

Company No. SC284389

THE COMPANIES ACTS 1985 to 1989

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

SOLE MEMBER

of

INVESTMENT HOMES ABROAD LIMITED ("the Company")

We being the sole member of the Company entitled to attend and vote at a general meeting of the Company hereby pass the following resolutions as resolutions of the Company:-

1. THAT 5,000 unissued ordinary shares of £1 each in the capital of the Company be reclassified as 5,000 A ordinary shares of £1 each and the single issued ordinary share of £1 each in the capital of the Company and the remaining 4,999 unissued ordinary shares of £1 each be reclassified as 5,000 B ordinary shares of £1 each, in each case such shares having the rights attached thereto as set out in the new articles of association of the Company to be adopted pursuant to resolution 2 below.
2. THAT the articles of association in the form attached hereto and signed on behalf of the undersigned shareholder be adopted as the articles of association of the Company in replacement of the existing articles of association of the Company.


.....
CLYDE PROPERTY LIMITED
SOLE SHAREHOLDER

13th May 2005
.....
Date

Decision of Sole Shareholder





THE COMPANIES ACTS 1985 TO 1989

ARTICLES OF ASSOCIATION

of

INVESTMENT HOMES ABROAD LIMITED

(Company No. SC284389)

Adopted by written resolution on

13 May 2005

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THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
INVESTMENT HOMES ABROAD LIMITED

(Adopted by Written Resolution passed on **13** May 2005)

1. INTERPRETATION

- 1.1 In these Articles "Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended prior to the adoption of these Articles. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles.
- 1.2 In these Articles, the following words have the following meanings:
- A Share** means an ordinary share of £1 in the capital of the Company designated as an A Share;
- A Director** means any director appointed to the Company by holders of the A Shares;
- B Share** means an ordinary share of £1 in the capital of the Company designated as a B Share;
- B Director** means any director appointed to the Company by holders of the B Shares;
- The Act** means: the Companies Act 1985 as amended prior to adoption of these Articles;
- Business Day** means: a day (other than a Saturday or Sunday) when banks in Glasgow are open for business;
- Group** means in relation to a company (wherever incorporated), that company, any company of which it is a Subsidiary (its holding company) and any other Subsidiaries of any such holding company; and each company in a Group is a member of the Group and unless the context otherwise requires, the application of the definition of Group to any company at any time will apply to the company as it is at that time;
- 1.3 References in these Articles and in Table A to writing shall be construed as including references to any method of representing or reproducing words in a legible and non-transitory form.
- 1.4 References in these Articles to paragraphs and sub-paragraphs are to the paragraphs and sub-paragraphs of the Article and paragraph in which they appear.
- 1.5 Headings in these Articles are for convenience only and shall not affect the interpretation hereof.

2. ADOPTION OF TABLE A

- 2.1 The Regulations contained in Table A shall, except where they are modified or excluded by these Articles or are inconsistent herewith, apply to the Company and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute



the articles of association of the Company to the exclusion of any other regulations set out in any statute or in any statutory instrument or other subordinate legislation.

- 2.2 Regulations 2, 8 to 22 (inclusive), 24, 26, 32 to 34 (inclusive), 40, 41, 50, 54, 57, 58, 60 to 62 (inclusive), 64 to 66 (inclusive), 73 to 80 (inclusive), 88 to 90 (inclusive), 94, 109, 110, 112, 115 and 117, of Table A shall not apply to the Company.

3. SHARE CAPITAL

- 3.1 The share capital of the Company at the date of adoption of these Articles is £10,000 divided into 5,000 A Shares of £1 each and 5,000 B shares of £1 each.

- 3.2 Except as otherwise provided in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

- 3.3 On the transfer of any share as permitted by these Articles:

3.3.1 a share transferred to a non-member shall remain of the same class as before the transfer; and

3.3.2 a share transferred to a member shall automatically be redesignated on transfer as a share of the same class as those shares already held by the member.

- 3.4 If no shares of a class remain in issue following a redesignation under this paragraph, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, members of that class or directors appointed by that class.

- 3.5 No variation of the rights attaching to any class of shares shall be effective except with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant class.

- 3.6 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

3.6.1 any alteration in the memorandum or articles of association of the Company;

3.6.2 any increase or reduction or subdivision or consolidation or other alteration in the authorised or issued share capital of the Company or any of the rights attaching to any share capital; and

3.6.3 any resolution to put the Company into liquidation.

4. UNISSUED SHARES

- 4.1 No shares in the Company nor any right to subscribe for or convert any security into shares in the Company shall at any time be allotted unless within one month before that allotment every shareholder for the time being has consented in writing to that allotment and its terms and to the identity of the proposed allottee.

- 4.2 No share of any class nor any right to subscribe for or convert any security into a share of any class shall be allotted otherwise than to the holder of a share of that same class.

- 4.3 Section 89(1) of the Act shall not apply to an allotment of any equity security where the consent to that allotment of every shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

5. **INITIAL AUTHORITY TO ISSUE RELEVANT SECURITIES**

- 5.1 The directors are authorised to exercise all powers of the Company to allot relevant securities, but only if the allotment otherwise conforms to the requirements of these Articles. The maximum nominal amount of relevant securities which may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of this Article or such other amount as may from time to time be authorised by the Company in general meeting.
- 5.2 The authority conferred on the directors by this article shall remain in force for a period of five years from the date of adoption of this article but may be revoked, varied or renewed from time to time by the Company in general meeting in accordance with the Act.

6. **TRANSFER OF SHARES**

- 6.1 All transfers of shares shall be effected by instrument in writing in any form for the time being authorised by the Stock Transfer Act 1963 (or any statutory modification or re-enactment thereof for the time being in force) or in any other form which the directors may approve.
- 6.2 No member shall sell, transfer, assign, pledge, charge or otherwise dispose of any share or any interest in the any share except:
- 6.2.1 with the prior written consent of all members for the time being; or
 - 6.2.2 in accordance with paragraph 6.3 of this Article; or
 - 6.2.3 a member may transfer all (but not some only) of its shares in the Company to any person for cash and not on deferred terms in accordance with the procedure set out in paragraphs 6.4 to 6.8 of this Article.
- 6.3 A member may at any time transfer all (but not some only) of its shares in the Company to a company which is either a wholly-owned subsidiary of that member, a holding company of which that member is a wholly-owned subsidiary, or a wholly-owned subsidiary of such a holding company.
- 6.4 The member wishing to transfer its shares (**Seller**) must give an irrevocable notice (**Transfer Notice**) to the other party (**Continuing Shareholder**) of the details of the proposed transfer including, in particular, the identity of the buyer and the price of the shares.
- 6.5 If the Continuing Shareholder gives notice to the Seller within 28 days of receiving the Transfer Notice (the first day being the day after it receives the Transfer Notice) that it wishes to buy all the Seller's shares in the Company the Continuing Shareholder will have the right to do so at the price specified in the Transfer Notice or at the Fair Value. In the event that the Continuing Shareholder does not indicate the price in such notice to the Seller, the price shall be deemed to be the price specified in the Transfer Notice.
- 6.6 The Continuing Shareholder is bound to buy all the Seller's shares when it gives notice to the Seller under paragraph 6.5 of the Article that it wishes to do so.
- 6.7 If, at the expiry of the period specified in paragraph 6.5, the Continuing Shareholder has not notified the Seller that it wants to buy the shares, the Seller may transfer all its shares in the Company to the buyer identified in the Transfer Notice at a price not less than the

price specified in that notice provided that it does so within three months of the expiry of the period specified in paragraph 6.5.

6.8 The directors shall forthwith register any duly stamped transfer made in accordance with this Article and shall not have any discretion to register any transfer of shares which has not been made in compliance with this Article.

6.9 A majority of the directors of any class may from time to time require any member to provide the Company with such information and evidence as they may reasonably require to ensure compliance with this Article. If a member fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, such directors may serve a notice on the member stating that the member shall not in relation to all shares held by that member be entitled to be present or to vote in person or by proxy at any general meeting of the company or any meeting of the holders of shares of that class or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction.

6.10 In this Article 6 the following words and expressions shall have the following meanings:-

6.10.1 **Expert** means such person who, if the Seller and the Continuing Shareholder are unable to agree on an Expert within seven days of either party serving details of a suggested expert on the other, either party shall then be entitled to request the President for the time being of the Institute of Chartered Accountants in Scotland to appoint an Expert who is an accountant of repute with experience in the valuation of private companies limited by shares. The Expert shall act as an expert and not as an arbiter. The Expert's written decision on the matters referred to him shall be final and binding in the absence of manifest error or fraud. Each party shall bear its own costs in relation to the reference to the Expert. The Expert's fees and any costs properly incurred by him in arriving at his determination (including any fees and costs of any advisers appointed by the Expert) shall be borne by the parties equally or in such other proportions as the Expert shall direct;

6.10.2 **Encumbrance** includes all encumbrances (whether monetary or not) and all other rights exercisable by third parties; and

6.10.3 **Fair Value** means the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions:

- (i) *the value of the shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Seller's shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Seller's shareholding or for the rights or restrictions applying to the shares under this agreement or the articles of association of the Company;*
- (ii) *the sale is between a willing buyer and a willing seller on the open market;*
- (iii) *the sale is taking place on the date that the Transfer Notice was served;*
- (iv) *the Company's business shall continue to be carried on as a going concern; and*

- (v) the shares are sold free of all liens, charges and other Encumbrances;

7. QUORUM AT GENERAL MEETINGS

- 7.1 The quorum at any general meeting of the Company or adjourned general meeting shall be two persons present in person or by proxy, of whom one shall be a holder of A Shares or duly authorised representative of such holder and one shall be a holder of B Shares or duly authorised representative of such holder.
- 7.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 7.3 If within five minutes (or such longer time as the persons present may all agree to wait) from the time appointed for any general meeting a quorum is not present, the meeting shall be dissolved.

8. VOTES

- 8.1 At a general meeting, on a show of hands every member present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder, except that:
 - 8.1.1 no shares of one class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of the other class under a right to appoint which is a class right; and
 - 8.1.2 subject to paragraph (i) of this exception, in the case of any resolution proposed at a general meeting any member voting against such resolution (whether on a show of hands or a poll) shall be entitled to cast such number of votes as is necessary to defeat the resolution.
- 8.2 The chairman shall not have a second or casting vote.

9. PROXIES

- 9.1 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the directors may approve, and the directors may at their discretion treat a faxed or other machine-made copy of an instrument in any such form as an original copy of the instrument. The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates, and shall be deemed to include authority to vote as the proxy thinks fit on any amendment of a resolution put to the meeting for which it is given.
- 9.2 The instrument appointing a proxy and (if required by the directors) any authority under which it is executed or a copy of the authority (certified notarially or in any other manner approved by the directors) may be delivered to the registered office, or to some other place or to some person specified or agreed by the directors, before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to act or, in case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the taking of the poll, and an instrument of proxy which is not so delivered shall be invalid.

10. **NUMBER AND AGE OF DIRECTORS**

The number of directors shall not be less than two and no more than six. No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director by reason of his having attained any particular age. No shareholding *qualification for directors shall be required.*

11. **APPOINTMENT AND REMOVAL OF DIRECTORS**

11.1 The holder of a majority of the A Shares for the time being shall be entitled to appoint two persons to be A Directors of the Company and the holder of a majority of the B Shares for the time being shall be entitled to appoint two persons to be B Directors of the Company provided always that there are an equal number of A Directors and B Directors.

11.2 Any A Director may at any time be removed from office by the holder of a majority of the A Shares and any B Director may at any time be removed from office by the holder of a majority of the B Shares. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.

11.3 *If any A Director or any B Director shall die or be removed from or vacate office for any cause, the holder of a majority of the A Shares (in the case of an A Director) or the holder of a majority of the B Shares (in the case of a B Director) shall appoint in his place another person to be an A Director or a B Director (as the case may be).*

11.4 Any appointment or removal of a director pursuant to this Article shall be in writing and signed by or on behalf of the holder of a majority of the issued A Shares or B Shares (as the case may be) and served on each of the other members and the Company at its registered office, marked for the attention of the Secretary . Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

11.5 The right to appoint and to remove A or B Directors under this Article shall be a class right attaching to the A Shares and the B Shares respectively.

11.6 If no A Shares or B Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been removed as from the redesignation.

11.7 No A Director or B Director shall be appointed or removed otherwise than pursuant to this Article, *save as provided by law.*

11.7 The post of chairman of the Directors will be held in alternate years by an A Director or by a B Director.

12. **APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

12.1 Any director (other than an alternate director) may appoint any person (whether or not a *director except for an existing director representing the other class of shares*) to be an alternate director and may remove from office an alternate director appointed by him. In these Articles, where the context so permits, the term "A Director" or "B Director" shall include an alternate director appointed by an A Director or a B Director as the case may

be. A person may be appointed an alternate director by more than one director provided that each of his appointors represents the same class of shares but not otherwise.

12.2 An alternate director shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at such meetings at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence. An alternate director who is already a director of the Company in his own right, will also be a director (and may vote) in his own right.

12.3 An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the director appointing him as an alternate director may by notice in writing to the Company from time to time direct.

13. **NOTICE OF BOARD MEETINGS**

13.1 A director may, and the secretary at the request of a director shall, call a meeting of directors.

13.2 Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing (including by email) to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the director concerned.

13.3 A director may waive notice of any meeting either prospectively or retrospectively.

13.4 The parties will ensure that at least seven days' notice of a meeting of directors is given to all directors entitled to receive notice accompanied by:

13.4.1 an agenda specifying in reasonable detail the matters to be raised at the meeting;
and

13.4.2 copies of any papers to be discussed at the meeting.

13.45 A shorter period of notice of a meeting of directors may be given if at least one A Director and one B Director agree in writing.

13.5 Matters not on the agenda may not be raised at a meeting of directors or business conducted in relation to those matters unless all the directors agree in writing.

14. **PROCEEDINGS OF DIRECTORS**

14.1 Subject as provided in these Articles, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The directors will try to meet at least monthly.

14.2 The quorum at any meeting of the directors shall be two directors, of whom one at least shall be an A Director and one at least a B Director. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum as an A Director or B Director (as the case may be) reflecting the designation of his appointor. No business shall be transacted at any meeting of the directors unless a quorum is present at the commencement of the meeting and also when that business is voted on. If a quorum is

not present within 30 minutes of the time for the relevant meeting as set out in the notice of meeting then the meeting shall be adjourned for five Business days .

- 14.3 Each director has one vote at a meeting of directors.
- 14.4 A committee of the directors must include at least one A Director and one B Director. The provisions of paragraph 14.4 of this Article shall apply equally to meetings of any committee of the directors as to meetings of the directors.
- 14.5 All or any of the directors or members of any committee of the directors may participate in a meeting of the directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum; and accordingly, subject to paragraph 14.2 of this Article, a meeting of the directors or committee of the directors may be held where each of those present or deemed to be present is in communication with the others only by telephone or other communication equipment as aforesaid. A meeting where those present or deemed to be present are in different locations shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.
- 14.6 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be effective unless more votes are cast for it than against it and at least one A Director and one B Director who is present at the meeting of the directors or of the committee of the directors shall have voted in favour of it. In the case of an equality of votes the chairman shall not have a second or casting vote. If at any time at or before any meeting of the directors or of any committee of the directors all A Directors present or all B Directors present should request that the meeting should be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to be present or for any other reason, which he need not state) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted or proceeded with at that meeting after such request has been made. No meetings of directors may be adjourned pursuant to this Article more than once.
15. **DIRECTORS' INTERESTS; DISCLOSURE OF INFORMATION**
- 15.1 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the directors in accordance with the Act. Subject, where applicable, to such disclosure, a director shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.
- 15.2 Any A Director or B Director shall be entitled from time to time to disclose to the holders of the A Shares or (as the case may be) the holders of the B Shares such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one A shareholder or (as the case

may be) B shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.

16. NOTICES; TIME OF SERVICE

- 16.1 Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by pre-paid registered post (air mail in the case of an address for service outside the United Kingdom) addressed to the member at [his registered address or by fax to a number provided by the member for this purpose, or by leaving it at his registered address addressed to the member, or by any other means *authorised in writing by the member concerned*.
- 16.2 In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- 16.3 Any notice or other document if given personally shall be deemed served when delivered, if sent by registered post, shall be deemed to have been served or delivered 48 hours after posting to an address in the United Kingdom or five days after posting to an address outside the United Kingdom, and if sent by fax shall be deemed served when despatched. In proving such service or delivery, it shall be sufficient to prove that the notice or document was delivered to the address given for notice, or properly addressed, stamped and put in the post or, in the case of a fax, that such fax was duly despatched to a current fax number of the addressee.
- 16.4 Any requirement in these Articles or in Table A for any notice, resolution or other document to be signed by or on behalf of any person shall be deemed satisfied where a notice, resolution or other document is received with the signature of the relevant person reproduced thereon by means of [facsimile copy if such signature is confirmed by receipt of the notice, resolution or document bearing the original signature in manuscript within 14 days of receipt of the reproduction.