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THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
NEW  
ARTICLES OF ASSOCIATION  
of  
ASPECT GOLF & LEISURE LIMITED

*(Adopted by Special Resolution passed on 27 January 1994)*

1. PRELIMINARY

1.1 The Regulations contained in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 ("Table A") shall apply to the Company save insofar as they are varied, excluded by or are inconsistent with these Articles of Association.

1.2 Any reference in these Articles of Association to "a Regulation" shall be construed as a reference to the regulation of that number contained in Table A. Any reference to an Article or subclause shall be references to the various clauses and subclauses of these Articles of Association.

1.3 Where the context so requires, words importing the singular number shall include the plural and vice versa. Words importing the masculine shall include the feminine.

1.4 Any reference in these Articles to any enactment shall be construed as a reference thereto as consolidated, amended, modified or re-enacted from time to time.

1.5 Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

1.6 Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

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## 2. INTERPRETATION

2.1 In the first line of Regulation 1 after the words "regulations" the words "and in any Articles adopting in whole or in part the same" shall be inserted.

2.2 In these Articles unless the context otherwise requires the following expressions have the following meanings:-

"Act"

means the Companies Act 1985 as amended by the Companies Act 1989 and any other statutory modification or re-enactment thereof for the time being in force;

"A" Director"

means the Directors from time to time appointed by the holders of the "A" Shares pursuant to Article 16.2;

"A" Shares"

means the "A" Ordinary Shares of £1.00 each in the share capital of the company from time to time;

"A" Shareholder"

means a holder of the "A" Shares;

"B" Director"

means the Directors from time to time appointed by the holders of the "B" Shares pursuant to Article 16;.4

"B" Shares"

means the "B" Ordinary Shares of £1.00 each in the share capital of the Company from time to time;

"associated company"

where used in relation to the Company, means any other undertaking which is, for the time being and from time to time, a subsidiary or associated undertaking of the Company as defined in the Act;

"Company"

means Aspect Golf & Leisure Limited;

"company"

includes any body corporate or association of persons whether or not a company within the meaning of the Act;

"Directors"

means the Board of directors for the time being of the Company or the directors present at a duly convened meeting of directors at which a quorum hereunder is present;

"Equity Share Capital"

shall have the same meaning as set out in Section 74(1)(a) of the Act.

**"Member"**

means a person or company holding a Share or Shares in the Company at the relevant moment in time;

**"Ordinary Shares"**

means together the "A" Shares and the "B" Shares;

**"paid up"**

means, in relation to a share, that such share is paid up or credited as paid up;

**"Relevant Proportion"**

means the proportion that the number of Shares offered in an Offer (Article 9.3) bears to the total number of Shares in issue at the time the Offer is made;

**"Secretary"**

means the person for the time being holding office as the secretary of the Company;

**"Share"**

means a share in the capital of the Company, of whatever class, as set out in Section 744 of the Act;

**"Table A"**

means the Regulations contained in Table A as prescribed pursuant to Section 8(1) of the Act;

**"United Kingdom"**

means Great Britain and Northern Ireland.

2.3 The expressions "Subsidiary" and "Holding Company" shall bear the meanings attributed to them by the Act.

### **3. SHARE CAPITAL**

The authorised share capital of the Company, at the date of adoption of these Articles, is £10.00 divided into 6 "A" Shares of £1.00 each and 4 "B" Shares of £1.00 each. The "A" Shares and the "B" Shares shall be separate classes of shares. The "A" Shares and the "B" Shares shall rank pari passu in all respects.

### **4. SHARE RIGHTS**

4.1 The "A" Shares and the "B" Shares shall have the following rights:-

4.1.1 **Income**

The profits which the Company may determine to distribute in respect of any financial period shall be distributed amongst the holders of the "A" Shares and the "B" Shares in proportion to the amount paid up on the "A" Shares and the "B" Shares (excluding any premium paid on

subscription) held by them respectively, pari passu, as if the "A" Shares and the "B" Shares constituted one class of share;

4.1.2 Capital

On a return of capital on a liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied, belong to and be distributed amongst the holders of the "A" Shares and the "B" Shares in proportion to the amounts paid up on the "A" Shares and the "B" Shares (excluding any premium paid on subscription) held by them respectively pari passu as if the "A" Shares and the "B" Shares constituted one class of share.

4.1.3 Voting

Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, on a show of hands, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative not being himself a member entitled to vote shall have one vote and, on a poll, every member shall have one vote for every "A" Share and the "B" Share of which he is the holder.

## 5. ALLOTMENT AND ISSUE OF NEW SHARES

5.1 Subject to the provisions of section 80 of the Act, and Article 19 the Directors are authorised to exercise the power of the Company to allot from time to time all or any of the Shares of the Company which have not for the time being been allotted at such time or times and on such conditions as they shall in their absolute discretion think fit provided that:-

- 5.1.1 this authority shall expire 5 years from the date of adoption of these Articles;
- 5.1.2 the aggregate number of Shares which the Directors may allot pursuant to this authority shall not exceed the number of unissued Shares in the authorised share capital of the Company at the date of adoption of these Articles; and
- 5.1.3 unless otherwise agreed in writing by all the Members for the time being of the Company entitled to attend and vote at general meetings, all unissued Shares (whether forming part of the original or any increased capital) shall, before issue, be offered on identical terms to such Members in proportion as nearly as circumstances admit (fractional parts, if necessary, to be rounded up or down) to the amount of the unissued Ordinary Shares of whatever class of which they are the holders;

- 5.1.4 any such offer shall be made by notice specifying the number and class of Shares, the price at which the same are offered and limiting the time (being not less than twenty eight days unless the Member or Members to whom the offer is to be made otherwise agree) within which, if the offer is not accepted, it shall be deemed to be declined;
- 5.1.5 any Shares allotted to a Member shall, before issue, be designated as the same class as the Shares already held by him;
- 5.1.6 after the expiry of the time within which the offer may be accepted (if the offer is not accepted) or on receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares offered the Company may dispose of those Shares in such manner as the directors think most beneficial to the Company. The Company may likewise so dispose of any Shares which (by reason of the ratio which the new Shares bear to shares held by persons entitled to an offer of new Shares) cannot in the opinion of the directors be conveniently offered under these Articles.

5.2 Subject to provisions of Chapter VII of the Act the Company may:-

- 5.2.1 issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder;
- 5.2.2 purchase its own Shares (including any redeemable shares);
- 5.2.3 make a payment in respect of the redemption or purchase under sections 159 and 160 or (as the case may be) section 162 of the Act and the relevant power contained in Article of any of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares to the extent permitted by sections 170 to 172 of the Act.

## 6. VARIATION OF CLASS RIGHTS

Whenever the capital of the Company is divided into different classes of Shares, the special rights attached to any class may be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) only with the consent in writing of the holders of three-fourths of the issued Shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class but not otherwise. To every such separate meeting, all the provisions of this Article relating to general meeting of the Company or the proceedings thereat shall mutatis mutandis apply except that the meeting shall be called by two persons at least holding or representing by proxy one-third in nominal amount of the issued Shares of the Class and that the holders of Shares of the class shall on a poll have one vote in respect of every

Share of the class held by them respectively and that any holder of Shares of the class present in person or by proxy may demand a poll.

#### 7. LIEN

Without prejudice to the lien conferred by Regulation 8, the Company shall have a first and paramount lien on all Shares for all moneys presently payable by a Member or his estate to the Company. The lien conferred above and by Regulation 8 shall attach to fully paid Shares and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of two or more joint holders.

#### 8. CALLS

The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Regulation 18 of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

#### 9. TRANSFERS OF SHARES

9.1 Subject to the provisions of Article 9.12 and except as provided in Article 9.13:-

- 9.1.1 no Member or trustee in bankruptcy of a Member may sell, transfer or otherwise dispose of any Shares or of any beneficial interest in any Shares which he holds (except with the agreement in writing of all the other Members at that time) during the period up to and including 31 January 1997;
- 9.1.2 thereafter, and/or if the agreement of the other Member is obtained under Article 9.1.1, any Member or trustee in bankruptcy of a Member ("Proposing Transferor") desiring to sell, transfer or otherwise dispose of any Shares or of any beneficial interest in Shares which he holds, shall give notice in writing ("Transfer Notice") to the Company at its registered office. Such notice must specify the number and class of Shares proposed to be transferred by him ("Sale Shares"), the price and any other material (financial and non-financial) terms ("Offer Price") (if any) at which the Sale Shares are offered by him and the third party (if any) to whom he proposes to transfer the Sale Shares. If they are not purchased by a Member pursuant to the following provisions of this Article. A Transfer Notice shall only be

revocable with the consent of holders of at least 51 % of the Ordinary Shares (but subject to Article 9.5.2).

9.2 The Transfer Notice shall constitute the Company as the agent of the Proposing Transferor for the sale of the Sale Shares in accordance with the provisions of this Article 9. The Directors shall within seven (7) days of the Transfer Notice being given to the Company, offer the Sale Shares in writing for sale (in the case of the "A" Shares) to the holders of the "B" Shares and (in the case of the "B" Shares) to the holders of "A" Shares (in either case at the date of service of the Transfer Notice) The holder of the Shares not being sold shall hereafter be individually or collectively called "the Proposing Purchaser".

9.3 The offer made pursuant to Article 9.2 ("Offer") shall state:-

- 9.3.1 the number of Shares offered;
- 9.3.2 the Offer Price if any (including details of all material, financial and non-financial terms);
- 9.3.3 the third party specified in the Transfer Notice if any;
- 9.3.4 that, if the Offer is not accepted in writing by the Proposing Purchaser within thirty (30) days of service of the Transfer Notice or, in the event that the Proposing Purchaser invokes the Determined Price mechanism under Article 9.4, within 30 days of determination of the Offer Price, it will be deemed to be declined;
- 9.3.5 that, if there be only one Member other than the Proposing Transferor he should, in his reply, state the name of his nominee to hold one or more of the Sale Shares;

the Proposing Purchaser may accept the whole but not part of the Sale Shares otherwise the Offer will be deemed to be declined pursuant to Article 9.3.4 but subject always to Article 9.8.

9.4 The price to be paid by the Proposing Purchaser to the Proposing Transferor for the Sale Shares shall (in the absence of agreement) be referred to conclusive determination by an independent expert ("the Expert") on the application of either the Proposing Transferor or the Proposing Purchaser. The Expert shall:-

- 9.4.1 be a Chartered Accountant appointed (in the absence of agreement between the parties) by the President or next available Officer of the Institute of Chartered Accountants;
- 9.4.2 act as expert and not as arbitrator;
- 9.4.3 establish a reasonable schedule for gathering evidence, hearing the parties' arguments and rendering his or her decision;

- 9.4.4 make a determination as to who should be responsible for his or her fees as part of his or her determination;
- 9.4.5 if he or she dies or resigns, be replaced by another expert appointed (in the absence of agreement between the parties) by the President or next available Officer of the Institute of Chartered Accountants;
- 9.4.6 endeavour to reach his or her determination within two weeks of appointment

and the decision of the Expert shall be final and binding on the parties. In determining such value, the Expert shall have due regard, inter alia, to:-

- (i) the future prospects of the Company (taking into account all costs and expenses required to be spent to achieve those prospects and based on the circumstances then obtaining); and
- (ii) the trading history of the Company; and
- (iii) a valuation of any land owned by the Company prepared by a qualified independent surveyor (on the basis that such land may only be used for the purpose of a golf club and taking into account the factors referred to in (i) and (ii) above); and
- (iv) representations (if any) made by the parties, their professional advisers or agents; and
- (v) the ability or otherwise on the part of the Company to secure a replacement in their capacities at such time for whichever of Mr &/or Mrs Winsland is in the employ of the Company at the relevant time if that one or both of them is departing or intending to depart from his or her capacity at such time in the Company, at the time of the determination; and
- (vi) no discount shall be applied in respect of a minority interest which shall be valued in relation to the value of the Company as a whole as the proportion which the Sale Shares bear to the total issued equity capital of the Company.

The certificate issued by the Expert shall hereafter be called "the Expert's Certificate". The price for the Sale Shares so determined by the Expert shall hereafter be called "the Determined Price".

9.5 On issue of the Expert's Certificate:-

- 9.5.1 any intending party to a transfer of the Sale Shares may, within 14 days of the issue of the Expert's Certificate, indicate in writing that he does not accept the Determined Price and that he does not wish to proceed either to dispose of the Sale Shares or to acquire the Sale Shares; and



9.5.2 if the Proposing Transferor indicates under Article 9.5.1 that he does not wish to proceed to dispose of the Sale Shares, the Transfer Notice shall be deemed to be withdrawn in respect of the Sale Shares.

9.6 Subject to Articles 9.5 and 9.10, the Proposing Transferor shall be bound to transfer the Sale Shares to a Proposing Purchaser who agrees to purchase the same in accordance with the aforesaid procedures, the number of Sale Shares being purchased by him upon payment by such Proposing Purchaser to the Proposing Transferor of the Offer Price or, as the case may be, the Determined Price which payment shall be made within fourteen (14) days of the acceptance of the Offer by the Proposing Purchaser under Article 9.3.4

9.7 If, in any case, the Proposing Transferor, after having become bound as aforesaid, makes default in transferring any Sale Shares, the Company may receive the purchase money, which shall be paid into a separate bank account, and the Company shall within a reasonable period, nominate some person to execute an instrument or instruments of transfer of the relevant Sale Shares in the name and on behalf of the Proposing Transferor. Thereafter, when such instrument or instruments have been duly stamped, the Directors shall, on behalf of the Proposing Transferor, cause the name of the relevant Proposing Purchaser to be entered into the Register of Members of the Company as holder of the Sale Shares and, after his or their names have been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings, shall not be questioned by any person.

9.8 If the Directors shall not find a Member or Members willing to purchase the Sale Shares under the foregoing provisions, the Company shall issue a second Offer in accordance with and containing the information contained in Article 9.1 to those Members who have indicated a willingness to purchase the Sale Shares as a result of the first Offer pro rata to their respective holdings and the provisions of Articles 9.2 to 9.7 (inclusive) shall apply mutatis mutandis.

9.9 If the Directors shall not find a Member or Members willing to purchase all the Sale Shares under the foregoing provisions, then, subject to compliance with the terms of the Act, the Company may, if the Directors so resolve, proceed within 30 days thereafter to agree to purchase the Sale Shares, or the balance of the Sale Shares, for which no purchaser has been found under the foregoing provisions of this Article 9 and the provisions of Articles 9.2 to 9.7 (inclusive) shall apply mutatis mutandis.

9.10 If, notwithstanding the offering of the Shares to the remaining Members and the Company, there are still Sale Shares for which no acceptance has been received then the

Proposing Transferor shall, at any time within 90 days afterwards by notice in writing to the Company withdraw the Offer and second Offer to sell the Shares and, be at liberty to sell and transfer the Sale Shares to the third party named in the Transfer Notice at the Offer Price, or if determined, the Determined Price, any cash payable being paid in full prior to transfer.

9.11 A Transfer Notice shall be deemed to have been given forthwith upon the occurrence of any of the following events in respect of any Shares in the capital of the Company registered in the name of a Member who is adjudicated bankrupt or who enters into an arrangement with his creditors or who, being a company, enters into liquidation, administration or has a receiver or administrative receiver appointed in respect of all or some part of its assets or who calls a meeting of or compounds with its creditors.

9.12 The holders of all of the Shares may, if they all think fit, agree in writing to waive the provisions contained in Articles 9.1 to 9.11 in any particular case.

9.13 The provisions of Articles 9.1 to 9.11 shall not apply to a transfer of Shares to a Permitted Holder (and the Directors may not decline to register any transfer of Shares to a Permitted Holder so long as the transfer thereof is duly stamped). For these purposes a Permitted Holder means any company which is a Subsidiary of a Member, a Holding Company of a member or a Subsidiary of a Holding Company of a Member PROVIDED HOWEVER that if any Permitted Holder shall cease to have such a relationship to the Member in question, then such Permitted Holder shall be required forthwith deemed to have given a Transfer Notice in respect of all the Shares held by it in the Company in accordance with Article 9.1.

9.14 For the purposes of this Article 9:-

9.14.1 the holders of the "B" Shares shall (if the holder of the "A" Shares so require in writing) be deemed to be one Member with the result that a notice served pursuant to Article 9.1 by the holder of any one or more of the "B" Shares shall be deemed also to be a notice pursuant to Article 9.1 given by the other holder or holders of all of the "B" Shares;

9.14.2 a Transfer Notice may only be served in relation to all of the Shares held by a Member at the time of service of such Notice.

9.15 Except as aforesaid, the instrument of transfer of a Share shall be signed by or on behalf of the transferor (and in the case of a transfer by a company, by a duly authorised officer) and the transferor shall be deemed to remain the holder of the Sale Shares until

the name of the transferee is entered in the Register of Members in respect thereof. Regulation 23 shall be deemed to be modified accordingly.

9.16 The Directors shall refuse to register any proposed transfer of a Share other than a transfer made pursuant to or permitted by these Articles and may decline to register the transfer of a Share on which the Company has a lien.

9.17 Regulations 24, 26, 29, 30 and 31 shall not apply.

9.18 If any Member fails to subscribe for any Shares offered to him under Article 5.1.4 he shall be deemed to have given a Transfer Notice to the Company in respect of such Shares as are offered to him for subscription. The foregoing pre-emption provisions shall apply accordingly save that the Offer Price shall be deemed to be the subscription price or the book value of such Shares as determined from the latest audited consolidated accounts of the Company (whichever shall be the greater) and shall also be deemed to be the fair price on subscription.

9.19 No interest in any Share or Shares shall be disposed of or created by any means without a transfer of an equivalent number of Shares being presented for registration save in circumstances where a transfer of the Share or Shares concerned would be permitted under the provisions of these Articles without the member giving a transfer notice.

9.20 In the event of any sale, transfer, disposal, charge, mortgage, pledge or hypothecation of any Shares ("a Disposal Transaction") then (in addition to and not by way of substitution for the provisions of Articles 9.1 - 9.19 inclusive) the person in whose favour the Disposal Transaction shall be about to take place shall first enter into a Deed of Adherence substantially in the form appended to these Articles (amended as may be appropriate to the circumstances then obtaining and, if the form cannot be agreed, in the form settled by the Auditors of the Company at the relevant time). The Directors shall not register any Disposal Transaction unless and until the provisions of this Article 9.20 have been complied with to their reasonable satisfaction.

9.21 In this Article 9.21 "the Option" shall mean a put and call option granted pursuant to the provisions of Clause 3 of an agreement dated 20 December 1993 and made between Golf & Leisure Holdings Limited (1) the Company (2) T M and J L Winsland, being the "B" Shareholders as at the date of adoption of these Articles (3) and "the Option Period" shall mean the period during which the Option may be exercised pursuant thereto. No "B" Shareholder shall grant any option over charge property or share in any way any of the Shares (nor agree to do any of these things) other than to a UK bank or bona fide financial institution (inter alia) holding a UK banking licence and then only subject to and

with the benefit subject to the burden of the Option PROVIDED THAT the person holding the benefit of such option, charge, pledge or encumbrance shall itself enter into a Deed of Adherence materially in the form set out in the appendix hereto and shall also procure that, in the event of it exercising any power of sale granted to it pursuant to such charge, pledge or encumbrance, the person to whom such "B" Shares are being transferred will also enter into a Deed of Adherence materially in the form set out in the Appendix hereto. The Directors shall not register any such option, charge, pledge or encumbrance nor any transfer pursuant to a power of sale thereunder unless and until the provisions of this Article 9.21 have been complied with to their reasonable satisfaction. For the avoidance of doubt, the provisions of this Article 9.21 are in addition to and not by way of substitution for the provisions of Articles 9.1 - 9.20 inclusive save that in the event of a conflict between the terms of the aforesaid Agreement and these Articles of Association, the former shall prevail.

#### 10. NOTICES OF MEETINGS

10.1 Every notice calling a general meeting shall comply with the provisions of section 372 of the Act as to giving information to Members in regard to their right to appoint proxies.

10.2 All business at a general meeting shall be deemed to be special business and shall be notified in the notice convening the meeting.

10.3 Section 370(3) of the Act shall not apply and accordingly any one or more Members holding alone or together not less than one tenth in number of the issued share capital of the Company may call a general meeting of the Company.

#### 11. REDESIGNATION OF SHARES

Whenever a share is transferred to a Member who holds shares only of another class such first mentioned share shall ipso facto and forthwith be converted into and redesignated as a share of such other class.

#### 12. PROCEEDINGS AT GENERAL MEETINGS

12.1 No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

12.2 Two Members present in person or by proxy shall be a quorum of which one shall be or represent a holder of any of the "A" Shares and the other shall be or represent a holder of any of the "B" Shares. Regulation 40 shall not apply.

### 13. VOTES OF MEMBERS

On a show of hands the holders or representative of holders of "A" Shares present in person or by proxy at a general meeting shall have one vote for each "A" Share and the holders of "B" Shares present in person or by proxy shall have one vote for each "B" Share. Regulation 54 shall not apply.

### 14.0 POWER AND DUTIES OF DIRECTOR

Regulation 70 and 71 shall not apply.

### 15. ALTERNATE DIRECTORS

Any Director (other than an alternate Director) may, at any time, appoint any person (including another Director) to be an alternate Director and may, at any time, terminate such appointment. Any such appointment or termination of appointment shall be in writing signed by the appointor and (subject to any approval required) shall (unless the Directors agree otherwise) only take effect upon lodgment thereof at the office or on delivery to a meeting of the Directors or on delivery to the secretary. The same person may be appointed as the alternate director of more than one Director. Regulation 65 shall be deemed modified.

### 16. NOMINATED DIRECTORS

16.1 The maximum number of directors shall be seven and the minimum two directors.

16.2 Subject to Article 16.1 above, the holders from time to time of the "A" Shares may from time to time appoint up to five persons to be Directors of the Company by notice in writing to the Company specifying the name of the individual(s) to be so appointed. The individual(s) so appointed may be removed or replaced by the holders from time to time of the "A" Shares at any time forthwith upon the delivery to the Company of notice in writing to that effect and specifying the individual(s) to be removed or replaced.

[16.3 The Directors may with the prior agreement in writing of the holders from time to time of the "A" Shares by notice in writing served on the Company appoint any person to be a Director or additional Director of the Company.]

16.4 The holders of the "B" Shares may from time to time appoint up to two persons to be Directors of the Company by notice in writing to the Company specifying the name of the individual(s) to be so appointed. The individual(s) so appointed may be removed or replaced by the holders from time to time of the "B" Shares at any time forthwith upon delivery to the Company of notice in writing to that effect and specifying the individual(s) to be removed by the Members or replaced. **PROVIDED ALWAYS THAT** no person shall be entitled to be a "B" Director in the event that he or she has been removed by the Members as such as a result of:-

16.4.1 any of the circumstances envisaged by Regulation 81 of Table A to the Companies Act 1985 applying in relation to that "B" Director; or

16.4.2 that "B" Director having done or permitted the Company to do any act or thing which is a material breach of Article 19 and which (following a written request so to do made by or on behalf of any Member) is not remedied where the result is to the material detriment of the Company.

16.5 A Director need not hold any Shares to qualify him as a director.

16.6 Regulations 73 to 80 and 81 of Table A shall not apply to the Company.

## 17. PROCEEDINGS OF DIRECTORS

17.1 The quorum necessary for the transaction of business by the Directors shall be two including an "A" Director and a "B" Director (if any such director be appointed at the time of the meeting). An absent director who is represented by an alternate director present at a meeting of directors may be counted in reckoning whether a quorum is present. **PROVIDED ALWAYS THAT** if an "A" Director or a "B" Director fails to turn up at a meeting of the Directors in respect of which proper notice pursuant to these Articles has been given on more than three occasions, then the fourth meeting may take place and be quorate notwithstanding that there is no "A" Director or, as the case may be, "B" Director present so long as the meeting is otherwise quorate.

17.2 A resolution in writing signed by the Directors or their duly appointed alternate shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held provided that the Directors so signing would, if such meeting had been held, have formed a quorum in accordance with these Articles of Association. Any such resolution may consist of several documents in the like form each signed or approved in

writing or by telefacsimile transmission by one or more of the Directors (and/or their alternates) necessary to form a quorum pursuant to Article 17.1.

17.3 Not less than 7 days' notice in writing of meetings of the Directors or such shorter period as shall be reasonable in the circumstances shall be given to each of the Directors at his address in the United Kingdom whether present in the United Kingdom or not.

17.4 The chairman of a meeting of the Directors shall be an "A" Director if one be present otherwise the chairman shall be elected on simple majority of those present.

17.5 Notice of a meeting of the Directors shall include an agenda specifying in reasonable detail the matters to be discussed at the meeting. No business which is not within the scope of the agenda shall be put to the vote at such meeting.

17.6 Any Director may participate in a meeting of the Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner should be deemed to constitute presence in person at such meetings.

17.7 Subject always to the provisions of Article 4 a Director who pursuant to Regulation 85, has declared at a meeting of the Directors the nature and extent of his interest in a contract, proposed contract, transaction or arrangement with the Company shall be entitled to vote in respect of that contract, proposed contract, transaction or arrangement or upon any matter arising therefrom and if he shall do so his vote shall be counted and he may be taken into account in ascertaining whether or not a quorum is present at the meeting of the directors or of the committee of Directors at which the vote is taken.

17.8 Regulation 88 shall be modified accordingly and regulations 89, 91, 93, 94 and 95 shall not apply.

## 18. NOTICES

18.1 In Regulation 111 the words "except that a notice calling a meeting of the Directors need not be in writing" shall be deleted.

18.2 The words "but otherwise no such notice shall be required" shall be deleted from the last sentence of Regulation 112.

18.3 Regulations 111 and 112 shall be modified accordingly.

18.4 Where the approval, agreement or consent of a Member or Director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that Member or Director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.

### 19. SPECIAL ARTICLE

19.1 The Company shall not carry out any of the following actions or activities without the consent in writing of both or (as the case may be) all of the Shareholders:-

- 19.1.1 lend or advance monies to, or guarantee the indebtedness of, any person, firm or corporation;
- 19.1.2 acquire any new capital asset or undertaking costing more than £1000 or enter into any material or long term contract or significant capital commitment or investment greater than £1000;
- 19.1.3 enter into any transaction or arrangement not in the ordinary course of the business or otherwise than on a bona fide arm's length basis and/or any transaction which would, if the Company were a listed company, be a Class 4 transaction (as defined from time to time by the Regulations of The Stock Exchange);
- 19.1.4 raise the salaries of any of the Directors or any other employee whose salary is equal to or in excess of £20,000 per annum;
- 19.1.5 waive any rights under or terminate the contracts of employment of any of the employees (including Directors) whose salaries are equal to or in excess of £20,000 per annum;
- 19.1.6 issue, commit to be issued or grant options over or in respect of any shares, stock, securities, debentures or other instruments (whether or not convertible into such securities); acquire or subscribe for any shares, stock, securities or debentures in any other body; enter into partnership or joint venture with any other person; acquire or dispose of any business;
- 19.1.7 use any other trading name or style other than as presently used or change its name;
- 19.1.8 change its Auditors or accounting reference date;
- 19.1.9 approve or adopt any audited accounts;
- 19.1.10 declare or pay any dividend or other distribution;
- 19.1.11 change its registered office;
- 19.1.12 change its Memorandum and/or Articles of Association;



- 19.1.13 appoint any senior employee or dismiss any senior employee. For these purposes, "senior" shall mean any employee having a salary (including bonuses and "perks") in excess of £20,000 per annum;
- 19.1.14 enter into any contract of any nature whatever of a long term or onerous nature. For these purposes, the expression "long term" shall mean a contract which cannot be fully performed by the Company within six months from the date of entry and "onerous" shall mean any contract where the liability thereunder exceeds the sum of £5,000;
- 19.1.15 give any guarantee, indemnity or security in respect of the obligations of any other person;
- 19.1.16 borrow any money or obtain any advance or credit in any form in excess of the sum of £ 1.5 million;
- 19.1.17 lend any money to any person or grant any credit to any person other than in the ordinary course of business;
- 19.1.18 sell, transfer, lease, licence or in any way dispose of its business undertaking or any part thereof or interest therein or do any of the foregoing with any other of its assets for a consideration in excess of £1,000 other than normal replacement of assets in ordinary course of business or any interest therein;
- 19.1.19 change the nature or scope of its business as carried on for the time being or commence any new business not being ancillary or incidental to such business;
- 19.1.20 enter into any material contract or arrangement outside the ordinary course of its business or whereby any person would or might receive remuneration calculated by reference to its income or profits;
- 19.1.21 pay any remuneration or expenses to any person other than as proper remuneration for work done or services provided or a proper reimbursement for expenses incurred in connection with its business;
- 19.1.22 make any gift or political or charitable donation;
- 19.1.23 commence any legal or arbitration proceedings (other than in the ordinary course of business including, without limitation, routine debt collection);
- 19.1.24 make any claim, disclaimer, surrender, election or consent of a material nature for tax purposes;
- 19.1.25 conduct its business except in accordance with all applicable laws and regulations;
- 19.1.26 enter into any transaction in a currency other than sterling, purchase any currency other than sterling, enter into or sell any option or any transaction which is not in sterling or otherwise;

19.1.27 redeem or otherwise repay or reimburse any loan from a director to the Company ;

19.1.28 enter into any consultancy or management consultancy agreement or pay any management fees or charges

19.2 The following actions or activities shall not be delegated to the Board of Directors of the Company but shall remain to be determined by the Shareholders (or a majority of them) subject always to the provisions of these Articles:-

19.2.1 the changing of the structure of the Board of Directors of the Company;

19.2.2 the delegation of the powers of the Board of Directors of the Company otherwise than in the ordinary course of business;

19.2.3 the appointment of any new Director;

19.2.4 the dismissal of any Director;

19.2.5 the giving of any consent under the Service Agreement of any Director;

19.2.6 the amendment of any service contract of any Director with the Company subject to such Director's consent;

19.2.7 the redemption, restructure or variation of the rights of any Preference Shares;

19.2.8 the redemption, repayment or reimbursement of any loan to the Company from a Director or a Shareholder;

19.2.9 the decision as to whether and how to pursue a claim pursuant to any of the Warranties or under the Tax Indemnity (as provided for and referred to in a Subscription Agreement of even date to the adoption of these Articles and made between Golf & Leisure Holdings Limited (1) Mr & Mrs Winsland (2) the Company (3)) and the prosecution of any such claim.

## 20. INDEMNITY

Subject to the provisions of the Act and in addition to such indemnity as is contained in Clause 118 of Table A, every Director, officer or official of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him in or about the execution and discharge of the duties of his office, save for any arising from that Director's wilful default or gross negligence, and the Directors may exercise the powers of the Company to purchase and maintain for any Director, officer, or auditor of the Company insurance against any such liability as is mentioned in