

PRIVATE COMPANY LIMITED BY SHARES

Written Resolution

of

Bannatyne Spa Hotel (Charlton House) Limited (the "Company")

Company No. 06519252

Passed on 08 April 2016

The following resolution was duly passed as special resolution on the above date by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006

SPECIAL RESOLUTION

- 1 THAT the articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, all existing regulations of the Company

Signed

Director



EG 046
COMPANY NUMBER: 06519252

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

Bannatyne Spa Hotel (Charlton House) Limited

Adopted by special resolution on 08 April 2016

1 Preliminary

- 1 1 The articles contained in the model articles ("Model Articles") in The Companies (Model Articles) Regulations 2008, SI2008/3229, Schedule 1 shall apply to the Company save in so far as they are excluded or varied by these articles and the Model Articles (save as so excluded or to the extent varied) and these articles shall be the articles of association of the Company. A reference in these articles to an article shall be to an article set out below unless otherwise indicated.
- 1 2 The following articles (and parts thereof) in the Model Articles are excluded from applying to the Company: article 9 (calling a directors' meeting), paragraph (5) of article 26 (right of directors to refuse to register a transfer), paragraph (2) (appointment of director by personal representatives) and paragraph (3) (death of two or more shareholders) of article 17, article 18 (termination of director's appointment), paragraph (2) of article 11 (quorum for directors' meeting), paragraph (1) of article 8 (unanimous decisions), paragraphs (1) to (4) (inclusive) of article 14 (conflicts of interest), article 31 (payment of dividends and other distributions), articles 27 (transmission of shares), 28 (exercise of transmittee's rights) and 29 (transmittees bound by prior notices) and article 52 (indemnity).

2 Interpretation

In these articles in addition to the defined terms in article 1 of the Model Articles the following expressions shall have the following respective meanings unless the context requires otherwise -

"United Kingdom" means Great Britain and Northern Ireland,

"Office" means the registered office of the Company

3 **Share Capital**

- 3 1 In accordance with section 567 of the Companies Act 2006 all the requirements of sections 561 and 562 of the Companies Act 2006 are excluded generally in relation to the allotment by the Company of equity securities (as defined in section 560(1) of the Companies Act 2006)

4 **Transfer of shares**

The directors may not refuse to register the transfer of a share which complies with paragraph (1) of article 26 of the Model Articles (transfer of shares by instrument of transfer)

5 **Votes of members**

- 5 1 Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall have one vote and, on a poll, every member shall have one vote for each share of which he is the holder
- 5 2 In accordance with section 324 of the Companies Act 2006, a member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. Any such proxy shall on a poll be entitled to cast the votes to which he is entitled in different ways. Upon a show of hands at a general meeting, the member and any of his proxies shall only be entitled to one vote between them regardless of how many proxies have been appointed

6 **Appointment of alternate directors**

- 6 1 Any director (an "appointor") may appoint, as an alternate, any other director, or any other person approved by resolution of the directors, to
- 6 1 1 exercise that director's powers, and
- 6 1 2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor
- 6 2 Any appointment must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors
- 6 3 The notice referred to in article 6 2 above must
- 6 3 1 identify the proposed alternate, and
- 6 3 2 contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

7 Rights and responsibilities of alternate directors

7 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

7 2 Except as the articles specify otherwise, alternate directors

7 2 1 are deemed for all purposes to be directors,

7 2 2 are liable for their own acts and omissions,

7 2 3 are subject to the same restrictions as their appointors, and

7 2 4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of Directors of which his appointor is a member

7 3 A person who is an alternate director but not a director

7 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),

7 3 2 may participate in a unanimous decision of the directors for the purposes of article 8 of the Model Articles (unanimous decisions) (but only if his appointor is an eligible director (as defined in paragraph (3) of article 8 of the Model Articles) in relation to that decision, but does not participate), and

7 3 3 shall not be counted as more than one director for the purposes of article 7 3 1 above

7 4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of each of his appointors, in addition to his own vote on any decision of the directors (provided that his appointor is entitled to vote on the matter at a meeting of the directors)

7 5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company

8 Termination of alternate directorship

8 1 An alternate director's appointment as an alternate terminates

8 1 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

8 1 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

8 1 3 on the death of the alternate's appointor, or

8 1 4 when the alternate's appointor's appointment as a director terminates

9 **Appointment and retirement of directors**

9 1 A member or members holding a majority of the voting rights in the Company (within the meaning of paragraph 2 of Schedule 6 to the Companies Act 2006) shall have power at any time, and from time to time, to appoint any person to be a director, either as an additional director or to fill a vacancy and to remove from office any director howsoever appointed Any such appointment or removal shall be made by notice in writing to the Company signed by the member or members making the same or, in the case of a member being a corporate body, signed by one of its directors or duly authorised officers or by its duly authorised attorney and shall take effect upon lodgement of such a notice at the Office

10 **Disqualification and removal of directors**

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 Companies Act 2006 or these articles 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 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,

10 1 4 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

10 1 5 notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms,

10 1 6 he shall for more than six consecutive months have been absent without permission of the directors from meetings of the directors held during that period and the directors resolve that his office be vacated, or

10 1 7 he is removed from office as a director pursuant to article 9 above

11 **Gratuities and pensions**

The directors may exercise any powers of the Company to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in section 344 of the Companies Act 2006) of the Company and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers

Paragraph (3) of article of the Model Articles (form of a director's remuneration) shall be modified accordingly

12 Proceedings of the directors

Quorum

12 1 Subject to article 12 2 below, the quorum for the transaction of business of the directors shall be two directors unless there is only one director of the Company when the quorum for the director's meeting shall be one and article 11(3) of the Model Articles shall not apply

12 2 For the purposes of any meeting (or part of a meeting) held in accordance with article 14 2 below to authorise a director's conflict of interest, if there are less than two directors entitled to vote on the matter at a meeting of the directors in office, other than the Interested Directors (as defined in article 14 2 2 below), the quorum for such meeting (or part of a meeting) shall be one director

Calling a directors' meeting

12 3 Subject to article 12 7 below, any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice

12 4 Notice of any directors' meeting must indicate-

12 4 1 its proposed date and time,

12 4 2 where it is to take place, and

12 4 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

12 5 Subject to article 12 7 below, notice of a directors' meeting must be given to each director and his alternate, but need not be in writing

12 6 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 more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held that does not affect the validity of the meeting, or of any business conducted at it

Directors absent from the United Kingdom

12 7 Notice of every meeting of the directors shall be given to each director and his alternate who may for the time being be absent from the United Kingdom and has given the Company an address for service of such notice within the United Kingdom

Unanimous decisions of directors

- 12 8 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means and in any form of words that they share a common view on a matter and wish that common view to take effect as a decision of the directors

13 Interests in transactions and other arrangements

- 13 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 188(6) of the Companies Act 2006, and provided that he has declared the nature and extent of any interest of his in accordance with the requirements of the Companies Act 2006, a director who is in any way, whether directly or indirectly interested in an existing or proposed transaction or arrangement with the Company -

13 1 1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way directly or indirectly interested,

13 1 2 shall be entitled to vote on any proposed decision of the directors (or a committee of the directors) at a meeting of directors (or a committee of the directors) or participate in any unanimous decision, in respect of such contract or arrangement or proposed contract or arrangement in which he is interested,

13 1 3 may be a director or officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way (directly or indirectly) interested,

13 1 4 may or any firm or company of which he is a member or director may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,

13 1 5 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Companies Act 2006) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Companies Act 2006

14 Directors' Conflicts of Interest

- 14 1 For the purposes of section 175 of the Companies Act 2006, the directors may authorise any matter which -

14 1 1 would or could be a breach of a director's duty under that section, or

14 1 2 could result in a breach of a director's duty under that section

- 14 2 For the authorisation of a matter (pursuant to the authority in article 14 1 above), to be effective

- 14 2 1 the matter in question must be proposed for consideration at a board meeting, or for the authorisation of the directors by resolution in writing, in line with the board's normal procedures or in any other way that the directors may decide,
- 14 2 2 any quorum requirement at the board meeting when the matter is considered must be met without counting the director in question and any other interested director (the "Interested Directors"), and
- 14 2 3 the matter must be agreed without the Interested Directors voting, or would have been agreed if the votes of the Interested Directors had not been counted
- 14 3 Any matter authorised under article 14 1 above will be subject to any conditions or limitations decided on by the directors. The directors can decide the conditions or limitations at the time authorisation is given, or later on, and such conditions or limitations can end at any time. A director must comply with any obligations the directors impose on him after a matter has been authorised
- 14 4 Any matter authorised under article 14 1 above will include any existing or potential conflict of interest which it is reasonable to expect will arise out of the authorised matter
- 14 5 The director shall not be required to disclose any confidential information obtained in relation to the relevant matter which has been authorised under article 14 1 above (other than through his position as a director of the Company) to the Company or to use or apply it in performing his duties as a director if to do so would result in a breach of duty or obligation of confidence owed by him in relation to or in connection with that matter
- 14 6 Where a matter is authorised in accordance with article 14 1 above, the director will not infringe any duty to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with any terms, limits and conditions imposed in respect of the authorisation
- 14 7 A director is not accountable to the Company for any benefit he receives (or a person connected with him receives) as a result of anything the directors have authorised under article 14 1 above. No contract, transaction or arrangement relating to any matter authorised by the directors under article 14 1 above can be set aside because of any director's interest or benefit

15 **Replacement Share Certificates**

In paragraph (2)(c) of article 25 of the Model Articles the words "and the payment of a reasonable fee" shall not apply to the Company and paragraph (2)(c) of article 25 of the Model Articles shall be modified accordingly

16 **Payment of dividends and other distributions**

- 16 1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means-
 - 16 1 1 transfer to a bank or building society account specified by the distribution recipient in writing,

- 16 1 2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing,
 - 16 1 3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing, or
 - 16 1 4 any other means of payment as the directors agree with the distribution recipient in writing
- 16 2 In this article 16, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable the holder of the share
- 17 **Secretary**
- 17 1 The directors may appoint any person who is willing to act as 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
- 17 2 The members may appoint any person (willing so to act) or remove any secretary from office in the same manner as provided in article 9 1 above, provided that, in such instances, all references to " a director" in the first sentence of article 9 1 above, shall be construed as if the references were to "secretary"
- 18 **Means and timing of communications**
- These shall be added to article 48 of the Model Articles (means of communication to be used) the following new paragraph (4) as follows
- "48(4) Where a notice, document or other information is sent or supplied by electronic means and is properly addressed, it is deemed to have been served on or delivered to the intended recipient one hour after it was sent or supplied "
- 19 **Indemnity**
- 19 1 Subject to article 19 2 below, but without prejudice to any indemnity to which a relevant officer is otherwise entitled, a relevant officer may be indemnified out of the Company's assets against
- 19 1 1 any liability incurred by that relevant officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company,
 - 19 1 2 any liability incurred by that relevant officer in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
 - 19 1 3 any other liability incurred by that relevant officer as a relevant officer of the Company

- 19.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Act 2006 or by any other provision of law
- 19.3 In this article a "relevant officer" means any director or former director of the Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Companies Act 2006))