

Response to **Colin Davisons letter** to members dated 7th November 2013

- The attached letter has been issued to all members by Colin Davison, Chairman of VHMC
- The content of this letter actively seeks to discourage member participation in a democratic decision making process
- Members are encouraged to consider both the content of Colin's letter and the content of information previously issued to members before deciding to either attend the forthcoming EGM in person, appoint a proxy or do neither.
- Your choice, your voice – help us to help you!

Victory Hill Management Co. Limited

Registered in the UK, Company number: 04659245
Registered office: Estate Office, Winterthur Way, Basingstoke RG21 7UB

7 November 2013

Dear Member

Appointment of directors

We have become aware that a general meeting has been called for by a small percentage of the members to elect additional directors. Please be aware that this meeting is not endorsed by the Board as a company meeting and we recommend you ignore this meeting.

The Board has no objection to introducing new members to the Board. We would like to point out that a resolution was passed at the last AGM introducing a satisfactory method of electing new Board members.

We as directors of the company have a responsibility to you as members to run the company within the constitution of the company. We feel that sticking to the aforementioned constitution, is the only way we can operate.

We openly invited the three interested prospective Board members to our October Board meeting both in the Chairman's' report and in the AGM itself and we openly invite any other members who wish to take more of an active role in the maintenance of our development. In line with the recruitment process run last year, we again provide a declaration of interest form for you to complete in order to become a director.

We operate a fully open and transparent company and any member can view our accounts, invoices and all Board decisions held from meetings. We also hold the company's reputation as key to our development's success both in terms of property values and working with suppliers and agents and hold your interests above others in making our decisions.

We look forward to hearing from any member in respect of this letter.

Yours sincerely



Colin Davison
Chairman

Response from Wayne Buckley & Jaz Parmar

• More than 25 members signed the EGM demand – exceeding the necessary number required by law to force directors to hold an EGM.

- The demand for an EGM was presented to Directors during the VHMC AGM held on 19th Sept 2013. This is recorded in the minutes of this meeting.
- Directors were provided with a copy of the proposed EGM notification on 17th October 2013.
- The notification was issued by Members following the boards' majority refusal to act in accordance with members lawful demands.

- A very small minority of members voted on the adoption of the Directors Code at the last AGM (20 votes cast out of 377). The code was approved by 16 votes to 4. Of the 16 votes cast in favor, 12 related to properties owned by Colin Davison. Excluding Colin's votes, the vote would be 4 members in favor, 4 members against (far fewer than the 25 now seeking this vote!)
- The method defined within the Directors code is for members to be appointed by other board members following a three-month "observation period". This has the affect of allowing board members to directly control who else is able to join the board.

- During the last AGM, on receiving the demand for an EGM to be called, Colin made a commitment to ensure interested members would be invited to future board meetings. None of the members were subsequently contacted nor where they made aware of the date, time or venue for the meeting (which had changed since being referenced during the AGM).

- Company information is not proactively shared with members in a way consistent with open and transparent operation.
- Existing VHMC policy is such that company information is **only made available to members who attend the estate office in person** and only by prior arrangement through the company secretary. This has the affect of constraining members ability to review or act on company information.

- Directors have failed to foster and maintain effective working relationships with key suppliers. Alan Foster & Associates contract was terminated early (and is now the subject to on-going litigation); itsyourplace refused to contract with VHMC following a three month trial period; GH Property have formally lodged a grievance against an existing director indicating a reluctance to continue to work with the board as presently structured.

Your Choice, Your Voice!

- Please **DO vote for the appointment of new members** to the Board (Miriam, Simon and Martin);
- Please **DO NOT abstain** – you must vote if member's voices are to be heard;
- If you are unable to attend the meeting, Jaz Parmar would be happy to act as proxy on your behalf.

Remember, the larger the Board, the more transparent future decisions will be and the more bandwidth the Board will have to manage our operations and undertake long overdue improvement work – something that can only be a positive step forward for VHMC.

Wayne & Jaz