

THE COMPANIES ACT 2006

SPECIAL RESOLUTION

TO Alter clauses in the articles of association

Part A

Company Name: PROPERTY PLUS (INTERNATIONAL) LIMITED

Company Number: 11044336

A Written Resolution adopted in accordance with Sections 288 to 297 of the Companies Act 2006.

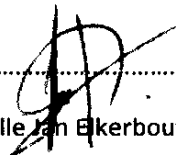
The following resolution listed in Part B was proposed by the Directors, circulated to the Members and agreed unanimously by all Members.

Part B

RESOLUTION

That:

The articles of association shall be altered so as to take the form of the articles of association attached to this resolution, are in substitution for, and to the exclusion of, any articles of association of the company previously registered with the Registrar of Companies and to empower the Secretary to register such change at Companies House.


.....
Jelle Jan Ekerbout

Director

Date: 05/10/2018



Company Registration No.: 11044336

THE COMPANIES ACT 2006

ARTICLES OF ASSOCIATION

OF

PROPERTY PLUS (INTERNATIONAL) LIMITED

Registration No.: 11044336

INCORPORATED ON: 2nd November 2017

A Private Company Limited by Guarantee

ARTICLES OF ASSOCIATION

of

PROPERTY PLUS (INTERNATIONAL) LIMITED ("Company")

1. PRELIMINARY

The regulations contained in the Model Articles for a Company Limited by Guarantee in the Act will not apply to the Company.

2. DEFINITIONS AND INTERPRETATION

2.1 In these Articles the following words shall, unless the context otherwise requires, have the following meanings:

The "**Act**" means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

"Administrator" means a company to be appointed by the Board, on behalf of the Company, to undertake the management of the affairs of the Company under an Administration Agreement or any person to whom the Administration Agreement is assigned under the terms of the Administration Agreement and where relevant any person or company appointed by any such Administrator to perform any duties delegated to them pursuant to the Administration Agreement. "Administrator" shall also include any successors in title;

"Administration Agreement" means any agreement in force from time to time whereby the Administrator undertakes the administration and management of the affairs of the Company;

"Annual Contributions" means the annual sum payable by Subscribers, for each Subscription Right owned, in accordance with these Articles;

"Applicant" means any person applying to acquire Subscription Rights under the terms of a Subscription Agreement;

"Articles" means these Articles of Association as amended from time to time;

"Board" means the board of directors of the Company as constituted from time to time;

"Chairman" means the chairman from time to time of the Board appointed pursuant to these Articles;

"Classic Subscribers" means a member, as provided for in the Act, who has acquired a Classic Subscription Right;

"Classic Subscription Right" means the right of a Classic Subscriber to apply for and book up to 2 (two) Weekly Periods annually in the Leisure Properties and to share in the Reimbursement Fund, with the holders of all other Subscription Rights, in proportion to the amount deposited into the Reimbursement Fund in respect of each Subscriber, in accordance with these Articles;

"Commencement Date" means 1st January 2018;

"Final Year" means the calendar year 31st December 2042;

"General Meeting" has the meaning given to it in the Act;

"Gold Subscribers" means a member, as provided for in the Act, who has acquired a Gold Subscription Right;

"Gold Subscription Right" means the right of a Gold Subscriber to apply for and book up to 4 (four) Weekly Periods annually in the Leisure Properties and to share in the Reimbursement Fund, with the holders of all other Subscription Rights, in proportion to the amount deposited into the Reimbursement Fund in respect of each Subscriber, in accordance with these Articles;

"Initial Year" means the calendar year in which the Total Purchase Price payable by the Subscriber is paid;

"Leisure Properties" means Property Assets and other properties which are useable for leisure purposes for Weekly Periods and which are made available to Subscribers to use;

"Net Purchase Price" means the price paid by a Subscriber for his Subscription Rights as detailed on his Subscription Agreement, which shall exclude any administration or trustee fees and any similar charges;

"Office" means the registered office (not a place of business) of the Company from time to time;

"Owning Company" means the non-trading company, exclusively controlled by the Trustee or its nominee, which shall hold title to the Property Assets in trust for the Company;

"Platinum Subscriber" means a member, as provided for in the Act, who has acquired a Platinum Subscription Right;

"Platinum Subscription Right" means the right of a Platinum Subscriber to apply for and book up to 6 (six) Weekly Periods annually in the Leisure Properties and to share in the Reimbursement Fund, with the holders of all other Subscription Rights, in proportion to the amount deposited into the Reimbursement Fund in respect of each Subscriber, in accordance with these Articles;

"Property Assets" means the beneficial ownership of properties, the freehold title and/or long term lease to which is held by an Owning Company from time to time and may include, inter alia, residential units, hotels (and where available individually, hotel rooms), common facilities and Weekly Periods;;

"Property Plus Global Vacation Club" means an exchange system available to Subscribers made available by the Company from time to time;

"Register of Subscribers" means the register of members in accordance with the Act;

"Reimbursement Fund" means a fund established by the Administrator and invested in Property Assets, other assets or retained in a bank account, all on the instruction of the Administrator, and held by the Trustee which will be liquidated and distributed, in proportion to their holding, amongst the then current holders of Subscription Rights in good standing at the end of the Final Year;

"Rules" means such rules and regulations as may be issued by or under authority of the Company or the Board from time to time pursuant to these Articles;

"Special Contribution" means any expenses actually and necessarily incurred or reasonably expected to be incurred by the Company, which were not included, or not adequately provided for, in the Annual Contributions;

"Subscribers" means Classic Subscribers, Gold Subscribers and Platinum Subscribers from time to time of the Company and such other persons as are admitted to membership from time to time in accordance with these Articles;

"Subscription Agreement" means an agreement in such form not inconsistent with the Articles as the Administrator may from time to time specify pursuant to which a Subscriber may apply to purchase Subscription Rights from the Administrator conditional upon becoming a Subscriber;

"Subscription Certificate" means a certificate issued to a Subscriber specifying his Subscription Rights pursuant to these Articles;

"Subscription Right" means the Classic Subscription Rights, Gold Subscription Rights and Platinum Subscription Rights.

"Total Purchase Price" means the total price paid by a Subscriber for his Subscription Rights as detailed on his Subscription Agreement, which includes any administration or trustee fees and any similar charges;

"Transfer Agreement" means an agreement in such form consistent with the Articles as the Administrator may from time to time specify pursuant to which Subscription Rights may be transferred by a Subscriber on condition that the transferee is or becomes a Subscriber);

"Trust Deed" means a deed of trust made in favour of the Company for the purpose of securing Property Assets for the benefit of the Subscribers and Deed of Trust shall have the same meaning;

"Trustee" means the independent trustee referred to in the Trust Deed or any replacement trustee;

"Weekly Period" means the seven night period in respect of which Subscribers may occupy any Leisure Property.

"Year" means a calendar year.

- 2.2 Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing one gender only shall include the other, words denoting natural persons shall include legal persons and vice versa and other words or expressions contained in these Articles shall bear the same meaning as in the Act.

3. MANAGEMENT

The Company shall operate in accordance with these Articles for the benefit of Subscribers insofar as it lies within its competence and powers and shall maintain accurate written records of all its financial transactions and affairs.

4. SUBSCRIBERS

- 4.1 The liability of each Subscriber is limited to a maximum of £1 (one Pound), being the amount that each Subscriber undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Subscriber, for payment of the Company's debts and liabilities contracted before he ceases to be a Subscriber.
- 4.2 The initial subscribers to the Memorandum of Association and such other legal persons as are admitted as Subscribers in accordance with the Articles shall be members of the Company, until such time as that membership is transferred. Notwithstanding the following clause, such initial subscribers shall not acquire any Subscription Rights.
- 4.3 The Board or a person authorised by the Board shall have power to admit persons to be Subscribers and shall have power to admit or refuse any person not being a minor,

who has applied to be a Subscriber and has agreed to acquire Subscription Rights subject only to his becoming a Subscriber, all in terms of a validly executed Subscription Agreement or Transfer Agreement.

- 4.4 On admission as a Subscriber a person shall immediately be entitled to have their name entered in the Register of Subscribers and to receive a Subscription Certificate executed by or on behalf of the Company by the Trustee which shall be prima facie evidence of being a Subscriber. More than one person may purchase in joint names in which case they shall all apply to be a Subscriber jointly, but upon admission shall only be entitled to the rights of a single Subscriber.
- 4.5 No person shall be admitted as a Subscriber unless he shall have agreed to be bound by these Articles and the Rules and, after admittance, any refusal to be so bound shall be treated as notice of his resignation. Any Subscriber may apply to the Company for a copy of these Articles and the Rules.
- 4.6 (a) A Subscriber shall cease to be a member in any of the following circumstances:
- (i) if by giving at least seven clear days notice in writing lodged at the Office and accompanied by his Subscription Certificate he resigns as a member or transfers his membership and his Subscription Rights to a third party in accordance with these Articles; or
 - (ii) if his membership is cancelled pursuant to the Articles; or
 - (iii) if his membership ceases pursuant to Article 8.3.
- (b) if a Subscriber ceases to be a member, without having transferred his membership and Subscription Rights in accordance with Article 4.6(a)(i), he shall cease to own the Subscription Rights, which shall revert to the Administrator, or its successor in title.
- (c) if a Subscriber, who has ceased to be a member in accordance with this Article, fails to complete the transfer of his Subscription Rights prior to his ceasing to be a member pursuant to Article 4.6(a)(i) or (ii) or his personal representatives, trustee in bankruptcy or liquidator fails to complete the transfer of his Subscription Rights within 6 months of his ceasing to be a

member pursuant to Article 4.6(a)(iii) then such Subscription Rights shall revert to the Administrator and the Subscriber who has ceased to be a member shall not be entitled to any proceeds therefrom whatsoever, including, inter alia, any rights to a share of the Property Assets and Reimbursement Fund at the end of the Final Year. Further, the Subscriber who has ceased to be a member will surrender the relevant Subscription Certificate to the Administrator when called upon to do so (and in the absence of surrender such Subscription Certificate shall become automatically void), and the Subscriber who has ceased to be a member shall be deemed hereby to have irrevocably appointed the Administrator as his attorney to complete such transactions and to grant all deeds or other documents in implementation thereof.

- 4.7 In the case of a joint ownership of Subscription Rights the Administrator shall have the right to demand, individually or jointly, from the first named Subscriber or from any other joint Subscriber that it may choose any sums which are payable by the owner of those Subscription Rights.
- 4.8 Except as provided by law or authorised by the Directors, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Subscriber.

5. PRIMARY OBJECTIVES OF THE COMPANY

- 5.1 To acquire interests in property ownership or property use projects or specific property or accommodation including rights to occupy specific properties and accommodation; to secure for the Subscribers, rights of use of property or property use schemes or specific property or accommodation; to make available to the Subscribers in any way or manner rights to occupy, use or enjoy specific properties or accommodation; to administer or direct the administration of such system or systems as will secure occupancy and use rights for the Subscribers in a just and equitable manner; to sell, lease, let, exchange or otherwise dispose of or grant occupancy and use rights in respect of such property interests and occupancy rights; to generally deal with and manage such property interests and occupancy rights; to receive all income arising from such property interests and occupancy rights and to receive monies from the Subscribers and apply such income and monies as provided in the Articles from time to time; to sell, lease, let or otherwise dispose of such property interests and occupancy rights during the life of the project in the interests of the holders of

Subscription Rights in a just and equitable manner and, within the timeframe stipulated to arrange for the sale or other disposition of such property interests and occupancy rights thereof and to arrange for the application of such sales proceeds, income and monies as provided in the Articles from time to time.

- 5.2 To carry on any other activity connected, ancillary or complimentary with the objects in Article 5.1.

6. ACQUISITION AND PROTECTION OF PROPERTY ASSETS

- 6.1 Forthwith upon incorporation of the Company:

- (a) the Company will appoint the Trustee and the Company and the Administrator will enter into the Trust Deed with the Trustee; and
- (b) the Company will enter into an Administration Agreement with the Administrator.

- 6.2 The Administrator alone shall be entitled to transfer Property Assets to the Company in the manner contemplated in this Article.

- 6.3 (i) using a proportion of the Net Purchase Prices that the Administrator deems sufficient, but which is never less than 15 % of the Net Purchase Prices received from Subscribers, the Administrator shall procure the transfer of Property Assets to the Company by registering or procuring the registration of the title to or lease of such Property Assets in the name of an Owning Company or as the Trustee may direct, to be held in trust for the benefit of the Company and the holders of Subscription Rights from time to time, under the terms of the Trust Deed.

- 6.4 In exchange for introducing Property Assets into the Company the Administrator shall, subject to the terms of the Articles, hold all Subscription Rights arising therefrom, unless or until sold to Subscribers under Subscription Agreements. The Administrator shall alone have the right to issue such Subscription Rights to existing or potential Subscribers (conditional upon their becoming Subscribers). The price at which such Subscription Rights shall be sold shall be determined by the Administrator and shall be subject to such conditions (not inconsistent with the provisions of Article 7 or any other provisions of the Articles) as the Administrator may determine from time to time. Title to the Property Assets shall be held by the Trustee in such manner

as the Trustee shall in its absolute discretion determine pursuant to the terms of the Trust Deed.

- 6.5 During the Final Year, such Property Assets shall be disposed of by the Administrator with the cooperation of the Trustee where necessary in the order determined by the Administrator and the net funds so realised shall be distributed by the Trustee, together with any other assets forming part of the Reimbursement Fund to the individual Subscribers holding valid Subscription Rights. Each valid Subscription Right shall entitle the holder to the proportion of the funds so realised, as laid out in the definition of Subscription Rights as it applies to the holder. The Administrator guarantees that the amount receivable by the holder of a Subscription Right, who is in good standing at the end of the Final Year, shall be a minimum of the cash amount of the Net Purchase Price originally paid to the Administrator for that Subscription Right excluding any non cash assets taken in part exchange. At any time during and up to the Final Year, the Administrator shall be entitled to request the Trustee to permit the sale of any Property Asset and return the net proceeds of sale to the Administrator in return for the cancellation of some or all of the Subscription Rights that have reverted to the Administrator in accordance with these Articles. The Trustee shall only comply with such request if:-

(i) the proportion of the relevant Reimbursement Fund so released is equivalent to the proportion of the value of those cancelled Subscription Rights bare to the total value of valid and relevant Subscription Rights in existence at that time and

(ii) the Administrator is reasonably satisfied there remain sufficient Property Assets, such that, on disposal of those Property Assets at the end of the Final Year, there will be sufficient monies available to repay all the Subscribers holding valid Subscription Rights (at the time of the sale), the Net Purchase Price (exclusive of any non cash assets given in part exchange and any administration fees or similar charges), paid by such Subscribers for their respective Subscription Rights.

Otherwise, neither the Administrator nor the Board shall be entitled to request the Trustee to dispose of any interest or otherwise deal in any Property Assets without the sanction of a resolution of the Company in General Meeting. For the sake of clarity, it is confirmed that the Administrator shall not deem itself to be reasonably satisfied, in terms of this Article, unless the combined cumulative growth of the value of the Property Assets and relevant Reimbursement Fund is in excess of 8% per annum.

7. ISSUE OF SUBSCRIPTION RIGHTS

- 7.1 The Administrator or any person authorised by the Administrator ("an Authorised Person") shall be entitled to issue Subscription Rights and may sell Subscription Rights in the following manner:
- (a) it shall enter into a Subscription Agreement with the Subscriber or Applicant to whom the Subscription Rights are to be issued and such Subscription Agreement once duly executed shall be delivered to the Company together with a copy also to the Trustee;
 - (b) within sixty days of receipt of a duly executed Subscription Agreement, in respect of which the minimum sum referred to in article 6.3 hereof has been used for the acquisition of Property Assets (or has been set aside by the Trustee for the acquisition of Property Assets) and, in respect of which the Administrator and Trustee have been paid the sums due to them, the Company shall procure that the Company's records are adjusted to reflect the issue of any Subscription Rights to the Applicant and the Trustee shall issue a Subscription Certificate to him, which shall be prima facie evidence of his ownership of the Subscription Rights.
- 7.2 A Subscriber may own more than one Subscription Right.
- 7.3 The Trustee or other entity responsible for maintaining the Company's records may charge the Applicant a reasonable fee for the registration of an issue of Subscription Rights which fee may be revised from time to time.
- 7.4 In the event that any owner of Subscription Rights fails without good cause to pay on the due date any part of the Total Purchase Price payable in respect of a Subscription Agreement or otherwise or any monies payable to a lender in respect of a loan in connection with the acquisition of Subscription Rights, then the Administrator shall at any time thereafter be entitled (without prejudice to any other rights or remedies available whether or not exercised), to cancel the Applicant's membership by notice in writing to the Company and in that event the provisions of Article 4.5 shall apply and those Subscription Rights, including any votes attached thereto, shall revert to the Administrator. In such an event, the Applicant/Subscriber shall not be entitled to a refund of any sums already paid in respect of such Subscription Agreement or

acquisition of such Subscription Rights. The foregoing shall not prejudice the Administrator's rights to enforce the terms of the Subscription Agreement.

8. TRANSFER OF SUBSCRIPTION RIGHTS

8.1 A Subscriber shall not be entitled to transfer any of the Subscription Rights to which he is entitled except in accordance with the following provisions of this Article.

8.2 Any Subscriber may, subject to Article 8.3, sell or otherwise dispose of all of the Subscription Rights on a single Subscription Certificate in the following manner:

(a) he, or his personal representatives trustee in bankruptcy, liquidator, receiver or administrative receiver as the case may be, shall deliver to the Administrator the following documents:

(i) a Transfer Agreement validly executed by the Subscriber or his personal representatives as the case may be (and stamped if necessary) and by the proposed transferee;

(ii) the relevant Subscription Certificate and such other documentation as the Company may reasonably require to evidence the Subscriber's good title to the Subscription Rights and the proposed transferee's membership; and

(iii) any fee payable pursuant to Article 8.4 below.

(b) within 60 days of receipt of all the items referred to in Article 8.2(a) the Company shall:

(i) if the Subscriber has transferred all of the Subscription Rights to which he is entitled, procure that the Subscriber's membership is terminated and that his name is deleted from the Register of Subscribers; and

(ii) procure that the Company's records are adjusted to reflect the transfer of the Subscription Rights to the transferee and that a Subscription Certificate is issued to the transferee;

8.3 In the event of the death or insolvency of any Subscriber, or the winding up of a Subscriber being a corporation, his membership shall terminate. However, for a period of 6 months only from the date of death, insolvency or winding up his personal

representatives, trustee in bankruptcy or liquidator as the case may be, may agree to transfer the Subscription Rights of such Subscriber to a third party subject to the Company being given notice of such transfer and the transferee becoming a Subscriber within that period of 6 months. In this case the terms of Articles 8.2 and 8.4 shall apply to any resulting transfer.

- 8.4 The Trustee or other entity responsible for maintaining the Company's records may charge a reasonable fee for the registration of a transfer which fee may be revised from time to time.
- 8.5 The Board may refuse to register or give effect to a transfer where the transferor has failed to pay any sums due by him to the Company or the Administrator or to the Trustee.
- 8.6 No limitation or restriction as to the transfer of any Subscription Rights as contemplated herein, shall in any way apply to the Administrator.
- 8.7 No Subscriber shall be entitled to transfer any Subscription Rights unless and until all monies payable in relation to the purchase thereof have been paid in full. Any purported transfer contrary to this Article shall be voidable at the instance of the Administrator.

9. MANAGEMENT OF THE PROPERTY ASSETS

- 9.1 The Administrator shall carry out the management, operation and administration of the Property Assets in the best interest of Subscribers and shall make the Leisure Properties which form part of the Property Assets available for use to both Subscribers and the general public in return for a rent.
- 9.2 The net rental income after deduction of the Administrator's costs shall be put towards the relevant Reimbursement Fund.
- 9.3 To book the use of a Leisure Property a Subscriber shall pay a usage charge, to be determined by the Administrator, which shall be non-refundable upon confirmation of the booking by the Administrator. The charge for the use of a Leisure Property shall always be below the published "rack" rate.
- 9.4 All bookings will be subject to availability.

10. COMPANY RECORDS

The Company shall procure that the Trustee and the Administrator shall each maintain adequate records for the proper management of the Company, including the Register of Subscribers, a register of Subscription Rights showing each Subscriber's Subscription Rights from time to time, a record of all moneys due by each Subscriber, the Administrator or the Trustee from time to time and a register of Property Assets. The Company's Register of Subscribers and register of Subscribers' Subscription Rights shall be prima facie evidence of the matters contained therein.

Every Subscriber shall be entitled to request in writing, from the Administrator, an extract of the records showing the Subscription Rights of that Subscriber and that Subscriber's indebtedness in respect thereof as at the date of the extract. Each such request shall be accompanied by such reasonable fee as may from time to time be prescribed by the Administrator or the Trustee for providing the extract. The Administrator or Trustee shall, as soon as practicable after receipt of such a request and fee, provide the required extract to the Subscriber.

11. ANNUAL CONTRIBUTIONS

- 11.1 In respect of each Subscription Right held, each Subscriber shall pay to a collection agent appointed by the Administrator (the "Collection Agent") an Annual Contribution to cover the holding costs of the Property Assets, the Administrator's fees, the Trustee fees, Directors' fees, the maintenance and augmentation of the Reimbursement Fund (to ensure that it reaches the guaranteed return as detailed in Article 6.5, by the end of the Final Year) and all other costs associated with running the Company, which funds shall be paid over to the Trustee. The first Annual Contribution is payable, in advance, at the date of purchase of the Applicant's membership. For the avoidance of doubt this provision shall not apply to Subscription Rights that the Administrator has not yet sold nor to Subscription Rights forfeited to the Administrator.
- 11.2 Subsequent Annual Contributions will be invoiced on 1st October and due for payment by 30th November prior to the year to which they relate or within one month of invoice whichever is the later.

- 11.3 The Annual Contribution at the Commencement Date for Subscription Rights is 3% of the Total Purchase Price shown on the associated Subscription Agreement plus USD99.00 or its equivalent in freely tradeable currency for membership in the *Property Plus Global Vacation Club*.
- 11.4 Except as outlined herein, the Annual Contribution shall be increased annually at the discretion of the Administrator up to a maximum of 5% above the rate of inflation of the country whose currency was used in the relevant Subscription Agreement, subject only to the following provision. In the event of the Administrator wishing to impose a higher increase, the Subscribers will be invoiced with the proposed Annual Contribution and if a Subscriber considers the increase above the aforementioned maximum to be unjustified he may notify the Administrator and Trustee in writing. If the number of Subscribers giving such notification exceeds 5% of all Subscribers or 100 Subscribers (whichever is the higher), the Administrator shall appoint an independent accountant or other similarly qualified individual acting as an expert, acceptable to the Trustee, to ascertain whether the proposed increase is reasonable. The Administrator shall provide that expert with an assessment of all relevant expenditure and forecasts. This assessment shall be examined by that expert, whose decision, as to whether the proposed Annual Contribution is reasonable, shall be final. In the event of the proposed Annual Contribution not being considered reasonable, the current year's Annual Contribution shall remain unaltered and the reduction recommended by the independent expert shall be applied against the subsequent year's Annual Contribution.
- 11.5 In addition to the Annual Contribution, each Subscriber shall pay to the Collection Agent on behalf of the Company such Special Contribution and additional charges (including, without prejudice to the generality, default charges for non or late payment of the Annual Contribution together with interest thereon) as may be levied on him by the Administrator pursuant to and in accordance with the Rules, which sum shall be paid over to the Trustee.
- 11.6 In the event that a Subscriber does not pay his Annual Contribution and/or Special Contribution (the "Contributions") by the due date referred to in Article 11.2 and has still not paid such Contributions within 30 days of having been sent a reminder, in writing, then the Directors shall at any time thereafter be entitled (without prejudice to any other rights or remedies available whether or not exercised), to cancel the

Subscriber's Subscription Rights by notice in writing to the Subscriber and the Company. As from the date of such notice, the Subscriber's Subscription Rights shall no longer be valid. At the sole discretion of the Directors, and after receipt by the Administrator of a written request for reinstatement from the Subscriber within 6 months after the date that the Contributions first became due, such rights may be reinstated upon payment by the Subscriber of all outstanding Contributions plus a reinstatement fee equivalent to twice the unpaid Contribution to cover interest, administration costs and penalties. On completion of such reinstatement the aforementioned cancelled Subscription Rights shall be re-instated and become valid once again. Thereafter, no reinstatement or revalidation of cancelled Subscription Rights shall be permissible. All Subscription Rights so cancelled shall revert to the Administrator that first sold those Subscription Rights or its successor in title.

12. NOTICE OF GENERAL MEETINGS

- 12.1 The Company shall not hold Annual General Meetings.
- 12.2 The Directors may call General Meetings and, on the written request of the Subscribers pursuant to the provisions of the Act, shall forthwith proceed to convene a General Meeting for a date not later than eight weeks after receipt of the requisition.
- 12.3 All General Meetings shall be called by at least fourteen clear days' notice. The notice shall specify the time and place of the meeting and the general nature of the meeting and business to be transacted. The notice shall be given to all the Subscribers, the Administrator, the Directors, the auditors and to the Trustee.
- 12.4 The Trustee and Directors shall have the right to be notified of and attend all General Meetings and to speak thereat in all respects as if a Subscriber provided that they shall not be entitled to vote in any proceedings.
- 12.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.
- 12.6 Every notice convening a General Meeting shall comply with any applicable provisions of the Act relating to giving information to Subscribers in regard to their right to appoint proxies.

13. PROCEEDINGS AT GENERAL MEETINGS

- 13.1 No business shall be transacted at any General Meeting unless a quorum is present. Ten persons, each being a Subscriber or a proxy for a Subscriber or a duly authorised representative of a corporation shall be a quorum.
- 13.2 If such a quorum is not present within thirty minutes from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Chairman of the meeting may determine, and if at the adjourned meeting a quorum is not present within thirty minutes from the time appointed therefore the Subscribers present shall be a quorum.
- 13.3 The Chairman, if any, of the Board or in his absence some other Director nominated by the Directors shall preside as Chairman of the meeting, but if neither the Chairman nor such other Director (if any) be present within ten minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be Chairman and, if there is only one Director present and willing to act, he shall be Chairman.
- 13.4 If no Director is willing to act as Chairman, or if no Director is present within ten minutes after the time appointed for holding the meeting, the Subscribers present and entitled to vote shall choose one of their number to be Chairman.
- 13.5 The Chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn business from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- 13.6 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. Subject to the provisions of the Act, a poll may be demanded by the Chairman, the Directors or by at least two Subscribers in attendance at the meeting.
- 13.7 Unless a poll is duly demanded a declaration by the Chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall

be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

13.8 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chairman.

13.9 A poll shall be taken in the manner directed by the Chairman but shall take place forthwith.

13.10 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall be entitled to a casting vote in addition to any other vote he may have.

14. VOTES OF SUBSCRIBERS

14.1 (a) All Subscribers shall be entitled to receive notice of, to attend, to speak and to vote at all General Meetings, subject to his Annual Contributions and Special Contributions not being over due or his Subscription Rights having been cancelled.

(b) On a show of hands every Subscriber who (being an individual) is present in person or (being a firm or corporation) is present by a duly authorised representative, not being himself a Subscriber entitled to vote, shall have one vote and on a poll every Subscriber shall have one vote for each Subscription Right owned by him. Where a Subscription Certificate is owned jointly the vote of only one of the joint owners on the Subscription Certificate shall be counted and for the avoidance of doubt the vote of the first named joint owner on the Subscription Certificate shall only be counted in the event of a dispute between the joint owners.

(c) The Administrator shall initially be entitled to 100 votes and shall be entitled to receive notice of and attend and speak at all General Meetings and, in addition to the aforementioned votes shall be entitled to votes attached to the Subscription Rights acquired in accordance with clause 4.6(b).

14.2 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is rendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

14.3 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and shall be in a form approved by the Directors.

14.4 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:

- (a) be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman or to the Company Secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

14.5 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

15. DIRECTORS

15.1 **Directors' general authority:** Subject to the Articles, the Directors are only responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company and the obligations of Directors as detailed in these Articles and the Act.

Without prejudice to the generality of the foregoing, the Directors shall be entitled to exercise the following specific powers:

- (a) to make or amend the Rules.

- (b) to approve or ratify the Trust Deed on behalf of the Company.
- (c) to cancel, suspend or vary the Subscription Rights or membership of any Subscriber at any time who, in the reasonable opinion of the Directors shall have failed without good cause to pay any monies due to the Administrator, the Company or the Trustee on the due date or shall have failed to comply with his obligations under the Articles or shall have committed a breach of the Rules or whose conduct in the reasonable opinion of the Directors shall be unbecoming to be a member and who has not paid the outstanding monies, or complied with the obligation and remedied the breach, or desisted from the said conduct within such reasonable time as the Directors shall notify in writing to such member. In the event of a Subscriber having his Subscription Rights cancelled or suspended or his membership suspended, he shall not be entitled to exercise any of the rights of a Subscriber (including the right to attend and vote at General Meetings). Any Subscription Rights on cancellation under this Article shall be forfeited to the Administrator or its nominee.

For the avoidance of doubt, the Directors are not responsible for, nor do they have any involvement in, the sale of Subscription Rights.

- 15.2 **Directors may delegate:** Subject to the Articles, the Directors may delegate any of the powers which are conferred on them under the Articles to the Administrator such of the Company's powers as they may consider appropriate to enable the Administrator to perform its functions pursuant to the Administration Agreement under which it is appointed. The Directors may similarly revoke such delegation.
- 15.3 **Directors to take decisions collectively:** 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 unanimous decision. A unanimous decision shall be deemed to have been taken when a resolution in writing to which each Director entitled to vote on the matter, had it been proposed as a resolution at a Directors' meeting, has indicated agreement in writing.
- 15.4 **Calling and Participation in a Directors' meeting:** Any Director may call a Directors' meeting by authorising the Company Secretary to give notice of the meeting to the Directors. Notice of any Directors' meeting must indicate its proposed

date, time and place and, 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.

Notice of a Directors' meeting must be given to each Director, but need not be in writing, except that notice need not be given to Directors who waive their entitlement to that notice, by informing the Company not more than 7 days after the date on which the meeting is held.

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.

15.5 Quorum for Directors' meetings: The quorum for Directors' meetings when the Company has only one Director is one. If the Company has more than one Director the quorum for Directors' meetings is two. If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than to appoint further Directors.

15.6 Chairing of Directors' meetings and casting vote: The Directors may, by simple majority, appoint a Director to chair their meetings and the person so appointed for the time being shall be known as the chairman. The Directors may terminate the chairman's appointment in the same manner. If the numbers of votes for and against a proposal are equal, the chairman shall have a casting vote.

15.7 Company Secretary and recording of decisions: The Directors shall appoint a Company Secretary who shall ensure that the Company keeps a written record, for a minimum of 10 years of every decision taken by the Directors. The Company Secretary is only responsible for its obligations outlined in these Articles and in the Act.

16. APPOINTMENT OF DIRECTORS

16.1 The number of Directors shall not be more than five.

16.2 The first Director shall be appointed by the initial subscriber, and shall be a representative of the Administrator. Thereafter, at any time, the Board may appoint with immediate effect, any person to be a Director.

- 16.3 The Subscribers may in General Meeting remove any Director on a vote provided at least 28 days notice of the proposal to remove any such Director is given to the Company by at least 25 Subscribers, except that at least one Director who is a representative of the Administrator must remain as a Director.

17. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of a Director shall be vacated if he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or he becomes bankrupt or makes any arrangement or composition with his creditors generally; or a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or 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; or he resigns his office by notice to the Company; or, being a Subscriber, he ceases to hold any valid Subscription Rights.

18. DIRECTORS' EXPENSES

The Directors may be paid at the discretion of the Board of Directors all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of Directors or General Meetings or otherwise in connection with the discharge of their duties. For the avoidance of doubt any such monies shall be paid by the Administrator and shall be taken into account when calculating the aggregate Annual Contributions.

19. THE COMPANY SEAL

The seal (if any) shall only be used with the authority of the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Company Secretary or by a second Director.

20. NOTICES

- 20.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing.

- 20.2 The Company may give any notice to a Subscriber or Director either personally or by sending it by post in a prepaid envelope addressed to the Subscriber or Director at his registered address in the Register of Subscribers or by leaving it at that address.
- 20.3 A Subscriber present, either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 20.4 A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

21. CONFLICT

In the event of any conflict between the provisions of the Rules and the provisions of these Articles, the Articles shall prevail and nothing contained in the Rules shall be deemed to constitute an amendment of the Articles.

22. WINDING UP

The Company shall convene a General Meeting to be held during the Final Year at such place as the Board may determine at which a resolution providing for the Company to be wound up shall be considered. All the Subscribers entitled to do so shall be obliged to vote in favour of such resolution.

23. DISSOLUTION

If upon winding up or dissolution of the Company, all then current Subscribers have been reimbursed in accordance with the terms of these Articles and there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the Subscribers but shall be given or transferred to the Administrator.

24. DIRECTORS' INDEMNITY AND INSURANCE

- 24.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution or discharge of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in

which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company and no Director or other officer or auditor of the Company shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution or discharge of the duties of his office or in relation thereto.

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

24.3 In this article:

(a) a “relevant Director” means any Director or former Director of the Company or an associated company,

(b) a “relevant loss” means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director’s duties or powers in relation to the Company or any associated company, and

(c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.