

50247045

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES



R&A TRUST COMPANY (No. 1) LIMITED

(Adopted on 18 September 2003 and as altered on 2 December 2005)

PRELIMINARY

1. The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as in force on the Adoption Date shall not apply to the Company, but the following shall be the Regulations of the Company.

PRIVATE COMPANY

2. The Company is a private company and accordingly no invitation shall be made to the public to subscribe for any shares or debenture of the Company.

INTERPRETATION

3.1 In these Regulations:-

- (a) "the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;
- (b) "the Adoption Date" means the date of the adoption of these Regulations as the Articles;
- (c) "the Articles" means the Articles of Association of the Company;

- (d) "body" includes any association, body corporate, company, corporation, firm, foundation, institution, organisation, partnership, society, trust or aggregate of persons (whether incorporated or unincorporated);
- (e) "clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
- (f) "the Company" means R&A Trust Company (No. 1) Limited (company number 247045);
- (g) "Directors" means the Directors from time to time and for the time being of the Company, and "Director" means any one of such Directors;
- (h) an "Effective Date" is such date in September of any year as the Directors shall determine to be an Effective Date for the purposes of the Articles or, failing any determination in respect of any year, 30 September in that year;
- (i) "executed" includes any mode of execution;
- (j) "the General Committee" means the General Committee of the R&A;
- (k) "the holder" in relation to any Share or Shares means the member of the Company whose name is entered in the register of members of the Company as the holder of such Share or Shares;
- (l) "Ordinary Resolution" means a resolution of the members of the Company on which more than 50 per cent of the votes cast are in favour of the resolution;
- (m) "the R&A" means The Royal and Ancient Golf Club of St Andrews;
- (n) "Secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
- (o) "Share" means an ordinary share of £1 in the share capital of the Company;
- (p) "Special Resolution" means a resolution of the members of the Company on which 75 per cent or more of the votes cast are in favour of the resolution; and
- (q) "the United Kingdom" means Great Britain and Northern Ireland.

3.2 Unless the context otherwise requires, words or expressions contained in these Regulations bear the same respective meanings as in the Act but excluding any statutory modification of the Act not in force on the Adoption Date.

3.3 Words importing the singular number only shall include the plural number, and vice versa.

SHARE CAPITAL

- 4.1 The share capital of the Company is £1,500,500 divided into 1,500,500 ordinary shares of £1 each. **[On 1 December 2003 the authorised share capital of the Company was increased to £5,000,000 divided into 5,000,000 ordinary shares of £1 each].**
- 4.2 All unissued Shares on the Adoption Date shall be at the disposal of the Directors and the Directors are authorised by this Regulation 4.2 to allot, issue, grant options over or otherwise deal with or dispose of all or any of such unissued Shares to such persons and at such times and on such terms and conditions as the Directors think proper, but the authority given to the Directors in this Regulation 4.2 shall terminate on 31 December 2007 and thereafter no Share or Shares shall be allotted or issued by the Directors (other than in pursuance of an offer or agreement made by the Company before the expiry of such authority) unless the Directors are, in accordance with Section 80 of the Act, authorised to do so by the members of the Company.
- 4.3 Except as required by law, no person shall be recognised by the Company as holding any Share or Shares upon any trust and (except as otherwise provided by the Articles or by law) the Company shall not be bound by or recognise any interest in any Share or Shares except an absolute right to the entirety thereof in the holder of such Share or Shares.
- 4.4 A register of the members for the time being of the Company shall be kept by the Secretary and shall contain each member's name, address and date of admission to membership of the Company and details of the number of Shares held by each member, and such register shall, in so far as applicable, comply with the provisions of Section 352 of the Act.

SHARE CERTIFICATES

- 5.1 Every member of the Company, upon becoming the holder of any Share or Shares, shall be entitled without payment to one certificate for all the Shares held by that member (and, upon transferring a part of the member's holding of Shares, a certificate for the balance of such holding) or several certificates each for one or more of the member's Shares (upon payment for every certificate after the first certificate of such reasonable sum as the Directors may determine). Every certificate shall specify the number of Shares to which the certificate relates. The Company shall not be bound to issue more than one certificate for Shares held jointly by

several persons and delivery of a certificate to one joint holder shall be sufficient delivery to all of them.

- 5.2 If a share certificate is defaced, worn out, lost or destroyed, the certificate may be renewed on such terms, if any, as to evidence and indemnity and payment of the expenses which were reasonably incurred by the Company in investigating evidence as the Directors may determine *but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery of the old certificate.*

LIEN

- 6.1 The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all monies (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Directors may at any time declare any Share to be wholly or in any part exempt from the provisions of this Regulation. The Company's lien on a Share shall extend to any amount payable in respect of the Share.
- 6.2 The Company may sell in such manner as the Directors determine any Share or Shares on which the Company has a lien if any sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the Share or Shares, or to the person entitled to the Share or Shares in consequence of the death or bankruptcy of the holder of the Share or Shares, demanding payment and stating that if the notice is not complied with the Share or Shares may be sold.
- 6.3 To give effect to a sale, the Directors may authorise some person to execute an instrument of transfer of the Share or Shares sold to, or in accordance with the directions of, the purchaser of the Share or Shares. The title of the transferee to the Share or Shares shall not be affected by any irregularity in or invalidity of the proceedings in respect of the sale.
- 6.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Share or Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Share or Shares before the sale) be paid to the person entitled to the Share or Shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

- 7.1 Subject to the terms of allotment, the Directors may make calls upon the members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on the member's Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for the calls made upon that person notwithstanding the subsequent transfer by that person of the Share or Shares in respect of which the call was made.
- 7.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 7.3 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect of such Share.
- 7.4 If a call in respect of a Share remains unpaid after it has become due and payable, the person from whom the call is due and payable shall pay interest on the amount unpaid, from the date that amount became due and payable until that amount is paid, at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the rate of four per cent per annum above the base rate from time to time and for the time being of the Bank of Scotland; but the Directors may waive payment of interest wholly or in part.
- 7.5 An amount payable in respect of a Share on allotment of the Share or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if the amount is not paid the provisions of the Articles shall apply as if the amount had become due and payable by virtue of a call.
- 7.6 Subject to the terms of allotment, the Directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
- 7.7 If a call remains unpaid after it has become due and payable, the Directors may give to the person from whom the amount of the call is due not less than 14 clear days' notice requiring payment of that amount together with any interest which may have accrued thereon. The notice shall name the place where payment is to be made and shall state that if the notice is not

complied with the Share or Shares in respect of which the call was made will be liable to be forfeited.

- 7.8 If the notice is not complied with any Share or Shares in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Share or Shares and not paid before the forfeiture.
- 7.9 Subject to the provisions of the Act and of the Articles, a forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors may determine, either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share to that person.
- 7.10 A person any of whose Shares have been forfeited shall cease to be a member in respect of the forfeited Share or Shares and shall surrender to the Company for cancellation the certificate or certificates for the forfeited Share or Shares but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by such person to the Company in respect of the forfeited Share or Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the rate of four per cent per annum above the base rate from time to time and for the time being of the Bank of Scotland from the date of forfeiture until payment; but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the forfeited Share or Shares at the time of forfeiture or for any consideration received on the disposal of such Share or Shares.
- 7.11 A statutory declaration by a Director or the Secretary that a Share or Shares has or have been forfeited on a specified date shall be conclusive evidence of the facts stated in the statutory declaration as against all persons claiming to be entitled to the Share or Shares and the statutory declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to such Share or Shares and the person to whom such Share or Shares is or are disposed of shall not be bound to see to the application of the consideration, if any, nor shall such person's title to such Share or Shares be affected by any irregularity or invalidity of the proceedings for the forfeiture or disposal of such Share or Shares.

TRANSFER OF SHARES

- 8.1 The instrument of transfer of any Share or Shares may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor. The instrument of transfer of any Share or Shares (including any nil or partly paid Share or Shares) need not be executed by or on behalf of the transferee.
- 8.2 The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any Share or Shares, whether or not such Share or Shares is or are fully paid.
- 8.3 If the Directors refuse to register a transfer of any Share or Shares, the Directors shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 8.4 No fee shall be charged for the registration of any instrument of transfer or any document *relating to or affecting the title to any Share or Shares*.
- 8.5 The Company shall be entitled to retain any instrument of transfer which is registered in respect of any Share or Shares, but any instrument of transfer which the Directors refuse to register shall be returned, when notice of the refusal is given, to the person lodging such instrument of transfer.

TRANSMISSION OF SHARES

- 9.1 If a member dies the survivor or survivors where the member was a joint holder, and the member's personal representatives where the member was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to the member's interest in any Share or Shares; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any Share or Shares which had been jointly held by the member.
- 9.2 A person (the "entitled person") becoming entitled to any Share or Shares in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of such Share or Shares or to have some person nominated by the entitled person registered as the holder of such Share or

Shares. Subject to the following provisions of this Regulation 9.2, if an entitled person elects to become the holder the entitled person shall give notice to the Company to that effect and if the entitled person elects to have another person registered the entitled person shall execute an instrument of transfer of the relevant Share or Shares to that person. All the Articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.

- 9.3 A person becoming entitled to a Share or Shares in consequence of the death or bankruptcy of a member shall have the rights to which that person would be entitled if that person were the holder of the Share or Shares, except that such person shall not, before being registered as the holder of the Share or Shares, be entitled in respect of such Share or Shares to attend and vote at any General Meeting of the Company.

ALTERATION OF SHARE CAPITAL

- 10.1 The Company may by Ordinary Resolution:-

- (a) increase its share capital by new shares of such amount as the Ordinary Resolution prescribes;
- (b) consolidate and divide all or any of the Company's share capital into shares of a larger amount than the Company's existing shares;
- (c) subject to the provisions of the Act, sub-divide the shares, or any of them, in the share capital of the Company into shares of smaller amounts; and
- (d) cancel shares in the share capital of the Company which, as at the date of the passing of the Ordinary Resolution, have not been taken or agreed to be taken by any person and diminish the amount of the Company's share capital by the amount of the shares so cancelled.

- 10.2 Subject to the provisions of the Act, the Company may by Special Resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

PURCHASE OF OWN SHARES

11. Subject to the provisions of the Act, the Company may purchase its own shares and the Company may make a payment in respect of the purchase of its own shares otherwise than out of distributable profits of the Company or of the proceeds of a fresh issue of shares.

GENERAL MEETINGS

- 12.1 The Company shall in each calendar year hold a General Meeting as the Company's Annual General Meeting in addition to any other General Meeting of the Company held in that calendar year, and the Company shall specify the Meeting as the Annual General Meeting in the notice calling the Meeting. Not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next, provided that so long as the Company holds the Company's first Annual General Meeting within 18 months of the Company's incorporation, the Company need not hold such first Annual General Meeting in the calendar year of the Company's incorporation or in the following calendar year. Each Annual General Meeting of the Company shall be held at such time and place as the Directors shall appoint.
- 12.2 All General Meetings of the Company other than Annual General Meetings shall be called Extraordinary General Meetings.
- 12.3 The Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company, and an Extraordinary General Meeting of the Company shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by Section 368 of the Act. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director may convene an Extraordinary General Meeting of the Company in the same manner as nearly as possible as that in which General Meetings of the Company may be convened by the Directors.
- 12.4 An Annual General Meeting of the Company and a General Meeting of the Company called for the passing of a Special Resolution shall be called by at least 21 clear days' notice in writing, and a General Meeting of the Company other than an Annual General Meeting or a General Meeting for the passing of a Special Resolution shall be called by at least 14 clear days' notice in writing. The notice shall specify the place, the day and the hour of the General Meeting and, in the case of special business, the general nature of that business, and shall be given, in

manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting, to the members of the Company, to any person entitled to any share or shares in the share capital of the Company in consequence of the death or bankruptcy of any member of the Company, to the Directors and to the Auditors of the Company; provided that a General Meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Regulation, be deemed to have been duly called if it is so agreed:-

- (a) in the case of a General Meeting called as the Annual General Meeting of the Company, by all the members of the Company entitled to attend and vote thereat; and
- (b) in the case of any other General Meeting, by a majority in number of the members of the Company having a right to attend and vote at the General Meeting, being a majority together holding not less than 95 per cent in nominal value of the issued shares in the share capital of the Company giving that right.

- 12.5 The accidental omission to give notice of any General Meeting of the Company to, or the non-receipt of a notice of a General Meeting of the Company by, any person entitled to receive notice shall not invalidate the proceedings at that General Meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 13.1 All business shall be deemed special that is transacted at an Extraordinary General Meeting of the Company and also all that is transacted at an Annual General Meeting of the Company, with the exception of the consideration of the accounts, balance sheets and reports of the Directors and Auditors and the appointment of, and the fixing of the remuneration of, the Auditors.
- 13.2 No business shall be transacted at any General Meeting of the Company unless a quorum of members of the Company is present; save as herein otherwise provided two members of the Company (present in person or by proxy or by representative appointed in accordance with Regulation 15.1 below) shall be a quorum. If and for so long as the Company has only one member, that member (present in person or by proxy or by representative appointed in accordance with Regulation 15.1 below) shall be a quorum.
- 13.3 If a General Meeting of the Company has been convened upon the requisition of members of the Company and within 30 minutes from the time appointed for the Meeting a quorum is not present, the Meeting shall be dissolved; if within 30 minutes from the time appointed for any other General Meeting of the Company a quorum is not present or a quorum ceases to be

present during any General Meeting of the Company, the Meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned Meeting a quorum is not present within 30 minutes from the time appointed for the Meeting, the member or members of the Company present in person or by proxy or by representative appointed in accordance with Regulation 15.1 below shall be a quorum.

- 13.4 The Chairman of the Directors shall preside as chairman at every General Meeting of the Company or, if there is no such Chairman or if he shall not be present within 15 minutes after the time appointed for the holding of the Meeting or is unwilling to act, the Directors present shall elect one of their own number to be chairman of the General Meeting.
- 13.5 If at any General Meeting of the Company no Director is willing to act as chairman or if no Director is present within 15 minutes after the time appointed for holding the Meeting, the members of the Company present in person or by proxy or by representative appointed in accordance with Regulation 15.1 below shall choose one of their own number to be chairman of the Meeting.
- 13.6 The chairman of a General Meeting of the Company may, with the consent of the Meeting if a quorum is present at the Meeting (and shall if so directed by the Meeting), adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned General Meeting of the Company other than the business left unfinished at the General Meeting of the Company from which the adjournment took place. When a General Meeting of the Company is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of an original General Meeting of the Company. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting of the Company.
- 13.7 At any General Meeting of the Company a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the Meeting or by any member of the Company present in person or by proxy or by representative appointed in accordance with Regulation 15.1 below. Unless a poll be so demanded, a declaration by the chairman of the Meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the

proceedings of the Company 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 Except as provided in Regulation 13.11 below, if a poll is duly demanded it shall be taken in such manner and at such time as the chairman of the General Meeting of the Company directs, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.
- 13.9 Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 13.10 The demand for a poll may be withdrawn.
- 13.11 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith.
- 13.12 In the case of an equality of votes at any General Meeting of the Company, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- 13.13 Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company (or, being bodies, by their duly authorised representatives) shall be as valid and effective as if such resolution had been passed at a General Meeting of the Company duly convened and held, and may consist of several documents in the like form, each signed by or on behalf of one or more of the members of the Company.
- 13.14 The Directors shall be at liberty to invite any person or persons, not being a member or members of the Company, to attend and speak, but not to vote, at any General Meeting of the Company.
- 13.15 A Director shall, notwithstanding that he is not a member of the Company, be entitled to attend and speak at any General Meeting of the Company.

VOTES OF MEMBERS

- 14.1 On a show of hands, every member of the Company who (being an individual) is present in person, or (being a body) is present by a duly authorised representative who is not a member entitled to vote, shall have one vote and on a poll every member of the Company shall have one vote for every Share of which the member is the holder. On a poll, votes may be given

personally or by proxy or by a representative appointed in accordance with Regulation 15.1 below.

- 14.2 In the case of joint holders of any Share, the vote of the senior joint holder who tenders a vote in respect of the Share, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders of the Share; and seniority shall be determined by the order in which the names of the holders of the Share stand in the register of members of the Company.
- 14.3 No member shall vote at any General Meeting of the Company, either in person or by proxy or by a representative appointed in accordance with Regulation 15.1 below, in respect of any Share held by that member unless all moneys presently payable by that member to the Company in respect of that Share have been paid in full.
- 14.4 No objection shall be raised to the qualification of any voter at any General Meeting of the Company except at the Meeting or adjourned Meeting at which the vote objected to is tendered, and every vote not disallowed at the Meeting shall be valid. Any objection made in due time shall be referred to the chairman of the Meeting whose decision shall be final and conclusive.
- 14.5 An instrument appointing a proxy shall be in writing in common form or in any other form which the Directors shall approve and shall be under the hand of the appointor or the appointor's attorney duly authorised in writing or, if the appointor is a body, either under seal or under the hand of a duly authorised officer or attorney of the body. A proxy need not be a member of the Company.
- 14.6 An instrument appointing a proxy and any authority under which it is executed and a copy of such authority certified notarially or in some other way approved by the Directors shall:-
- (a) be deposited at the registered office of the Company or at such other place within the United Kingdom as is specified in the notice convening the General Meeting of the Company or in any instrument of proxy sent out by the Company in relation to the General Meeting of the Company not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes 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, delivered at the General Meeting of the Company at which the poll was demanded to the chairman of that Meeting or to the Secretary or to any Director; and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

14.7 An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

14.8 A vote given or poll demanded by a proxy or by the duly authorised representative of a body shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the registered office of the Company or at such other place at which the instrument of proxy was duly deposited before the commencement of the General Meeting of the Company or adjourned General Meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the General Meeting or adjourned General Meeting) the time appointed for taking the poll.

REPRESENTATIVES AT MEETINGS

15.1 Subject always to Regulation 15.2 below, any body which is a member of the Company may by resolution of its directors or other governing body or committee authorise such person as it thinks fit to act as its representative at any General Meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the body which that person represents as that body could exercise if it were an individual member of the Company.

15.2 The Company may by Ordinary Resolution, passed at a General Meeting of the Company, require any member of the Company who has appointed a representative under Regulation 15.1 above to terminate the appointment of such representative on the grounds that such representative has brought the Company or the objects of the Company into disrepute, and from and after the passing of such Ordinary Resolution such representative shall not be entitled to exercise any powers on behalf of the member by whom such representative was appointed.

DIRECTORS

- 16.1 The number of Directors of the Company shall not be subject to any maximum.
- 16.2 The members of the General Committee of the R&A shall ex officio be the Directors of the Company.
- 16.3 No one who is not a member of the General Committee of the R&A shall be appointed as a Director of the Company.
- 16.4 The office of a Director shall be vacated if he:-
- (a) resigns his office by notice in writing sent to or left with the Secretary at the registered office of the Company; or
 - (b) is removed from office by resolution passed by the Company in General Meeting pursuant to Section 303 of the Act; or
 - (c) ceases for whatever reason to be a member of the General Committee; or
 - (d) is prohibited by law from being a Director.
- 16.5 The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company as are not, by the Act or by the Articles, required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of the Act or the Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
- 16.6 The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, as security for any debt, liability or obligation of the Company or of any third party.
- 16.7 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such a manner as the Directors shall from time to time determine.
- 16.8 No Director shall be entitled to remuneration for any services provided by him to the Company.
- 16.9 The Directors shall be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or of any Committee of the Directors or

any General Meeting of the Company or otherwise in connection with the business of the Company.

- 16.10 All acts done by the Directors or by any Committee of the Directors or by any person acting as a Director or as a member of any such Committee shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or any person acting as aforesaid or that any Director or any member of the relevant Committee of the Directors was disqualified, be as valid as if every Director or every such person had been duly appointed.
- 16.11 The Directors shall cause minutes to be made:-
- (a) of all appointments of officers made by the Directors or by the Company in General Meeting;
 - (b) of the names of the Directors present at each meeting of the Directors and of the names of the members of any Committee of the Directors present at each meeting of the Committee; and
 - (c) of all resolutions and proceedings at all General Meetings of the Company and at all meetings of the Directors and of any Committee of the Directors.

MEETINGS OF THE DIRECTORS

- 17.1 The Chairman of the General Committee of the R&A shall ex officio be the Chairman of the Directors and shall chair the meetings of the Directors. The Deputy Chairman of the General Committee of the R&A shall ex officio be the Deputy Chairman of the Directors. If at any meeting of the Directors the Chairman of the Directors is not present within 15 minutes after the time appointed for holding the meeting, the Deputy Chairman of the Directors shall chair the meeting. If neither the Chairman nor the Deputy Chairman is present within such 15 minutes the Directors present may elect another of their number to be chairman of the meeting.
- 17.2 A Director may, and the Secretary on the requisition of any Director shall, at any time summon a meeting of the Directors. Unless all the Directors otherwise agree, not less than seven days notice of any meeting of the Directors shall be given to each Director and to the Secretary.
- 17.3 Subject to Regulation 17.2 above, the Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, provided always that the Directors shall meet not less than four times in each calendar year. Each Director shall have one vote and questions arising at any meeting of the Directors shall be determined by a majority of the votes

of the Directors present. In the case of any equality of votes, the chairman of the meeting shall have a second or casting vote.

- 17.4 The quorum of Directors necessary for the transaction of business at any meeting of the Directors shall be six.
- 17.5 A meeting of the Directors, or of a Committee of the Directors, may consist of a conference between Directors who are not all in one place, but of whom each is able to speak to each of the others and to be heard by each of the others simultaneously. Alternatively, such a meeting can take place by a series of telephone calls from the chairman of the meeting. A Director taking part in such a conference or telephone call shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled or, if there is no such group or if the meeting takes place by a series of telephone calls from the chairman, where the chairman of the meeting then is. The word "meeting" when referring to a meeting of the Directors, or of a Committee of the Directors, in the Articles shall be construed accordingly.
- 17.6 A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effective as if it had been passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors.
- 17.7 The Directors may invite or allow any person as they may consider appropriate to attend and speak, but not to vote, at any meeting or meetings of the Directors.
- 17.8 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company must, in accordance with Section 317 of the Act, declare the nature of his interest at a meeting of the Directors.
- 17.9 A Director shall absent himself from the discussion at any meeting or meetings of the Directors regarding the supply of any services or goods by any body in which that Director holds more than one hundredth part of the capital and a Director shall not vote in respect of any contract in which he is interested or any matter arising thereout and, if he does so vote, his vote shall not be counted.
- 17.10 If a question arises at a meeting of the Directors as to the right of a Director to vote, the question may, before the relevant vote, be referred to the chairman of the meeting and the chairman's ruling in relation to any Director other than himself shall be final and conclusive.

CHIEF EXECUTIVE AND EMPLOYEES

- 18.1 The Directors may from time to time appoint and remove a Chief Executive who shall hold office on such terms and conditions and for such remuneration as may be fixed by the Directors. The Directors may delegate to the Chief Executive such powers and duties as the Directors think fit.
- 18.2 The Directors may also appoint, and in the Directors' discretion remove, such employees and agents for permanent, temporary or special services as the Directors may from time to time think fit and may determine their powers and duties and fix their salaries and emoluments and other terms and conditions of employment or engagement.

COMMITTEES

- 19.1 The Directors may delegate any of their powers to a Committee or Committees consisting, subject always to Regulation 19.7 below, of such persons (whether or not being Directors) as the Directors shall determine. Any Committee so formed shall in the exercise of the powers delegated to it conform to any regulations that may be imposed upon it by the Directors and shall report and be responsible to the Directors.
- 19.2 No one shall be appointed as a member of any Committee of the Directors unless he has confirmed his agreement to be appointed as a member of that Committee.
- 19.3 Unless provided otherwise in the Articles, the chairman of any Committee of the Directors shall be appointed by the Directors from amongst the members of the Committee. If at any meeting the chairman is not present within 15 minutes after the time appointed for holding the meeting, the members of the Committee present shall elect one of their number to be chairman of the meeting. A Committee of the Directors shall (subject to the rules and regulations in accordance with which the Committee is established) meet and adjourn as it thinks proper, provided that, unless all the members of a Committee of the Directors otherwise agree, not less than seven days notice of any meeting of the Committee shall be given to each of the members of the Committee and to the Secretary.
- 19.4 Each member of a Committee of the Directors (other than an Advisory Member of the Committee) shall have one vote. Questions arising at any meeting of a Committee of the Directors shall be determined by a majority of votes of the members of the Committee present,

and in the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

- 19.5 A Committee of the Directors may (unless the Directors shall otherwise determine) invite or allow such persons as the Committee may consider appropriate to attend and speak, but not to vote, at any meeting or meetings of the Committee.
- 19.6 Notwithstanding the foregoing provisions of this Regulation 19, a Finance Committee of the Directors shall be established pursuant to Regulation 20 below.
- 19.7 The Chairman and Deputy Chairman of the General Committee of the R&A shall not be members of the Finance Committee of the Directors, provided always that any member of the Finance Committee of the R&A may be a member of the Finance Committee of the Directors.

FINANCE COMMITTEE

- 20.1 The Finance Committee shall consist of six members appointed annually by the Directors with effect from the Effective Date in each year. A Trustee of the St. Andrews Links Trust, or a member of Management Committee thereof, shall not be eligible to be a member of the Finance Committee.
- 20.2 The Chairman and Deputy Chairman of the Finance Committee shall be appointed or reappointed by the Directors with effect from the Effective Date in each year.
- 20.3 Unless and until otherwise determined by the Directors, three members of the Finance Committee shall form a quorum of the Finance Committee.
- 20.4 The responsibilities and authorities of Finance Committee shall be:-
- (a) to review at regular intervals the financial position of the Company and of each subsidiary of the Company, and to make regular reports and recommendations to the Directors;
 - (b) to manage the cash balances from time to time of the Company;
 - (c) when deemed appropriate, to invest funds of the Company and to manage all investments from time to time of the Company, with full power to make changes; provided that no investment shall be made in anything other than a security listed on a recognised stock exchange except with the prior approval of the Directors;
 - (d) to cause to be prepared an annual budget for the Company and for each subsidiary of the Company and to submit such budgets to the Directors for approval;

- (e) to monitor periodically all income and expenditure of the Company and of each subsidiary of the Company, and to call for details when thought fit, and to advise the Directors of any major variation against budget or other major factor which ought to be brought to their attention;
- (f) to recommend annually to the Directors the level of reserves required by the Company and by each subsidiary of the Company as at the end of each financial year of the Company;
- (g) to be responsible for effecting and maintaining all appropriate insurance policies for the Company and for each subsidiary of the Company, to submit to the Directors for decision any question of policy relating to insurance and to submit to the Directors once a year a précis of the insurance cover in force;
- (h) to cause the annual accounts of the Company to be prepared in accordance with the Articles and to be audited so as to enable the audited annual accounts to be submitted to the Annual General Meeting of the Company in each year;
- (i) to monitor regularly the financial affairs of each subsidiary of the Company;
- (j) to submit recommendations to the Directors of R&A Group Services Limited from time to time on the terms and conditions of service of, and on the number of, employees;
- (k) to monitor all expenditure by the Company;
- (l) to monitor all expenditure by a subsidiary of the Committee which is not subject to control by a committee of the directors of that subsidiary; and
- (m) to perform such other functions as may be delegated to the Finance Committee by the Directors.

SECRETARY

- 21.1 Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term and at such remuneration and upon such conditions as the Directors may think fit; and the Secretary may be removed by the Directors.
- 21.2 A provision of the Act or of the Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as a Director and as the Secretary.

SEAL

22. The Company shall not have a seal.

DIVIDENDS

- 23.1 Subject to the provisions of the Act, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.
- 23.2 Subject to the provisions of the Act, the Directors may at any time pay an interim dividend if it appears to the Directors that an interim dividend is justified by the profits of the Company available for distribution.
- 23.3 Except as otherwise provided by the rights attached to any Shares, all dividends shall be declared and paid according to the amounts paid up (excluding any premium) on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionably to the amounts (excluding premium) paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that the Share shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.
- 23.4 A General Meeting declaring a dividend may, upon the recommendation of the Directors, direct that the dividend shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the basis of distribution and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members, and the Directors may vest any assets in trustees.
- 23.5 Any dividend or other monies payable in respect of a Share may be paid by a cheque sent by post to the registered address of the person entitled or, if two or more persons are the holder or holders of the Share or are jointly entitled to the Share by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members of the Company or to such person and to such address as the person or persons entitled may in writing to the Company direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons

entitled may in writing direct, and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share.

- 23.6 No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
- 23.7 Any dividend which remains unclaimed for 12 years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

CAPITALISATION OF PROFITS

24. The Directors may with the authority of an Ordinary Resolution:-
- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to the sum if the sum were distributed by way of dividend and in the same proportions, and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot such shares or debentures credited as fully paid up to those members or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid up;
 - (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as the Directors determine in the case of shares or debentures becoming distributable under this Regulation in fractions; and
 - (d) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such

capitalisation, any agreement made under such authority being binding on all such members.

ACCOUNTS

- 25.1 The Directors shall cause accounting records to be kept by the Company in accordance with Section 221 of the Act.
- 25.2 The accounting records shall be kept at the registered office of the Company or, subject to Section 222 of the Act, at such other place or places as the Directors may think fit, and shall always be open to the inspection of any Director.
- 25.3 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members of the Company not being Directors, and no member of the Company shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Company in General Meeting.
- 25.4 The Directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in General Meeting a profit and loss account, a balance sheet and report of the Directors and a report of the Company's Auditors on such account and balance sheet. The Auditors' report shall be read before the General Meeting as required by the Act.
- 25.5 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the Auditors' report and a copy of the report of the Directors, shall, not less than 21 clear days before the date of the Meeting, be sent to all persons entitled to receive notice of General Meetings of the Company; provided that this Regulation shall not require a copy of those documents to be sent to any person of whose address the Company is not aware.

AUDITORS

- 26. Auditors of the Company shall be appointed and their duties regulated in accordance with the Act.

NOTICES

- 27.1 A notice may be served by the Company upon any member of the Company either personally or by sending the notice through the post in a pre-paid letter, properly addressed to such member at such member's registered address as appearing in the Company's register of members.
- 27.2 Any person described in the Company's register of members by an address not within the United Kingdom, who shall from time to time give to the Company an address within the United Kingdom at which notices may be served upon that person, shall be entitled to have notices served upon that person at such address; save as aforesaid, only members of the Company described in the Company's register of members by an address within the United Kingdom shall be entitled to receive any notice from the Company.
- 27.3 Where a notice is sent by post, service of the notice shall be deemed to be effected in the case of a notice of a Meeting at the expiration of 48 hours after the notice was posted, and in any other case at the time when the notice would be delivered in the ordinary course of post.
- 27.4 Notice of every General Meeting of the Company shall be given in any manner hereinbefore authorised to:-
- (a) every member of the Company (except any member of the Company whose registered address in the register of members of the Company is not within the United Kingdom and who has not supplied to the Company an address within the United Kingdom for the giving of notices to that member);
 - (b) every Director; and
 - (c) the Auditors for the time being of the Company.
- No other person shall be entitled to receive notice of any General Meeting of the Company.
- 27.5 A member of the Company present, either in person or by proxy or by a representative appointed in accordance with Regulation 15.1 above, at any General Meeting of the Company shall be deemed to have received notice of that General Meeting and, where requisite, of the purposes for which that General Meeting was called.
- 27.6 Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before that person's name is entered in the register of members of the Company, has been duly given to a person from whom that person derives his title.

- 27.7 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- 27.8 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a member by sending or delivering the notice, in any manner authorised by these Regulations for the giving of notice to a member, addressed to such persons by name or by the title of representatives of the deceased member or trustee of the bankrupt member or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy of the member had not occurred.

INDEMNITY

- 28.1 Every Relevant Person shall be indemnified out of the assets of the Company from and against all charges, costs, expenses, losses and liabilities suffered or incurred by him in the actual or purported execution or discharge of his duties in respect of any Relevant Company and/or the exercise or purported exercise of his powers in respect of any Relevant Company and/or in relation to or in connection with any thing done or not done or omitted to be done by him whilst acting for or on behalf of any Relevant Company or as a representative of any Relevant Company including (without prejudice to the generality of the foregoing):-
- (i) any liability incurred by him in defending any proceedings, civil or criminal, which relate to any thing done or not done or omitted to be done by him in the actual or purported execution or discharge of his duties in respect of any Relevant Company and/or the exercise or purported exercise of his powers in respect of any Relevant Company and/or whilst acting for or on behalf of any Relevant Company or as a representative of any Relevant Company;
 - (ii) any liability under any judgement, decree or award made against him in favour of a third party, other than the Company, pursuant to any such proceedings; and
 - (iii) any liability incurred by him in connection with any application under section 727 of the Act pursuant to which relief is granted to him by the court.
- 28.2 No Relevant Person shall be indemnified by the Company pursuant to Regulation 28.1 above from any liability which that Relevant Person has or may have in respect of any negligence,

default, breach of duty or breach of trust of which he is guilty in relation to any Relevant Company.

- 28.3 The Directors shall have power to purchase and maintain insurance for or for the benefit of any Relevant Persons including but not limited to insurance against any liability incurred by any Relevant Persons in respect of any charges, costs, expenses, losses and liabilities suffered or incurred by such Relevant Persons in the actual or purported execution or discharge of their duties in respect of any Relevant Company and/or the actual or purported exercise of their powers in respect of any Relevant Company and/or otherwise in relation to or in connection with any thing done or not done or omitted to be done by them whilst acting for or on behalf of any Relevant Company or as representatives of any Relevant Company.
- 28.4 For the purposes of this Regulation, a "Relevant Person" means:-
- (a) any member or former member of the Rules of Golf Committee, the Implements and Ball Committee, the Implements and Ball Appeals Committee, the Amateur Status Committee or the Amateur Status Appeals Committee of the R&A;
 - (b) any director or former director of a Relevant Company;
 - (c) any member or former member of any Committee of the directors of a Relevant Company;
 - (d) every Secretary or former Secretary of a Relevant Company;
 - (e) every employee or former employee of a Relevant Company; and
 - (f) every voluntary worker or former voluntary worker (including, without prejudice to the generality, any assessor, steward, referee or umpire) of a Relevant Company.
- 28.5 For the purposes of this Regulation, a "Relevant Company" means the Company, any holding company of the Company, any subsidiary of the Company and any company which is wholly owned (directly or indirectly) by the R&A.

WINDING UP

29. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon

such trusts for the benefit of the members as the liquidator with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.