

POSOL RESIDENTS MANAGEMENT COMPANY LTD
Registered in England No: 22793323

**MINUTES OF THE ANNUAL GENERAL MEETING HELD AT
PORTCHESTER COMMUNITY SCHOOL, WHITE HART LANE,
PORTCHESTER, FAREHAM ON 20 NOVEMBER 2009**
AT
20:00HRS

Present: Mr R G Sillence (Chairman)
Mr I H Currie (Director & Company Secretary)
Mr M Sandall (Director)
Mr M Slack (Director)
Mr B White (Director)

44 Members in person (As per the attendance register)

In Attendance: Mr G Figgins Auditor (Taylor Cocks)
Miss S Simpson (Countrywide)
Miss N Avis (Countrywide)

3 guests in person (As per the attendance register)

The Chairman declared the meeting open, welcoming all present.

Apologies were received from Mr W A Charles.

1. Notice of Meeting and Quorum

The Chairman noted that a quorum was present and that the meeting could proceed. It was agreed by the meeting that the Notice of Meeting be taken as read.

2. Auditor's Report

The Chairman informed the meeting that Mr Graham Figgins of Taylor Cocks was present and it was agreed that the Report of the Auditors, set out on pages 5 and 6 of the Annual Accounts, be taken as read.

3. Directors Report and Accounts

Before proceeding to the adoption of the Report and Accounts, the Chairman invited questions from the floor.

Mr N Hewitson queried the expenditure allocated to pontoon repairs as he was of the opinion that no repairs had been carried out and certainly not to his pontoon despite his requests.

The Chairman advised that a survey had been carried out by the Berth Working Group of all of the pontoons and that repairs had been carried out over the recent months to those that had been highlighted as requiring maintenance. At present there were 10 pontoons that were still outstanding. Baker Trayte had not been able to carry out the repairs as they were unable to gain access to the berths because the boats had not been removed by the owners at the required time.

Mr T England stated that Estate Maintenance expenditure had greatly exceeded the budget and asked for the reasons for this.

Mr I Currie advised that the estate maintenance expenditure related to the installation and maintenance of lighting on Bryher Bridge, fencing, and drainage issues around the estate. He reminded the meeting that the budget was an estimate of expenditure for the financial year and that occasionally items of unforeseen expenditure did arise.

Mr T England also commented that while the legal fees in 2008 were high, those for the year ending 31 March 2009 were significantly lower. He asked if POSOL's actions in pursuing disputes with individual Shareholders had been successful and if the monies spent had been reclaimed from the Shareholder(s) concerned. Furthermore, he questioned why £2,587 had been spent on legal fees for the noise barrier.

Mr I Currie informed Mr England that monies could only be recovered if the matter went to Court and POSOL was awarded costs. Since the matters had been resolved before being referred to Court, no monies had been recovered. The expenditure in the Accounts relates to solicitors' advice, since it had been necessary for POSOL to seek legal advice throughout the course of the year in order to put the Board in a better position to resolve the disputes.

The Chairman advised that the legal fees in relation to the noise barrier were incurred prior to the AGM in 2008 to determine whether the proposal by the Shareholders involved was within the authority of POSOL to be put forward to the AGM.

Mr H Albert commented that he was concerned over the amount of expenditure relating to estate maintenance and that the figure would be higher in the next financial year if it was to be based on the 2009 expenditure. He asked if there was a programme of preventative maintenance to prevent such unexpected expenditure and suggested there should be a more accurate projection of expenditure. The Chairman stated that he was proud of POSOL's budgeting to date and that for several years Shareholders had received credits back on their accounts. When compiling the budget the Board takes into account a reasonable amount of forward planning but there is always the possibility of unforeseen expenditure throughout the year.

Mr J Foster stated that a small fee was payable for a TV system that was now obsolete. While he acknowledges that POSOL has a legal obligation to provide the 4 terrestrial channels he firmly believes that POSOL should let the covenants die when the digital switchover occurs in 2012. He believes that Shareholders should be left to choose what TV signals they receive and by what means. The Chairman referred Mr Foster to the documents published by POSOL in 2003 when a full review of the television systems at Port Solent was undertaken. The Chairman noted that a decision

had already been taken to re-activate the TV Working Group to consider the issue again and thanked Mr Foster for having already volunteered to serve on it.

Mr J Palmer commented that he believed that POSOL should let the existing system continue while it does not cost a significant amount.

Mr H Albert asked why the release of aged barred creditors was always the same amount. Mr Currie explained that the amount had been determined by the Board and had been transferred to the reserve fund for the past few years.

It was proposed by the Chairman, seconded by Mr J Palmer and unanimously RESOLVED:-

“That the Directors Report and Accounts for the year ended 31 March 2009 be received and adopted”.

4. Election of Directors

The Chairman informed the meeting that one Director had resigned during the year and gave thanks to Mr D Turner for his contribution to the POSOL Board and Berth Working Group. He also advised that Mr T Charles would not be standing for re-election as a Director of the Board but that he would remain as Chair of the Covenants Working group.

In Accordance with the Articles of Association, the maximum number of Directors is seven. As such there were 2 vacancies to fill.

He advised that 2 Shareholders, Mr N Hewitson and Mr A Sinton-Gerry were standing for election to the Board.

Mr J Wood stated that he believed that before voting on the resolutions for the election of Directors, all Shareholders should be aware of the implications of voting the 2 candidates on to the Board. He commented that both candidates had been members of the opposition group against the Board in 2008 and that by voting the 2 candidates on to the Board, control of POSOL would effectively be handed over to Mr M Slack. He added that he did not believe that this was necessarily the wrong thing to do, but it may not be the right course of action either.

He added that Mr Slack's campaign had centred upon a vote for transparency and change, however nothing had been done in the last year and it appeared that Mr Slack was unable to fulfil his campaign promises. Furthermore, there had been no communication about the Board members who had stood down or opportunity for other candidates to stand. Before voting Mr Wood sought confirmation from the Chairman, Company Secretary and Mr M Sandall that they would all remain as Directors before a vote was taken.

Mr Slack responded to Mr Wood's comments stating that while he had run a campaign last year and that Messrs Hewitson and Gerry had been supporters, neither of them had been proposed or seconded by any member of the Board. He commented that all Shareholders are aware that 2 Directors retire each year by rotation at the

AGM and that they can nominate or stand as Directors at any time within the prescribed dates laid down by the Articles.

Mr Foster commented that Mr Sillence had been elected as Chairman of POSOL several years ago, and that both he and Mr Currie, the Company Secretary had served POSOL well. He added that both gentlemen would have his full support should they decide to remain in office.

Mr R Sillence advised that he was happy in his role as Chairman of POSOL but that this would be his last year in the role.

Mr Currie advised the meeting he was happy to continue in his role as Company Secretary.

It was proposed by the Chairman, seconded by Mr T Firth and unanimously RESOLVED-:

“That Mr N Hewitson be elected as a Director”.

It was proposed by the Chairman, seconded by Dr B Morris and unanimously RESOLVED-:

“That Mr A Sinton-Gerry be elected as a Director”.

5. Re-appointment of Auditors

It was proposed by the Chairman that the Auditors Taylor Cocks be re-appointed for the following year and that the Directors be authorised to fix their remuneration. Mr J Wood seconded, and the motion was carried.

There being no further business the Chairman closed the Annual General Meeting of Shareholders at 20:55hrs.