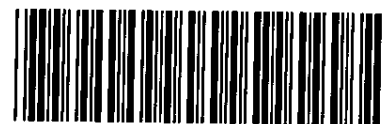


Company number: 02527923

SATURDAY



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COMPANIES HOUSE

**PRIVATE COMPANY LIMITED BY GUARANTEE**

**WRITTEN RESOLUTION**

of

**CHINA FLEET COUNTRY CLUB LIMITED (the "Company")**

**Circulation date 18 January 2018**

**(Passed on 18 January 2018)**

We, the undersigned, being the sole holder of the entire issued share capital of the Company and entitled to attend and vote at general meetings of the Company hereby resolve in accordance with Chapter 2 of Part 13 of the Companies Act 2006, to pass the following resolution as a special resolution (**Resolution**).

**SPECIAL RESOLUTION**

THAT the articles of association in the form of the document attached to this resolution be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing articles thereof including, to the extent relevant, the relevant provisions of a memorandum of association that would otherwise be treated as provisions of the articles under section 28 of the Companies Act 2006.

**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, the sole shareholder entitled to vote on the Resolution on 18 January 2018, hereby irrevocably agrees to the Resolution:

Signature:

NG WOON CHAN CFT.

For and on behalf of China Fleet Trust

Date

18 JAN 2018

**NOTES**

1. If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning the signed version either by hand or by post to the Company at its registered address.

You may not return the Resolution to the Company by any other method.

If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.

3. Unless, within 28 days of the Circulation date, agreement has been received from you, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.

## **CHINA FLEET TRUST: EXTRACT OF TRUSTEE MEETING MINUTES**

### **Relating to the adoption of the Articles of Association of the China Fleet Country Club Ltd (the Club) in 2015**

1. The trustees were reminded that in [November 2014], advice had been received by Bishop Fleming in relation to the need to issue further share capital to the Trust in order to ensure the tax efficiency of future distributions from the Club to the Company ("the Transaction"). It was further noted that in order to give effect to the Transaction, the Club's Articles of Association required amendment. The trustees had in 2014 approved the Transaction as being in the best interests of the Trust and had authorised that the necessary steps be taken and documents be drawn up to implement it.
2. Accordingly, steps had been taken to amend the Articles of Association of the Club by the passing of a Special Resolution dated 18 January 2015. The effect of this resolution was to replace the Club's existing Articles with an updated set of Articles (in order to give effect to the Transaction). However, it was noted that the Special Resolution was signed by a representative of the Club, rather than a trustee of the Trust, as the Club's sole shareholder.
3. Notwithstanding the anomaly in the signing of the Special Resolution, the trustees nevertheless confirmed that their intention was for the Articles of the Club to be amended as set out in the Special Resolution dated 18 January 2015 in order to give effect to the Transaction and therefore the Club's representative was authorised, as part of completing the necessary steps to do so, to sign the Special Resolution for and on the Trust's behalf.
4. The trustees therefore for the avoidance of doubt confirm and ratify the signing of the Special Resolution on 18 January 2015 by David O'Sullivan acting for and on behalf of the Trust.

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**CHINA FLEET COUNTRY CLUB LIMITED**

**Incorporated under the Companies Act 1985**

**on the 3 day of August 1990**

**under Company Number 02527923**

**(adopted by written special resolution passed on [19 January] 2018)**

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## PART ONE INTERPRETATION, LOCATION AND LIABILITY

### 1. DEFINITIONS AND INTERPRETATION

- 1.1 The Model Articles and any regulations set out in any statute or in any statutory instrument made under any statute concerning companies and which prescribe regulations as articles of association, shall be excluded from these Articles in their entirety and shall not apply to the Company. The following shall be the Company's articles of association (**Articles**).
- 1.2 The definitions and rules of interpretation in this Article 1 apply:
- 1.2.1 **Act** means The Companies Act 2006 for the time being in force;
  - 1.2.2 **Articles** has the meaning given in Article 1.1;
  - 1.2.3 **Board** means the board of directors of the Company;
  - 1.2.4 **Chairman** has the meaning given in Article 18;
  - 1.2.5 **Company** means the company governed under these Articles;
  - 1.2.6 **conflict** has the meaning given in Article 23.2;
  - 1.2.7 **Director** means a director of the Company, and includes any person occupying the position of director, by whatever name called;
  - 1.2.8 **document** includes, unless otherwise specified, any document sent or supplied in electronic form;
  - 1.2.9 **electronic form** has the meaning given in section 1168 of the Act;
  - 1.2.10 **Eligible Directors** means those Directors entitled to vote on a resolution at a meeting;
  - 1.2.11 **fully paid** in relation to the share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;
  - 1.2.12 **Gift Aid** means the relief for some gifts of money to charities by individuals contained in Chapter 2, Part 8 of the Income Tax Act 2007;
  - 1.2.13 **hard copy form** has the meaning given in section 1168 of the Act;
  - 1.2.14 **holder** in relation to the share means the person whose name is entered in the register of members as the holder of the share;
  - 1.2.15 **instrument** means a document in hard copy form;
  - 1.2.16 **legislation** means any law in force in England and Wales from time to time;
  - 1.2.17 **Managing Director** means the person employed by the Company from time to time to carry out the role of managing director (or such other job title as that role shall from time to time be known), who shall, by virtue of his employment in that role by the Company, be appointed to the Board;
  - 1.2.18 **Model Articles** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/32290);
  - 1.2.19 **objects** has the meaning given in Article 4.1;

- 1.2.20 **operating agreement** means the agreement in force from time to time between the Company and the Trust regulating the relationship between them;
- 1.2.21 **paid** means paid or credited as paid;
- 1.2.22 **participate** in relation to a Directors' meeting, has the meaning given in Article 16;
- 1.2.23 **Secretary** means any person appointed as secretary of the Company in accordance with Article 11 ;
- 1.2.24 **Shareholder** means the holder of the share(s) in the Company, the sole shareholder being China Fleet Trust with company number 07100967 and charity number 1135918 (the **Trust**);
- 1.2.25 **share** means a share in the Company;
- 1.2.26 **Site** means the China Fleet Country Club, Saltash, Cornwall, PL12 6LJ;
- 1.2.27 **subsidiary** has the meaning given in section 1159 of the Act;
- 1.2.28 **Trust Director** means a trustee of the Trust (or some other representative appointed by the Trust) who is appointed as a Director by the Trust in accordance with these Articles;
- 1.2.29 **writing** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
- 1.3 Unless the context otherwise requires:
- 1.3.1 words or expressions contained in the Articles bear the same meaning as in the Act, but excluding any statutory modification thereof not in force when the Articles become binding on the Company;
- 1.3.2 references to one gender shall include all genders and the singular shall include the plural and vice versa;
- 1.3.3 references to a **person** shall include a body corporate, an unincorporated association, trust, partnership, statutory corporation or other legal form whether or not having separate legal personality; and
- 1.3.4 general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things.

## **2. OFFICE**

The registered office of the Company will be situated in England and Wales.

## **3. LIABILITY OF THE SHAREHOLDER**

The liability of the Shareholder is limited to the amount, if any, unpaid on the shares held by them.

## **PART 2 OBJECTS**

### **4. OBJECTS**

- 4.1 The objects of the Company are to:

- 4.1.1 carry on business as a general commercial company, to procure profits and gains for the purpose of paying them to the Shareholder; and
  - 4.1.2 carry out some or all of the Trust's charitable objects (as set out in the Trust's Articles of Association) on the Trust's behalf,
- in particular by operating the Site (**objects**).
- 4.2 The Company shall pay its profits and gains to the Shareholder as set out in Article 4.1 and Article 30.1 at such times, and after making such retention for the purposes of the Company's continued trade and development, as the Directors think fit.

### **PART 3 DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **5. POWERS**

- 5.1 Subject to the Articles and the operating agreement, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all of the powers of the Company.
- 5.2 In furtherance of the objects, but not otherwise, the Company shall have the power:
  - 5.2.1 to purchase or by any other means acquire, or acquire a proprietary interest in, and take options over any property whatsoever and any rights or privileges of any kind over or in respect of any property;
  - 5.2.2 to apply for, register, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any patents, patent rights, licences, secret processes, trade marks, designs, protections and concessions, and to disclaim, alter, modify, use and turn to account, and to manufacture under, or grant licences or privileges in respect of the same, and to extend money, in experimenting upon testing and improving, any patents, inventions or rights which the Company may acquire or propose to acquire;
  - 5.2.3 to acquire or undertake the whole or any part of the business, goodwill and assets of any person, firm, organisation or company carrying on, or proposing to carry on, any of the businesses which the Company is authorised to carry on, and as part of the consideration for such acquisition, to undertake all or any of the liabilities of such person, firm, organisation or company, or to acquire an interest in, amalgamate with, or enter into partnership, or into any arrangement, for sharing profits, or for co-operation, or for mutual assistance with, any such person, firm, organisation or company, or for subsidising, or otherwise assisting, any such person, firm, organisation or company, and to give or accept, by way of consideration for any of the acts or things aforesaid, or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain or sell, mortgage and deal with, any shares, debentures, debenture stock or securities so received;
  - 5.2.4 to improve, manage, construct, repair, develop, exchange, let on lease or otherwise mortgage, charge, sell, dispose of, turn to account, or grant licences, options, rights and privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company;
  - 5.2.5 to invest and deal with the monies of the Company not immediately required, in such manner as may from time to time be determined and to hold or otherwise deal with any investments made;
  - 5.2.6 to lend and advance money or give credit on any terms and with or without security to any person, firm, organisation or company (including, without prejudice to the generality of the foregoing, any holding company, subsidiary or fellow subsidiary of, or any other company or organisation associated in any way with, the Company) to enter

into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner, and upon any terms, the payment of any sum of money or the performance of any obligation by any person, firm or company (including, without prejudice to the generality of the foregoing, any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid);

- 5.2.7 to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security lien or other security upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital and also by a similar mortgage, charge, standard security lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake, or which may become binding on it;
- 5.2.8 to draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- 5.2.9 to apply for, promote and obtain any Act of Parliament, order or licence of any statutory or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated, directly or indirectly, to promote the Company's interest, and to oppose any proceedings or application which may seem calculated, directly or indirectly, to prejudice the Company's interest;
- 5.2.10 to enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects, or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions;
- 5.2.11 to subscribe for, take, purchase or otherwise acquire, hold, sell, deal with, dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stock, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world;
- 5.2.12 to control, manage, finance, subsidise, co-ordinate or otherwise assist, any company or companies or organisation or organisations, to provide secretarial, administrative, technical, commercial, consultancy and other services and facilities of all kinds for any such company or companies or organisation or organisations and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable, with respect to any business, or operations of or generally with respect to any such company or companies or organisation or organisations;
- 5.2.13 to promote any other company for the purpose of acquiring the whole or any part of the business, property, undertaking or any of the liabilities of the company, or of undertaking any business or operations which may appear likely to assist or benefit the Company, or to enhance the value of any property or business of the Company and to place or guarantee the placing or underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of any such company as aforesaid;
- 5.2.14 to sell or otherwise dispose of the whole or any part of the business or property of the Company either together or in portions for such consideration as the Company may think fit and in particular for shares, debentures or securities of any company or organisation purchasing the same and to merge or amalgamate with any other body;



- 5.2.15 to act as agents or brokers, and as trustees, for any person, firm or company and to undertake and perform sub-contracts;
- 5.2.16 to provide remuneration to any person, firm, company or organisation rendering services to the Company;
- 5.2.17 to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm, company or organisation to pay the same and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or other securities of the Company;
- 5.2.18 to support and subscribe to any public object, and to support and subscribe to any institution, charity, society or club;
- 5.2.19 to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company and to the spouse, civil partner, widows, children and other relatives and dependants of such persons, to make payments towards insurance, and to set up, establish support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and of their spouses, civil partners, widows, children, and other relatives and other dependants, and to set up, establish, support and maintain profit-sharing purchase schemes for the benefit of any of the employees of the Company and to lend money to any such employees or to Directors on their behalf, to enable any such purchase schemes to be established or maintained. Provided that no benefits shall be provided under this sub-clause to a Director who is also a trustee of the Trust;
- 5.2.20 to distribute to the Shareholder, in kind, any property of the Company of whatever nature;
- 5.2.21 to procure the Company to be registered, or recognised, in any part of the world;
- 5.2.22 to do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise and by or through agents, brokers, sub-contractors or otherwise, and either alone, or in conjunction with others; and
- 5.2.23 to do all such other things as may be deemed incidental or conducive to the attainment of the objects.

## **6. SHAREHOLDER'S RESERVE POWER**

- 6.1 The Shareholder may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 6.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

## **7. DIRECTORS MAY DELEGATE**

- 7.1 Subject to the Articles and the operating agreement, the Directors may delegate any of the powers which are conferred on them under the Articles:
  - 7.1.1 to such person or committee;
  - 7.1.2 by such means (including by power of attorney);
  - 7.1.3 to such an extent;

- 7.1.4 in relation to such matters or territories; and
  - 7.1.5 on such terms and conditions;
- as they think fit.
- 7.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
  - 7.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.
  - 7.4 The Directors may not delegate any power or authority which is reserved, at law or otherwise, to the Shareholder.

## **8. COMMITTEES**

- 8.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.
- 8.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles provided they are not inconsistent with them.

## **APPOINTMENT OF DIRECTORS**

### **9. METHODS OF APPOINTING DIRECTORS**

- 9.1 There shall be a minimum of three and a maximum of nine Directors (at least one of whom shall be a Trust Director).
- 9.2 Directors shall be appointed as follows:
  - 9.2.1 up to two Directors who may also be trustees of the Trust appointed by the Trust by notice in writing to the Company (Trust Directors);
  - 9.2.2 one Director appointed by the Trust to be Managing Director of the Company;
  - 9.2.3 one Director appointed by the Trust to be the Chairman (who, for the avoidance of doubt, may also be a Trust Director);
  - 9.2.4 up to five Directors appointed by the Directors with the prior written approval of the Trust.
- 9.3 The number of Trust Directors shall never form the majority of the total number of Directors. In the event that this happens, steps will be taken to appoint further Directors pursuant to Article 9.2

### **10. TERMINATION**

- 10.1 The office of a Director shall be vacated if:
  - 10.1.1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director;
  - 10.1.2 he becomes bankrupt, or makes any arrangement or composition with his creditors generally;
  - 10.1.3 he is subject to a written opinion by a registered medical practitioner, who is treating that Director, addressed to the Company, stating that that Director has become

physically or mentally incapable of acting as a Director and may remain so for more than three months;

- 10.1.4 he resigns his office by notice to the Company;
  - 10.1.5 he shall, for more than six consecutive months, have been absent without permission of the Directors from meetings of Directors held during that period, and the Directors resolve that his office be vacated;
  - 10.1.6 in the case of a Trust Director, he ceases to be a trustee of or is removed by the Trust in which case the Trust may then appoint a new Trust Director in his place;
  - 10.1.7 in the case of the Managing Director, he ceases to be employed or engaged as Managing Director of the Company;
  - 10.1.8 in the case of a Chairman who is employed or engaged by the Company for that role, he ceases to be employed or engaged to carry out that role;
  - 10.1.9 a written notice dismissing the Director, signed by the authorised representative of the Shareholder, is served on the Company at its registered office; or
  - 10.1.10 he is disqualified in accordance with any rules, regulations or codes in force from time to time and applicable to Directors.
- 10.2 Unless agreed otherwise by the Trust and subject to any contrary position in legislation or any written agreement in force from time to time, if any Director (including but not limited to the Chairman) is employed or otherwise engaged by the Company in a paid position pursuant to which he or she is a Director, this employment or other engagement shall be deemed to be terminated if his or her appointment as Director (including but not limited to his or her appointment as Chairman) is terminated in accordance with these Articles.

## **11. SECRETARY**

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

## **12. DIRECTORS' REMUNERATION AND EXPENSES**

- 12.1 Subject to the operating agreement, the Directors (other than Trust Directors) shall be entitled to such remuneration as the Trust may determine.
- 12.2 All Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or otherwise in connection with the discharge of their duties.

## **DECISION-MAKING BY DIRECTORS**

### **13. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 13.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 14.

### **14. UNANIMOUS DECISIONS**

- 14.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

14.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in writing.

14.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

## **15. CALLING A DIRECTORS' MEETING**

15.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Secretary (if any) to give such notice.

15.2 The Trust may at any time call a meeting of the Directors by giving notice to the Directors and shall set out the reason for calling such meeting in the notice itself. Where the Trust has called a meeting of the Directors, it may attend and speak at such meeting, but may not vote.

15.3 Notice of any Directors' meeting must indicate:

15.3.1 its proposed date and time;

15.3.2 where it is to take place; and

15.3.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

15.4 Notice of a Directors' meeting must be given to each Director, but need not be in writing.

15.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not less than 7 days before the date on which the meeting is held. Where such notice is given before the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **16. PARTICIPATION IN DIRECTORS' MEETINGS**

16.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

16.1.1 the meeting has been called and takes place in accordance with the Articles; and

16.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

16.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

16.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **17. QUORUM FOR DIRECTORS' MEETINGS**

17.1 The quorum for Directors' meetings shall be three (with at least one such Director being a Trust Director but the Trust Directors not forming a majority of Directors at the meeting).

17.2 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

## **18. CHAIRING OF DIRECTORS' MEETINGS**

- 18.1 The Trust shall appoint the Chairman who shall chair meetings of the Directors.
- 18.2 If the Chairman is not present at a Directors' meeting within ten minutes of the time at which it was due to start, the participating Directors shall appoint one of their number to chair it.

## **19. CASTING VOTE**

- 19.1 If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote.
- 19.2 But this does not apply if, in accordance with the Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

## **20. CONFLICTS OF INTEREST**

- 20.1 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 20.2 Subject to Article 20.3, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.
- 20.3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **21. RECORDS OF DECISIONS TO BE KEPT**

- 21.1 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.
- 21.2 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

## **22. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the Articles and the operating agreement, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

## **DIRECTORS' INTERESTS AND CONFLICTS**

### **23. DIRECTORS' INTERESTS**

- 23.1 Transactions or arrangements with the Company

Subject to sections 177(5), 177(6), 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director may vote as a Director or be entitled to participate in any unanimous decision of the Directors in regard to any transaction or arrangement with the Company in which he is interested or upon any matter arising therefrom and if he shall so vote or participate, his vote or participation shall be counted and he shall be reckoned in estimating any relevant quorum.

- 23.2 Directors' conflicts of interest

23.2.1 The Directors may, for the purposes of and subject to the provisions of section 175 of the Act, authorise any matter or situation which would, if not authorised, involve a Director infringing his duty under that section to avoid a situation in which he has or can have a direct or indirect interest that conflicts with or may possibly conflict with the interests of the Company (**conflict**). The Directors may give any such authorisation subject to such terms, limits and conditions as they shall consider appropriate in the circumstances.

23.2.2 Where the Directors authorise a conflict, the Director whose conflict has been so authorised will not infringe any duty he owes to the Company under sections 171 to 177 of the Act if he acts in accordance with the terms, limits and conditions (if any) as the Directors impose in respect of that authorisation.

### 23.3 Benefits

A Director is not required, by reason of being a Director, to account to the Company for any remuneration, profit or other benefit which he or a person connected with him (as defined in section 252 of the Act) derives from any transaction or arrangement referred to in Article 23.1 or which derives from or is in connection with a conflict which has been authorised by the Directors or by the Shareholder (subject in each case to any terms, limits or conditions attaching to that authorisation) and no such transaction, arrangement or other contract shall be liable to be avoided on such grounds and the receipt of any such remuneration, profit or benefit shall not constitute a breach of his duty under section 176 of the Act.

23.4 For the avoidance of doubt, nothing in these Articles shall permit the payment of a Trust Director which is not authorised by the Trust's Articles of Association or by law.

## PART 3 SHARES AND DISTRIBUTIONS

### SHARES

#### 24. SHARES

24.1 The sole shareholder in the Company shall be the Trust.

24.2 No further shares may be issued or allotted by the Directors without the Trust's prior written consent.

#### 25. ALL SHARES TO BE FULLY PAID UP

26. No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

26.1 This does not apply to shares taken on the formation of the Company by the Trust.

#### 27. SHARE CERTIFICATES

27.1 The Company must issue the Shareholder, free of charge, with a certificate in respect of the share which that Shareholder holds.

28. The certificate must specify:

28.1.1 in respect of how many shares, of what class, it is issued;

28.1.2 the nominal value of the share;

28.1.3 that the share is fully paid; and

28.1.4 any distinguishing number assigned to it.

28.2 A certificate must be otherwise executed in accordance with the Act.

## **29. REPLACEMENT SHARE CERTIFICATES**

29.1 If a certificate issued in respect of a Shareholder's share is:

29.1.1 damaged or defaced, or

29.1.2 said to be lost, stolen or destroyed,

that Shareholder is entitled to be issued with a replacement certificate in respect of the same share.

29.2 A Shareholder exercising the right to be issued with such a replacement certificate:

29.2.1 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and

29.2.2 must comply with such conditions as to evidence and indemnity as the Directors decide.

## **DISTRIBUTIONS**

### **30. DONATIONS**

30.1 Subject to the other provisions of these Articles and the operating agreement, the parties agree that the distributable profits of the Company, after deduction of normal working capital costs, shall be paid to the Trust by way of a charitable donation. To the extent possible, the parties agree that the Company shall make such donation within nine months of the accounting period that such profits are generated in order for the Company to benefit from corporation tax relief under the Gift Aid regime.

### **31. FINANCIAL INFORMATION AND ACCOUNTS**

31.1 The Company shall supply the Shareholder with the following information:

31.1.1 the audited accounts of the Company for each financial year as soon as practicable and, at the latest, by four months after the end of that financial year;

31.1.2 quarterly cashflow statements and cashflow forecasts for the Company as soon as practicable and at the latest by three weeks after the end of each quarter; and

31.1.3 such reasonable other financial or management information relating to the Company as the Shareholder may reasonably request from time to time.

## **PART 4 DECISION-MAKING BY THE SHAREHOLDER**

### **32. SHAREHOLDER DECISIONS**

32.1 Except where otherwise required, the Company shall dispense with the holding of general meetings and decisions of the sole Shareholder shall be taken by written resolution.

## **PART 5 ADMINISTRATIVE ARRANGEMENTS**

### **33. MEANS OF COMMUNICATION TO BE USED**

33.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

33.2 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

33.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### **34. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law, the operating agreement, or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Shareholder.

#### **35. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

#### **36. AMENDMENTS**

36.1 These Articles may only be amended by a special resolution of the Shareholder.

#### **DIRECTORS' INDEMNITY AND INSURANCE**

##### **37. INDEMNITY**

37.1 Subject to the provisions of and so far as may be consistent with the Act, the Company shall provide:

37.1.1 for each relevant officer an indemnity out of the assets of the Company to the extent that such indemnity is a "qualifying third party indemnity provision" within the meaning of section 234 of the Act;

37.1.2 a relevant officer with funds in accordance with section 205 of the Act to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in section 205(5) of the Act or to enable a relevant officer to avoid incurring such expenditure, but so that any provision of funds will become repayable by the relevant officer or any liability of the Company under any transaction connected with any provision of funds will become repayable by the relevant officer not later than:

(a) in the event of the relevant officer being convicted in the proceedings, the date when the conviction becomes final;

(b) in the event of judgment being given against him in the proceedings, the date when the judgment becomes final; or

(c) in the event of the court refusing to grant him relief on the application, the date when the refusal of relief becomes final; and

(d) a relevant officer with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, breach of duty or breach of trust by that relevant officer in relation to the Company or an associated company of the Company or to enable a relevant officer to avoid incurring such expenditure.



37.2 Subject to the provisions of the Act, where the Company or an associated company of the Company is a trustee of an occupational pension scheme, the relevant company shall provide for a relevant officer or for a relevant officer of such associated company an indemnity out of the assets of the company against liability incurred in connection with the activities of the company or such associated company as trustee of such a scheme provided that such indemnity complies with the provisions of section 235 of the Act.

37.3 In this Article 37 and Article 38:

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

37.3.2 a relevant officer means any Director or other officer or former Director or other officer of the Company or an associated company, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor).

### **38. INSURANCE**

38.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

38.2 In this Article 38 a relevant loss means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**CHINA FLEET COUNTRY CLUB LIMITED**

**Incorporated under the Companies Act 1985**

**on the 3 day of August 1990**

**under Company Number 02527923**

**(adopted by written special resolution passed on [19 January] 2018)**

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## PART ONE INTERPRETATION, LOCATION AND LIABILITY

### 1. DEFINITIONS AND INTERPRETATION

- 1.1 The Model Articles and any regulations set out in any statute or in any statutory instrument made under any statute concerning companies and which prescribe regulations as articles of association, shall be excluded from these Articles in their entirety and shall not apply to the Company. The following shall be the Company's articles of association (**Articles**).
- 1.2 The definitions and rules of interpretation in this Article 1 apply:
- 1.2.1 **Act** means The Companies Act 2006 for the time being in force;
  - 1.2.2 **Articles** has the meaning given in Article 1.1;
  - 1.2.3 **Board** means the board of directors of the Company;
  - 1.2.4 **Chairman** has the meaning given in Article 18;
  - 1.2.5 **Company** means the company governed under these Articles;
  - 1.2.6 **conflict** has the meaning given in Article 23.2;
  - 1.2.7 **Director** means a director of the Company, and includes any person occupying the position of director, by whatever name called;
  - 1.2.8 **document** includes, unless otherwise specified, any document sent or supplied in electronic form;
  - 1.2.9 **electronic form** has the meaning given in section 1168 of the Act;
  - 1.2.10 **Eligible Directors** means those Directors entitled to vote on a resolution at a meeting;
  - 1.2.11 **fully paid** in relation to the share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;
  - 1.2.12 **Gift Aid** means the relief for some gifts of money to charities by individuals contained in Chapter 2, Part 8 of the Income Tax Act 2007;
  - 1.2.13 **hard copy form** has the meaning given in section 1168 of the Act;
  - 1.2.14 **holder** in relation to the share means the person whose name is entered in the register of members as the holder of the share;
  - 1.2.15 **instrument** means a document in hard copy form;
  - 1.2.16 **legislation** means any law in force in England and Wales from time to time;
  - 1.2.17 **Managing Director** means the person employed by the Company from time to time to carry out the role of managing director (or such other job title as that role shall from time to time be known), who shall, by virtue of his employment in that role by the Company, be appointed to the Board;
  - 1.2.18 **Model Articles** means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/32290);
  - 1.2.19 **objects** has the meaning given in Article 4.1;

- 1.2.20 **operating agreement** means the agreement in force from time to time between the Company and the Trust regulating the relationship between them;
- 1.2.21 **paid** means paid or credited as paid;
- 1.2.22 **participate** in relation to a Directors' meeting, has the meaning given in Article 16;
- 1.2.23 **Secretary** means any person appointed as secretary of the Company in accordance with Article 11 ;
- 1.2.24 **Shareholder** means the holder of the share(s) in the Company, the sole shareholder being China Fleet Trust with company number 07100967 and charity number 1135918 (the **Trust**);
- 1.2.25 **share** means a share in the Company;
- 1.2.26 **Site** means the China Fleet Country Club, Saltash, Cornwall, PL12 6LJ;
- 1.2.27 **subsidiary** has the meaning given in section 1159 of the Act;
- 1.2.28 **Trust Director** means a trustee of the Trust (or some other representative appointed by the Trust) who is appointed as a Director by the Trust in accordance with these Articles;
- 1.2.29 **writing** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
- 1.3 Unless the context otherwise requires:
- 1.3.1 words or expressions contained in the Articles bear the same meaning as in the Act, but excluding any statutory modification thereof not in force when the Articles become binding on the Company;
- 1.3.2 references to one gender shall include all genders and the singular shall include the plural and vice versa;
- 1.3.3 references to a **person** shall include a body corporate, an unincorporated association, trust, partnership, statutory corporation or other legal form whether or not having separate legal personality; and
- 1.3.4 general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things.

## **2. OFFICE**

The registered office of the Company will be situated in England and Wales.

## **3. LIABILITY OF THE SHAREHOLDER**

The liability of the Shareholder is limited to the amount, if any, unpaid on the shares held by them.

## **PART 2 OBJECTS**

### **4. OBJECTS**

- 4.1 The objects of the Company are to:

- 4.1.1 carry on business as a general commercial company, to procure profits and gains for the purpose of paying them to the Shareholder; and
- 4.1.2 carry out some or all of the Trust's charitable objects (as set out in the Trust's Articles of Association) on the Trust's behalf.

in particular by operating the Site (**objects**).

- 4.2 The Company shall pay its profits and gains to the Shareholder as set out in Article 4.1 and Article 30.1 at such times, and after making such retention for the purposes of the Company's continued trade and development, as the Directors think fit.

### **PART 3 DIRECTORS' POWERS AND RESPONSIBILITIES**

#### **5. POWERS**

- 5.1 Subject to the Articles and the operating agreement, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all of the powers of the Company.
- 5.2 In furtherance of the objects, but not otherwise, the Company shall have the power:
  - 5.2.1 to purchase or by any other means acquire, or acquire a proprietary interest in, and take options over any property whatsoever and any rights or privileges of any kind over or in respect of any property;
  - 5.2.2 to apply for, register, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any patents, patent rights, licences, secret processes, trade marks, designs, protections and concessions, and to disclaim, alter, modify, use and turn to account, and to manufacture under, or grant licences or privileges in respect of the same, and to extend money, in experimenting upon testing and improving, any patents, inventions or rights which the Company may acquire or propose to acquire;
  - 5.2.3 to acquire or undertake the whole or any part of the business, goodwill and assets of any person, firm, organisation or company carrying on, or proposing to carry on, any of the businesses which the Company is authorised to carry on, and as part of the consideration for such acquisition, to undertake all or any of the liabilities of such person, firm, organisation or company, or to acquire an interest in, amalgamate with, or enter into partnership, or into any arrangement, for sharing profits, or for co-operation, or for mutual assistance with, any such person, firm, organisation or company, or for subsidising, or otherwise assisting, any such person, firm, organisation or company, and to give or accept, by way of consideration for any of the acts or things aforesaid, or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain or sell, mortgage and deal with, any shares, debentures, debenture stock or securities so received;
  - 5.2.4 to improve, manage, construct, repair, develop, exchange, let on lease or otherwise mortgage, charge, sell, dispose of, turn to account, or grant licences, options, rights and privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company;
  - 5.2.5 to invest and deal with the monies of the Company not immediately required, in such manner as may from time to time be determined and to hold or otherwise deal with any investments made;
  - 5.2.6 to lend and advance money or give credit on any terms and with or without security to any person, firm, organisation or company (including, without prejudice to the generality of the foregoing, any holding company, subsidiary or fellow subsidiary of, or any other company or organisation associated in any way with, the Company) to enter

into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner, and upon any terms, the payment of any sum of money or the performance of any obligation by any person, firm or company (including, without prejudice to the generality of the foregoing, any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid);

- 5.2.7 to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security lien or other security upon the whole or any part of the Company's property or assets (whether present or future) including its uncalled capital and also by a similar mortgage, charge, standard security lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake, or which may become binding on it;
- 5.2.8 to draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments;
- 5.2.9 to apply for, promote and obtain any Act of Parliament, order or licence of any statutory or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated, directly or indirectly, to promote the Company's interest, and to oppose any proceedings or application which may seem calculated, directly or indirectly, to prejudice the Company's interest;
- 5.2.10 to enter into any arrangements with any government or authority (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects, or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions;
- 5.2.11 to subscribe for, take, purchase or otherwise acquire, hold, sell, deal with, dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stock, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world;
- 5.2.12 to control, manage, finance, subsidise, co-ordinate or otherwise assist, any company or companies or organisation or organisations, to provide secretarial, administrative, technical, commercial, consultancy and other services and facilities of all kinds for any such company or companies or organisation or organisations and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable, with respect to any business, or operations of or generally with respect to any such company or companies or organisation or organisations;
- 5.2.13 to promote any other company for the purpose of acquiring the whole or any part of the business, property, undertaking or any of the liabilities of the company, or of undertaking any business or operations which may appear likely to assist or benefit the Company, or to enhance the value of any property or business of the Company and to place or guarantee the placing or underwrite, subscribe for or otherwise acquire all or any part of the shares or securities of any such company as aforesaid;
- 5.2.14 to sell or otherwise dispose of the whole or any part of the business or property of the Company either together or in portions for such consideration as the Company may think fit and in particular for shares, debentures or securities of any company or organisation purchasing the same and to merge or amalgamate with any other body;

- 5.2.15 to act as agents or brokers, and as trustees, for any person, firm or company and to undertake and perform sub-contracts;
- 5.2.16 to provide remuneration to any person, firm, company or organisation rendering services to the Company;
- 5.2.17 to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm, company or organisation to pay the same and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares or other securities of the Company;
- 5.2.18 to support and subscribe to any public object, and to support and subscribe to any institution, charity, society or club;
- 5.2.19 to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company and to the spouse, civil partner, widows, children and other relatives and dependants of such persons, to make payments towards insurance, and to set up, establish support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons and of their spouses, civil partners, widows, children, and other relatives and other dependants, and to set up, establish, support and maintain profit-sharing purchase schemes for the benefit of any of the employees of the Company and to lend money to any such employees or to Directors on their behalf, to enable any such purchase schemes to be established or maintained. Provided that no benefits shall be provided under this sub-clause to a Director who is also a trustee of the Trust;
- 5.2.20 to distribute to the Shareholder, in kind, any property of the Company of whatever nature;
- 5.2.21 to procure the Company to be registered, or recognised, in any part of the world;
- 5.2.22 to do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise and by or through agents, brokers, sub-contractors or otherwise, and either alone, or in conjunction with others; and
- 5.2.23 to do all such other things as may be deemed incidental or conducive to the attainment of the objects.

## **6. SHAREHOLDER'S RESERVE POWER**

- 6.1 The Shareholder may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 6.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

## **7. DIRECTORS MAY DELEGATE**

- 7.1 Subject to the Articles and the operating agreement, the Directors may delegate any of the powers which are conferred on them under the Articles:
  - 7.1.1 to such person or committee;
  - 7.1.2 by such means (including by power of attorney);
  - 7.1.3 to such an extent;



7.1.4 in relation to such matters or territories; and

7.1.5 on such terms and conditions;

as they think fit.

7.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

7.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

7.4 The Directors may not delegate any power or authority which is reserved, at law or otherwise, to the Shareholder.

## **8. COMMITTEES**

8.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors.

8.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles provided they are not inconsistent with them.

## **APPOINTMENT OF DIRECTORS**

### **9. METHODS OF APPOINTING DIRECTORS**

9.1 There shall be a minimum of three and a maximum of nine Directors (at least one of whom shall be a Trust Director).

9.2 Directors shall be appointed as follows:

9.2.1 up to two Directors who may also be trustees of the Trust appointed by the Trust by notice in writing to the Company (Trust Directors);

9.2.2 one Director appointed by the Trust to be Managing Director of the Company;

9.2.3 one Director appointed by the Trust to be the Chairman (who, for the avoidance of doubt, may also be a Trust Director);

9.2.4 up to five Directors appointed by the Directors with the prior written approval of the Trust.

9.3 The number of Trust Directors shall never form the majority of the total number of Directors. In the event that this happens, steps will be taken to appoint further Directors pursuant to Article 9.2

## **10. TERMINATION**

10.1 The office of a Director shall be vacated if:

10.1.1 he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director;

10.1.2 he becomes bankrupt, or makes any arrangement or composition with his creditors generally;

10.1.3 he is subject to a written opinion by a registered medical practitioner, who is treating that Director, addressed to the Company, stating that that Director has become

physically or mentally incapable of acting as a Director and may remain so for more than three months;

- 10.1.4 he resigns his office by notice to the Company;
  - 10.1.5 he shall, for more than six consecutive months, have been absent without permission of the Directors from meetings of Directors held during that period, and the Directors resolve that his office be vacated;
  - 10.1.6 in the case of a Trust Director, he ceases to be a trustee of or is removed by the Trust in which case the Trust may then appoint a new Trust Director in his place;
  - 10.1.7 in the case of the Managing Director, he ceases to be employed or engaged as Managing Director of the Company;
  - 10.1.8 in the case of a Chairman who is employed or engaged by the Company for that role, he ceases to be employed or engaged to carry out that role;
  - 10.1.9 a written notice dismissing the Director, signed by the authorised representative of the Shareholder, is served on the Company at its registered office; or
  - 10.1.10 he is disqualified in accordance with any rules, regulations or codes in force from time to time and applicable to Directors.
- 10.2 Unless agreed otherwise by the Trust and subject to any contrary position in legislation or any written agreement in force from time to time, if any Director (including but not limited to the Chairman) is employed or otherwise engaged by the Company in a paid position pursuant to which he or she is a Director, this employment or other engagement shall be deemed to be terminated if his or her appointment as Director (including but not limited to his or her appointment as Chairman) is terminated in accordance with these Articles.

## **11. SECRETARY**

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

## **12. DIRECTORS' REMUNERATION AND EXPENSES**

- 12.1 Subject to the operating agreement, the Directors (other than Trust Directors) shall be entitled to such remuneration as the Trust may determine.
- 12.2 All Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or otherwise in connection with the discharge of their duties.

## **DECISION-MAKING BY DIRECTORS**

### **13. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 13.1 *The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with Article 14.*

### **14. UNANIMOUS DECISIONS**

- 14.1 A decision of the Directors is taken in accordance with this Article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

14.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each Eligible Director or to which each Eligible Director has otherwise indicated agreement in writing.

14.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at such a meeting.

## **15. CALLING A DIRECTORS' MEETING**

15.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the Secretary (if any) to give such notice.

15.2 The Trust may at any time call a meeting of the Directors by giving notice to the Directors and shall set out the reason for calling such meeting in the notice itself. Where the Trust has called a meeting of the Directors, it may attend and speak at such meeting, but may not vote.

15.3 Notice of any Directors' meeting must indicate:

15.3.1 its proposed date and time;

15.3.2 where it is to take place; and

15.3.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

15.4 Notice of a Directors' meeting must be given to each Director, but need not be in writing.

15.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not less than 7 days before the date on which the meeting is held. Where such notice is given before the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **16. PARTICIPATION IN DIRECTORS' MEETINGS**

16.1 Subject to the Articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:

16.1.1 the meeting has been called and takes place in accordance with the Articles; and

16.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

16.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.

16.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

## **17. QUORUM FOR DIRECTORS' MEETINGS**

17.1 The quorum for Directors' meetings shall be three (with at least one such Director being a Trust Director but the Trust Directors not forming a majority of Directors at the meeting).

17.2 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

## **18. CHAIRING OF DIRECTORS' MEETINGS**

- 18.1 The Trust shall appoint the Chairman who shall chair meetings of the Directors.
- 18.2 If the Chairman is not present at a Directors' meeting within ten minutes of the time at which it was due to start, the participating Directors shall appoint one of their number to chair it.

## **19. CASTING VOTE**

- 19.1 If the numbers of votes for and against a proposal are equal, the Chairman or other Director chairing the meeting has a casting vote.
- 19.2 But this does not apply if, in accordance with the Articles, the Chairman or other Director is not to be counted as participating in the decision-making process for quorum or voting purposes.

## **20. CONFLICTS OF INTEREST**

- 20.1 For the purposes of this Article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.
- 20.2 Subject to Article 20.3, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive.
- 20.3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

## **21. RECORDS OF DECISIONS TO BE KEPT**

- 21.1 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.
- 21.2 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

## **22. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the Articles and the operating agreement, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

## **DIRECTORS' INTERESTS AND CONFLICTS**

### **23. DIRECTORS' INTERESTS**

- 23.1 Transactions or arrangements with the Company

Subject to sections 177(5), 177(6), 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director may vote as a Director or be entitled to participate in any unanimous decision of the Directors in regard to any transaction or arrangement with the Company in which he is interested or upon any matter arising therefrom and if he shall so vote or participate, his vote or participation shall be counted and he shall be reckoned in estimating any relevant quorum.

- 23.2 Directors' conflicts of interest

- 23.2.1 The Directors may, for the purposes of and subject to the provisions of section 175 of the Act, authorise any matter or situation which would, if not authorised, involve a Director infringing his duty under that section to avoid a situation in which he has or can have a direct or indirect interest that conflicts with or may possibly conflict with the interests of the Company (**conflict**). The Directors may give any such authorisation subject to such terms, limits and conditions as they shall consider appropriate in the circumstances.
- 23.2.2 Where the Directors authorise a conflict, the Director whose conflict has been so authorised will not infringe any duty he owes to the Company under sections 171 to 177 of the Act if he acts in accordance with the terms, limits and conditions (if any) as the Directors impose in respect of that authorisation.
- 23.3 **Benefits**
- A Director is not required, by reason of being a Director, to account to the Company for any remuneration, profit or other benefit which he or a person connected with him (as defined in section 252 of the Act) derives from any transaction or arrangement referred to in Article 23.1 or which derives from or is in connection with a conflict which has been authorised by the Directors or by the Shareholder (subject in each case to any terms, limits or conditions attaching to that authorisation) and no such transaction, arrangement or other contract shall be liable to be avoided on such grounds and the receipt of any such remuneration, profit or benefit shall not constitute a breach of his duty under section 176 of the Act.
- 23.4 For the avoidance of doubt, nothing in these Articles shall permit the payment of a Trust Director which is not authorised by the Trust's Articles of Association or by law.

## **PART 3 SHARES AND DISTRIBUTIONS**

### **SHARES**

#### **24. SHARES**

- 24.1 The sole shareholder in the Company shall be the Trust.
- 24.2 No further shares may be issued or allotted by the Directors without the Trust's prior written consent.

#### **25. ALL SHARES TO BE FULLY PAID UP**

26. No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

- 26.1 This does not apply to shares taken on the formation of the Company by the Trust.

#### **27. SHARE CERTIFICATES**

- 27.1 The Company must issue the Shareholder, free of charge, with a certificate in respect of the share which that Shareholder holds.

28. The certificate must specify:

- 28.1.1 in respect of how many shares, of what class, it is issued;
- 28.1.2 the nominal value of the share;
- 28.1.3 that the share is fully paid; and
- 28.1.4 any distinguishing number assigned to it.

28.2 A certificate must be otherwise executed in accordance with the Act.

## **29. REPLACEMENT SHARE CERTIFICATES**

29.1 If a certificate issued in respect of a Shareholder's share is:

29.1.1 damaged or defaced, or

29.1.2 said to be lost, stolen or destroyed,

that Shareholder is entitled to be issued with a replacement certificate in respect of the same share.

29.2 A Shareholder exercising the right to be issued with such a replacement certificate:

29.2.1 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and

29.2.2 must comply with such conditions as to evidence and indemnity as the Directors decide.

## **DISTRIBUTIONS**

### **30. DONATIONS**

30.1 Subject to the other provisions of these Articles and the operating agreement, the parties agree that the distributable profits of the Company, after deduction of normal working capital costs, shall be paid to the Trust by way of a charitable donation. To the extent possible, the parties agree that the Company shall make such donation within nine months of the accounting period that such profits are generated in order for the Company to benefit from corporation tax relief under the Gift Aid regime.

### **31. FINANCIAL INFORMATION AND ACCOUNTS**

31.1 The Company shall supply the Shareholder with the following information:

31.1.1 the audited accounts of the Company for each financial year as soon as practicable and, at the latest, by four months after the end of that financial year;

31.1.2 quarterly cashflow statements and cashflow forecasts for the Company as soon as practicable and at the latest by three weeks after the end of each quarter; and

31.1.3 such reasonable other financial or management information relating to the Company as the Shareholder may reasonably request from time to time.

## **PART 4 DECISION-MAKING BY THE SHAREHOLDER**

### **32. SHAREHOLDER DECISIONS**

32.1 Except where otherwise required, the Company shall dispense with the holding of general meetings and decisions of the sole Shareholder shall be taken by written resolution.

## **PART 5 ADMINISTRATIVE ARRANGEMENTS**

### **33. MEANS OF COMMUNICATION TO BE USED**

33.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

- 33.2 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 33.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### **34. NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law, the operating agreement, or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Shareholder.

#### **35. PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS**

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

#### **36. AMENDMENTS**

- 36.1 These Articles may only be amended by a special resolution of the Shareholder.

#### **DIRECTORS' INDEMNITY AND INSURANCE**

##### **37. INDEMNITY**

- 37.1 Subject to the provisions of and so far as may be consistent with the Act, the Company shall provide:
- 37.1.1 for each relevant officer an indemnity out of the assets of the Company to the extent that such indemnity is a "qualifying third party indemnity provision" within the meaning of section 234 of the Act;
  - 37.1.2 a relevant officer with funds in accordance with section 205 of the Act to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in section 205(5) of the Act or to enable a relevant officer to avoid incurring such expenditure, but so that any provision of funds will become repayable by the relevant officer or any liability of the Company under any transaction connected with any provision of funds will become repayable by the relevant officer not later than:
    - (a) in the event of the relevant officer being convicted in the proceedings, the date when the conviction becomes final;
    - (b) in the event of judgment being given against him in the proceedings, the date when the judgment becomes final; or
    - (c) in the event of the court refusing to grant him relief on the application, the date when the refusal of relief becomes final; and
    - (d) a relevant officer with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, breach of duty or breach of trust by that relevant officer in relation to the Company or an associated company of the Company or to enable a relevant officer to avoid incurring such expenditure.

37.2 Subject to the provisions of the Act, where the Company or an associated company of the Company is a trustee of an occupational pension scheme, the relevant company shall provide for a relevant officer or for a relevant officer of such associated company an indemnity out of the assets of the company against liability incurred in connection with the activities of the company or such associated company as trustee of such a scheme provided that such indemnity complies with the provisions of section 235 of the Act.

37.3 In this Article 37 and Article 38:

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

37.3.2 a relevant officer means any Director or other officer or former Director or other officer of the Company or an associated company, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor).

### **38. INSURANCE**

38.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

38.2 In this Article 38 a relevant loss means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.