to committees consisting of two or more individuals appointed by them. All



proceedings of committees must be reported regularly to the Directors;

- 12.1.4. to make standing orders consistent with, these Articles and the Companies Acts to govern proceedings at general meetings and to prescribe a form of proxy;
  - 12.1.5. to make rules consistent with, these Articles and the Companies Acts to govern their proceedings and proceedings of committees;
  - 12.1.6. to make regulations consistent with, these Articles and the Companies Acts to govern the administration of the Company and the use of its seal (if any);
  - 12.1.7. to establish procedures to assist the resolution of disputes or differences within the Company;
  - 12.1.8. to distribute any surplus generated by the Company among the Members; and
  - 12.1.9. to exercise any powers of the Company which are not reserved to a meeting of the Members.
- 12.2. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property or any part of them and to issue debentures and other securities whether outright or as security for any debt, liability or obligations of the Company or of any third party.

### **13. CONFLICTS OF INTEREST**

- 13.1. Directors must avoid Conflicts of Interest and wherever a Conflict of Interest arises in a matter to be discussed at a meeting of the Directors or a committee, a Conflicted Director must comply with the procedure set out in Article 13.4 below.
- 13.2. If a Conflict of Interest matter is proposed to the Directors, the Unconflicted Directors may agree to:
  - 13.2.1. authorise that matter; or
  - 13.2.2. authorise a Conflicted Director to act in their ordinary capacity as a Director and carry out all their duties and powers as a Director in relation to that matter.
- 13.3. Where the Unconflicted Directors consider an authorisation to act notwithstanding a Conflict of Interest, the Conflicted Director must comply with the procedure set out in Article 13.4 below.
- 13.4. Where this Article applies, a Director must:

- 13.4.1. declare an interest before the meeting or at the meeting before discussion begins on the matter;
- 13.4.2. be absent from the meeting for that item unless expressly invited to remain in order to provide information;
- 13.4.3. not be counted in the quorum for that part of the meeting; and
- 13.4.4. have no vote on the matter and be absent during the vote if so requested by the other Directors.

## **14. RECORDS AND ACCOUNTS**

- 14.1. The Directors must comply with the requirements of the Companies Acts as to keeping financial records, the audit of accounts and the preparation and transmission to the Registrar of Companies of:
  - 14.1.1. annual returns;
  - 14.1.2. annual reports; and
  - 14.1.3. annual statements of account.
- 14.2. The Directors must keep proper records of:
  - 14.2.1. all proceedings at General Meetings;
  - 14.2.2. all proceedings at meetings of the Directors;
  - 14.2.3. all reports of committees; and
  - 14.2.4. all professional advice obtained.
- 14.3. Accounting records relating to the Company must be made available for inspection by any Director at any time during normal office hours.
- 14.4. A copy of the Company's latest available statement of account must be supplied on request to any Director or Member. A copy must also be supplied, within two months, to any other person who makes a written request and pays the Company's reasonable costs.

## **15. NOTICES**

- 15.1. Notices under these Articles may be sent by hand, by post or by suitable electronic means by the Company.
- 15.2. The only address at which a Member is entitled to receive notices sent by post is an address in the U.K. shown in the Register of Members.

15.3. Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

15.3.1. 24 hours after being sent by electronic means or delivered by hand to the relevant address;

15.3.2. two clear days after being sent by first class post to that address;

15.3.3. three clear days after being sent by second class or overseas post to that address;

15.3.4. on being handed to the Member personally; or, if earlier,

15.3.5. as soon as the Member acknowledges actual receipt.

15.4. A technical defect in the giving of notice of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.

## **16. DISSOLUTION**

If the Company is dissolved, the assets (if any) remaining after provision has been made for all its liabilities must be applied to the Members in proportions agreed by a majority of the Members in expectation of the Company's dissolution.

## **17. RESERVES**

The Directors may establish and maintain capital reserves, management funds and any form of sinking fund in order to pay or contribute towards all fees, costs and other expenses incurred in the implementation of the Company's objects, may require the Members to contribute towards such reserves or funds at such time, in such amounts and in such manner as the Members shall approve at a General Meeting of the Company in accordance with Article 9.5 and may invest and deal in and with such monies not immediately required in such manner as they shall from time to time determine.

## **18. INDEMNITY**

Every Director or any other officer of the Company shall be indemnified out of the assets of the Company against all losses and liabilities incurred by them in or about the execution and discharge of the duties of their office, except to the extent that such losses or liabilities shall be attributed to:

18.1. fraud or other matters in respect of which such person concerned shall be convicted of a criminal offence;

18.2. negligence; or

18.3. actions knowingly beyond the scope of a specific authority or limit thereon on the part of such a person,

or to the extent such an indemnity is prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

## 19. INTERPRETATION

19.1 In these Articles, unless the context indicates another meaning:

‘AGM’ means an annual General Meeting of the Company;

‘these Articles’ means the Company’s articles of association;

‘Associate Member’ and ‘Associate Membership’ refer to informal membership of the Company (and for the avoidance of doubt not legal membership of the Company in accordance with company law);

‘Chair’ means the chair of the Directors;

‘the Company’ means the company governed by these Articles;

‘clear day’ means 24 hours from midnight following the relevant event;

the ‘Cohousing Property’ means any property which is acquired and developed by the Company for a cohousing community;

‘the Companies Acts’ means the Companies Acts (as defined in section 2 of the Companies Act 2006);

‘Conflict of Interest’ includes a conflict of interest and duty and a conflict of duties;

‘Conflicted Director’ means any Director who has a Conflict of Interest in relation to a matter to be discussed or voted upon at a meeting of the Directors;

‘Connected Person’ means any spouse, civil partner, cohabitee, parent, child, brother, sister, grandparent or grandchild of a Director or Member, any Firm of which a Director is a member, director, employee or shareholder having a beneficial interest in more than 1 per cent of the capital;

‘Director’ means a director of the Company and ‘Directors’ means the directors;

‘Financial Expert’ means an individual, company or Firm who is authorised to give investment advice under the Financial Services and Markets Act 2000;

‘financial year’ means the Company’s financial year;

‘Firm’ includes a limited liability partnership and company;

‘Handover Date’ means the date on which the Units at the Cohousing Property are let or transferred to a Unitholder;

‘Indemnity Insurance’ means insurance against personal liability incurred by any Director for an act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Director concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;

‘Member’ and ‘Membership’ refer to company law membership of the Company;

‘Memorandum’ means the Company’s Memorandum of Association;

‘month’ means calendar month;

‘Nominee Company’ means a corporate body registered or having an established place of business in England and Wales;

‘the Objects’ means the objects of the Company as defined in Article 4;

‘person’ includes a body corporate;

‘Secretary’ means the company secretary of the Company;

‘Special Resolution’ means a resolution which shall require a majority of not less than three-fourths of votes cast at a General Meeting;

‘Unanimous Resolution’ means a resolution which shall require the unanimous consent of all those voting at a General Meeting;

‘Unconflicted Director’ means any Director who has no Conflict of Interest in relation to a matter to be discussed or voted upon at a meeting of the Directors;

‘Unit’ means any residential unit comprised in property owned by the Company;

‘Unitholder’ means

- i. a person to whom a 125 year lease or longer of a Unit has been granted or assigned or a person (other than the Company) who holds a 125 year lease or longer of a Unit; or
- ii. a person to whom the freehold of a Unit has been granted or assigned or a person (other than the Company) who holds the freehold of a Unit;

‘written’ or ‘in writing’ refers to a legible document on paper including a fax message or in electronic format;

‘year’ means calendar year.

- 19.2. In these Articles, unless the context indicates another meaning, expressions defined in the Companies Acts have the same meaning.
- 19.3. In these Articles, references to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.