

COMPANY NUMBER 2845617

CHALDON GOLF CLUB LIMITED

The Companies Act 1985

Private Company limited by shares

Special Resolution

At an Extraordinary General Meeting of the above company duly convened and held at 11.18 a.m. on the 27th March 1997 the following Special Resolutions were passed:

1. RESOLUTION TO REDENOMINATE SHARES:

That the 1000 Ordinary Shares of £1 each in the capital of the Company be redenominated as to 760 of such shares as 'A' Ordinary Shares and as to 240 of such shares as 'B' Ordinary Shares having the rights respectively attributed thereto set out in the Articles of Association adopted pursuant to Resoluton 2 below.

2. RESOLUTION TO ADOPT NEW ARTICLES OF ASSOCIATION:

That the Articles of Association of the Company be adopted in the form annexed hereto in substitution for and to the exclusion of the existing Articles of Association.



**THE COMPANIES ACTS 1985 TO 1989**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF CHALDON GOLF CLUB LIMITED**

**PRELIMINARY**

1. (a) Subject as hereinafter provided the Regulations contained in Table A in The Companies (Table A to F) Regulations 1985 ("Table A") shall apply to the Company.

(b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

(c) In these Articles the following words shall have the following meaning:-

"A Ordinary Share(s)" - "A" Ordinary Share(s) of £1.00 each in the capital of the Company

"B Ordinary Share(s)" - "B" Ordinary Share(s) of £1.00 each in the capital of the Company

"share(s)" - "A" Ordinary Share(s) and "B" Ordinary Share(s)

"Special Director" - The Director appointed pursuant to Article 24

"Subscription Agreement" - The subscription agreement entered into on the date of adoption of the Articles between (1) Altonwood Limited (2) Wavecrest Limited and (3) the Company as varied from time to time.

2. Regulations 3,8,24,41,46,48,64,67,73 to 77 inclusive and 94 to 97 inclusive of Table A shall not apply to the Company.

3. The Company is a private company and accordingly no offer or invitation shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the Company nor shall the Company allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

## SHARES

4. The authorised share capital of the Company as at the date of the adoption of these Articles is £1,000 divided in to 760 A Ordinary Shares and 240 B Ordinary Shares. The A Ordinary and the B Ordinary Shares shall rank pari passu in all respects save as specifically provided in the Articles.

5. (a) In accordance with Section 91(1) of the Act, Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

(b) Subject to the special rights of any class of shares all unissued shares which are not comprised in the authorised share capital of the Company with which the Company is incorporated shall be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in general meeting shall by special resolution otherwise direct. Such offer shall be made by written notice specifying the number of shares offered and a period (not being less than 14 days) within which the offer if not accepted will be deemed to be declined. After the expiration of this period or, if earlier, on receipt of notice of acceptance or non-acceptance from every offeree, those shares so declined shall be offered to the members who have within the said period accepted all the shares offered to them in the proportion aforesaid in like terms in the same manner and limited by a like period as the original offer. Subject to the special rights of any class of shares, the directors may in accordance with the provisions of this Article allot grant options over or otherwise dispose of such shares not accepted pursuant to such offers together with any shares not capable of being offered as aforesaid except by way of fractions to such persons on such terms as they think fit provided that such shares shall not be disposed of on such terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The provisions of this Article shall be subject to Section 80 of the Act. No applicant for Shares shall be required to take more than the maximum number of Shares specified in his acceptance.

## LIEN

6. The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all moneys (whether presently payable or not) called or payable at the fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (whether or not it is a fully paid share) registered in the name of any member whether solely or one of two or more joint holders for all such moneys presently payable by him of his estate to the Company. However the directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The

Company's lien on a share shall extend to all dividends payable thereon.

#### TRANSFER OF SHARES

7. (a) Save as permitted under Subarticle (k) below no share or beneficial ownership of a share shall be transferred (otherwise than to the Company under Regulation 35 of Table A) until the rights of pre-emption hereinafter conferred have been exhausted. Any obligation to transfer a share pursuant to this Article is an obligation to transfer the entire legal and beneficial interest in such share.

(b) A member who intends to transfer any share or any interest therein (including for this purpose the assignment of the beneficial interest in, or the creation of any charge or other security interest over, such share or the renunciation or assignment of any right to receive or subscribe for such share) ("the Seller") shall give notice ("the Transfer Notice") to the directors of his intention and the particulars of the shares ("the Transfer Shares") together with the price per share at which he is willing to sell ("the Specified Price") and the name of any third party to whom the Transfer Shares will be sold if they are not purchased pursuant to the following provisions of this Article ("the Proposed Transferee"). A Transfer Notice once received by the directors is irrevocable unless in the Transfer Notice the Seller has specified that the Seller requires a sale of all shares comprising the Transfer Shares ("a Total Sale Condition") and paragraph (g) applies.

(c) The Transfer Notice shall constitute the Company as agent of the Seller for the sale of the Transfer Shares to the member other than the Seller ("the Offerees") at the Specified Price.

(d) Within 10 working days of the receipt of the Transfer Notice the directors shall by notice in writing ("the Offer Notice") inform the shareholders other than the Seller ("the Offerees") of the number and price of the Transfer Shares and shall invite the Offerees to apply in writing to the Company, within 21 days of the date of despatch of the Offer Notice (which date must be specified therein) for a maximum number of the Transfer Shares as he shall specify in such application.

(e) If such Offerees within the period of 21 days stated in the Offer Notice apply for all or (subject to sub-article (h)) any of the Transfer Shares the directors will allocate the Transfer Shares applied for to the applicant Offerees and to the extent there is competition amongst the applicants in such proportions (or as nearly as may be) as their existing holdings bear to the total of the holdings of the applicant Offerees. The Transfer Shares not capable of being allocated without involving fractions shall

be allocated to the applicant Offerees in such proportion as the directors think fit. No Offeree shall be allocated shares in excess of the number of shares applied for by him.

(f) If upon expiry of the 21 day period specified in the Offer Notice the directors shall have received applications for some but not all of the remaining Transfer Shares the directors may nominate within 14 days from the expiry of the Offer Notice a person or persons which may (subject to the Act) be the Company to whom the Transfer Shares not applied for will be allocated. The directors shall give notice in writing ("the Allocation Notice") of such allocations pursuant to paragraph (e) and this paragraph to the Seller and to the persons to whom the Transfer Shares have been allocated. The Allocation Notice must specify the date of despatch of the Allocation Notice, the name and address of the persons to whom the allocations have been made, the price and method of payment and number of Transfer Shares to be allocated and the place and time for completion (which shall be 21 days from the date of despatch or if that shall not be a normal business day, the next following normal business day) and that the Allocation Notice is subject to the Seller's right of revocation pursuant to paragraph (g).

(g) The Seller may only revoke the Transfer Notice if a Total Sale Condition was properly imposed thereby and applications for all the shares have not been made pursuant to either paragraph (e) or (f) not all the Transfer Shares have been taken up. Notice of revocation must be given in writing by the Seller to the Company within 14 days of the date of despatch of the Allocation Notice to the Seller showing that the directors have found purchasers for some only of the Transfer Shares ("the Revocation Period").

(h) If the Seller has not revoked the Transfer Notice upon expiry of the Revocation Period the Seller shall be bound upon payment of the purchase price due in respect thereof to transfer the shares comprised in the Allocation Notice to the person or persons (which may be the Company subject to the Act) named therein on the day and at the time specified therein.

(i) In the event that the Seller fails or refuses to transfer the Transfer Shares having become bound so to do the Company may receive the purchase price in trust for the Seller and may authorise some person to execute a transfer of the Transfer Shares in favour of the purchasers.

(j) During the 3 months following the date of any notice given to the Seller pursuant to paragraph (f) the Seller may transfer to the Proposed Transferee specified in the Transfer Notice and at any price but

not less than the Specified Price any of the shares comprised therein not included in the Allocation Notice or all but not part of the Transfer Shares comprised in the Transfer Notice if the Seller has revoked the Transfer Notice under paragraph (g).

(k) Any shares may be transferred at any time by any member to any other person with the written consent of all the other members for the time being of the Company.

(l) The directors may in their absolute discretion and without assigning any reason therefor decline to register:-

- (i) any transfer over any share over which the company has a lien;
- (ii) any transfer to more than four transferees;
- (iii) any transfer comprising shares of more than one class;
- (iv) any transfer of any share which is not fully paid;
- (v) any transfer to an infant, bankrupt or person suffering from a mental disorder as that expression is used in Regulation 81(c) of Table A
- (vi) any transfer during the period which any subsisting option to purchase subsists under the Subscription Agreement

and shall refuse to register any transfer made in breach of the terms of the Subscription Agreement.

(m) Subject only to paragraph (l) above the directors shall be obliged to register a transfer in respect of which the pre-emption procedures set out in this Article have been complied with.

#### GENERAL MEETINGS

8. In every notice convening a general meeting of the Company there shall appear a statement that a member entitled to attend and vote is entitled to appoint a proxy and the proxy need not be a member of the Company and Regulation 38 of Table A shall be modified accordingly.
9. (a) If the quorum prescribed by Regulation 40 of Table A is not present within 30 minutes from the time appointed for the meeting, the meeting shall stand

adjourned to the same day in the next week at the same time and place or such time and place as the directors may determine.

(b) If at the adjourned meeting a quorum is not present within 30 minutes of the time appointed for the meeting one person entitled under Regulation 40 of Table A to be counted in a quorum present at the meeting shall constitute a quorum.

10. (a) A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is duly demanded.

(b) A poll may be demanded by the chairman or by a member (present in person or by proxy) having the right to attend and vote at the meeting.

(c) The demand for a poll may before the poll is taken be withdrawn.

(d) A demand so withdrawn shall not be taken to have invalidated the result of a vote on a show of hands declared before the demand was made.

11. A resolution in writing executed pursuant to Regulation 53 of Table A and which is expressed to be a special resolution or any extraordinary resolution shall have effect accordingly.

#### VOTES OF MEMBERS

12. The words "or by proxy" shall be inserted after the word "person" in regulation 54 of Table A.

13. The words "Unless the directors determine otherwise" shall be inserted at the commencement of Regulation 57 of Table A.

14. The words "30 minutes" shall be substituted for "48 hours" in Regulation 62(a) of Table A and for "24 hours" in Regulation 62(b) of Table A.

#### RIGHTS ATTACHING TO SHARES

15. Class Consents: B Shares

Without prejudice to the provisions of Section 125 of the Act as to the modifications of the rights attached to classes of shares the written consent of the holders of a majority of the B Ordinary Shares (being a single holder of not less than 120 B Ordinary Shares in number) shall be required before the Company shall:-

(a) create or allot or issue any further shares or grant or agree to grant to any person any option or right to subscribe for convert into or otherwise to require the creation issue or allotment of any shares except to the Company or a subsidiary thereof;

(b) pass a resolution for the reduction or the cancellation of its share capital or the reduction of any uncalled liability in respect thereof;

(c) purchase or redeem the whole or any part of its share capital other than in accordance with the terms of issue of any class of share capital;

(d) modify vary alter or abrogate any of the rights privileges or restrictions attaching to any of the classes of its share capital;

(e) other than at arm's length either sell or transfer or lease or licence or otherwise dispose of the whole or any part of any material part of its business undertaking or assets whether by a single transaction or a series of transactions related or not and not to make any such sale transfer, lease, licence or other disposal to any such persons as is described in Article [21(d)]

(f) make or permit any material alteration to the general nature of the business carried on by it from time to time;

(g) acquire whether by formation or otherwise the share or loan capital of another company wherever incorporated (other than by way of formation of a wholly owned subsidiary) nor permit the disposal or dilution of its interest directly or indirectly in any subsidiary or subsidiary undertaking;

(h) make any alterations to its Memorandum and Articles of Association.

#### DIRECTORS

16. Unless and until otherwise determined by the Company in general meeting there shall be no maximum number of directors and the minimum number of directors shall be one. Whensoever there shall be a sole director such director may exercise all the powers discretion and authorities vested in the directors by these Articles and by Table A. The words "and unless so fixed at any other number shall be two" shall be omitted from Regulation 89 of the Act.

17. The directors may exercise all the powers of the Company to borrow without limit as to amount and upon such terms and in such manner as they think fit and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage charge or standard security over its undertaking property and uncalled capital or any part thereof and to issue debentures debenture stock or any other securities whether outright or as security for any debt or liability or obligation of the Company or of any third party.

18. (a) The words "and may also determine the rotation in which any additional directors are to retire" shall be omitted



from Regulation 78 of Table A.

(b) The second and third sentences of Regulation 79 of Table A shall be omitted.

19. A director who is in any way either directly or indirectly interested in any contract transaction or arrangement (whether actual or proposed) with the Company or in which the Company is otherwise interested shall declare the nature of his interest at a meeting of the directors in accordance with Section 317 of the Act. Subject to such disclosure a director shall be entitled to vote in respect of any such contract transaction or arrangement (whether actual or proposed) in which he is interested and whether or not he votes he shall be counted in reckoning whether a quorum is present or not.

20. The written consent of the Special Director shall be required before the Company shall:-

(a) incur any borrowings or indebtedness of any kind whatsoever except for the sole purpose of developing and operating the business of a golf course and golf club with golf club buildings on land owned or leased by the Company;

(b) undertake any development other than that of a golf course with golf club buildings on any land owned or leased by the Company;

(c) enter into any transaction which is not at arm's length;

(d) other than at arm's length and on terms that the Company receives a fair share of any benefit obtained whether directly or indirectly by any other party to such transaction or arrangement enter into or in any material respects vary the terms of or grant any material waiver in respect of an agreement or a transaction with a director or member or a connected person of either. For this purpose an agreement or a transaction with a director or member or connected person means

(i) any agreement or transaction with the Company for which approval would be required under Section 320 of the Companies Act 1985 if the requisite value therein were £5,000.00 and as if references to directors therein also included members and connected persons (as defined pursuant to Section 889 Income & Corporation Taxes Act 1988) of either a director or a member and

(ii) any agreement or transaction where the Company takes an interest in a Company whether existing or about to be formed in which a director or member or a connected person of either is, is to be, or has in the previous six months been a member.

(e) Make a loan to any director or member or any connected person (as defined in paragraph (d) above) or incur any borrowings or indebtedness of any kind from any such member or director or such connected person except on terms that the interest payable in respect thereof is not more than 2% over Barclays Bank plc base lending rate in effect from time to time.

21. If at any time no Special Director shall be appointed any consent required hereunder may be given by the holders of a majority of the B Ordinary Shares pursuant to Article [15]

22. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, provided that unless otherwise agreed by all the directors at the time as regards the meeting concerned, all meetings of the directors shall be held within the United Kingdom. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Save in the case of emergency and unless all the directors (or their duly appointed alternates) shall agree to the holding of a meeting by shorter notice, at least seven days notice of every meeting of directors shall be given either in writing or by facsimile or other similar means of physical communication to each director. Article 88 shall be amended by adding at the end of the third sentence thereof the words "and who has not provided an address for service of notice in the United Kingdom".

23. (a) Subject to the approval of the majority of the A Ordinary Shares the holders of a majority in nominal value of the B Ordinary Shares shall be entitled under this Article to appoint a single director of the Company who shall act as the Special Director and to remove from office any person so appointed (and subject to removal) to appoint another person in his place.

(b) A Special Director appointed pursuant to this Article shall not be required to hold any share qualification.

(c) Any appointment or removal of a Special Director under this Article shall be by instrument in writing signed by the relevant appointor(s) served on the Company and shall take effect on and from the date on which such instrument is lodged or deposited at the registered office of the Company.

(d) On any resolution of the Company in General Meeting to remove a Special Director the holders of the B Ordinary Shares shall be entitled to exercise such total number of votes in respect of their holdings of B Ordinary Shares as shall equal twice the number of votes cast on such resolution by all other shareholders of the Company.

24. The provisions of Regulation 81(e) of Table A shall not apply to any Special Director.

## NOTICES

24. The third sentence of Regulation 112 of Table A shall be omitted and the following sentence be inserted as the final sentence "A member whose registered address is not within the United Kingdom is entitled to receive any notice from the Company and that such notices to be sent to the registered address by prepaid airmail".

## INDEMNITY

25. In addition to the indemnity conferred by Regulation 118 of Table A and subject to the provisions of the Act every such person as is mentioned in the said Regulation shall be entitled to be indemnified out of the assets of the Company against all expenses losses or liabilities incurred by him as agent of the Company or for the Company's benefit or intended benefit or in or about the discharge or intended discharge of his duties in relation to the Company.

Names and Addresses of Subscribers

Hallmark Secretaries Limited  
140 Tabernacle Street  
London  
EC2A 4SD

Hallmark Registrars Limited  
140 Tabernacle Street  
London  
EC2A 4SD

Dated the 2nd day of August 1993

Witness to the above signatories:-

David Ordish  
140 Tabernacle Street  
London  
EC2A 4SD