

Private company limited by shares

Memorandum of association

of

South East Independent Living Limited

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share.

Name of each subscriber

Authentication by each subscriber

Eastbourne Homes Limited

Dated

For and on behalf of Eastbourne Homes Limited

Private company limited by shares
Articles of association

of

South East Independent Living Limited

Model Articles

- 1 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, as amended prior to the date of adoption of these Articles (the **Model Articles**), shall apply to the Company save in so far as they are excluded or varied hereby and such Model Articles (save as so excluded or varied) together with the following articles shall be the articles of association of the Company. References to **these articles** shall be to the following articles as amended from time to time together with such Model Articles as apply to the Company.

Objects clause

- 2 The Company's objects are unrestricted.

Quorum for directors' meetings

- 3 The quorum for the transaction of business of the directors shall be three unless there are fewer than three directors, in which event, all such directors shall constitute a quorum. Article 11(2) of the Model Articles shall be modified accordingly.
- 4 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:
- 4.1 to appoint such number of further directors as are required to make up the quorum required; or
- 4.2 to call a general meeting so as to enable the shareholders to appoint further directors.

Article 11(3) of the Model Articles shall not apply to the Company.

Conflicts of interest

- 5 Provided that a director has disclosed his interest in an actual or proposed transaction or arrangement with the Company in accordance with the Companies Acts or the provisions of these articles, he may nevertheless be counted as participating in the decision-making process for quorum and voting purposes in respect of any such matter in which the director is in any way interested, and shall not, save as otherwise agreed, be accountable to the Company for any benefit which he derives under or in

consequence of any such transaction or arrangement. Article 14 of the Model Articles shall be modified accordingly.

Authorisation of directors' conflicts of interest

- 6 For the purposes of section 175 of the Companies Act 2006, as amended, consolidated or re-enacted from time to time (the **2006 Act**), the directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a director of the duty to avoid conflicts of interest set out in that section of the 2006 Act. Any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 7 Authorisation of a matter under article 6 shall be effective only if:
- 7.1 the matter in question shall have been proposed in writing for consideration by the directors, or in such other manner as the directors may determine;
- 7.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together the **Interested Directors**); and
- 7.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.
- 8 Unless otherwise determined by the directors (excluding the Interested Directors), any authorisation of a matter under article 6 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 9 Any authorisation of a matter under article 6 shall be on such terms and/or conditions as the directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A director shall comply with any obligations imposed on him by the directors (excluding the Interested Directors) pursuant to any such authorisation.
- 10 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Group, and no authorisation under article 6 shall be necessary in respect of any such interest.
- 11 If a director receives or has received any information otherwise than by virtue of his position as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:
- 11.1 disclose any such information to the Company, the directors or any other director or employee of the Company; or

- 11.2 use or apply any such information in connection with the performance of his duties as a director;

provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach by the director of the duty to avoid conflicts of interest set out in section 175 of the 2006 Act, this article shall apply only if such situation or relationship has been authorised by the directors under article 6.

- 12 A director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the directors under article 6 and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

Appointment and removal of directors

- 13 Unless otherwise determined by ordinary resolution, the number of directors is not subject to any maximum and the minimum number is one.

- 14 Notwithstanding any other provision of these articles, the Parent may at any time and from time to time:

- 14.1 appoint any person to be a director; or

- 14.2 remove any director from office.

Every such appointment or removal shall be effected by notice in writing to the Company and shall take effect immediately (or on such later date, if any, specified in the notice). Any such notice of appointment or removal may consist of several documents in similar form, each signed by or on behalf of one or more holders.

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

- 16 Article 17 of the Model Articles shall not apply to the Company.

Indemnity and insurance

- 17 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred 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 2006 Act)) **provided that** this article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the 2006 Act. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the 2006 Act and any such indemnity is limited

accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled. Article 52 of the Model Articles shall not apply to the Company.

18 To the extent permitted by, and subject to the restrictions in, the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, the board shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the 2006 Act, or to enable him to avoid incurring such expenditure.

19 Without prejudice to the provisions of article 53 of the Model Articles, the directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.

20 In these articles:

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

20.2 **Group** means in relation to a body corporate (wherever incorporated), any wholly-owned Subsidiary of that body corporate, any body corporate of which it is a wholly-owned Subsidiary (its parent) and any other wholly-owned Subsidiaries of any such parent; and each body corporate in a Group is a member of the Group. Unless the context otherwise requires, the application of the definition of Group to any body corporate at any time will apply to the body corporate as it is at that time;

20.3 the **Parent** means Eastbourne Homes Limited (registered number 05340097) whose registered office is at Ivy House, 3 Ivy Terrace, Eastbourne, East Sussex BN21 4QU;

20.4 **relevant officer** means any current or former director, alternate director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor; and

20.5 **Subsidiary** means "subsidiary undertaking" as defined in section 1162 of the 2006 Act.