THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

THE DUNNERHOLME GOLF CLUB (PROPERTY) LIMITED

*A Quality Service through the Red Door*

**ARTICLES OF ASSOCIATION OF**

**THE DUNNERHOLME GOLF CLUB (PROPERTY) LIMITED**

**Definitions**

In these Articles the following words shall have the following meanings:

A Shares means the ordinary voting shares in the Company;

Act means the Companies Acts as defined in section 2 of the Companies Act 2006 insofar as they apply to the Company and any amendments to or any re-enactment of that Act.

Articles means the Articles of Association of the Company and references to an Article shall be taken as references to the relevant Article in this document, unless the context implies otherwise;

B Shares means the shares in the Company which only carry voting rights in respect of the matters referred to in Article 2.9;

C Shares means the redeemable shares in the Company (if any);

Clubco means Dunnerholme Golf Club Limited, a registered company in England and Wales whose registered office address is Duddon Road, Askam in Furness, Cumbria, LA16 7AW;

Director a directors (as defined by the Act) of the Company and ‘Directors’ shall be construed accordingly;

Full Member means any individual who has paid promptly and in full their full membership subscriptions to Clubco or who, being an honorary life member, had so paid their full membership subscriptions to Clubco to the point of being so elected;

Property the land and buildings of the Company (as recorded in the Company accounts and the asset register of the Company) including, but not limited to, the land conveyed by transfer dated the 14th June 1985 between Messrs G. & W, Penny of the first part and the Trustees of Dunnerholme Gold Club of the second part;

Regulations means the regulations as set out in the Model Articles for Private Companies limited by shares in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended from time to time;

Share means an A Share or B Share and ‘Shares’ shall be construed accordingly;

Shareholder means any holder of an A Share or a B Share and ‘Shareholders’ shall be construed accordingly;

**Preliminary Articles**

1.1 Save as expressly provided for or amended in these Articles, the Regulations shall apply to the Company.

1.2 Save as expressly provided for in these Articles, words which refer to the singular also refer to the plural and the other way round.

1.3 Words which refer to males also refer to females and to companies.

1.4 References to a ‘person’ or ‘people’ include companies, corporations and unincorporated associations.

1.5 In the case of any inconsistency between the Regulations and the Articles set out hereunder, the Articles shall take precedence.

**Directors**

2.1 Regulation 11 (2) shall not apply to the Company and the following Article 2.2 shall apply instead.

2.2 The quorum for Directors’ meetings is three.

2.3 The Company will decide by ordinary resolution the maximum and minimum number of Directors. If the Company does not announce a decision there will be a maximum of eleven Directors and a minimum of three Directors.

2.4 No person shall be entitled to act as a Director unless they hold an A Share or a B Share in the Company at the time of their appointment. Regulation 17 shall be modified accordingly.

2.5 In the event of illness or incapacity which prevents a Director from carrying out his duties, that Director shall be entitled to appoint any other Director or any other person approved by a resolution of the Directors, to be an alternate Director and may remove from office an alternate Director appointed by him, such appointment or removal to be in a written notice to the Company signed by the Director making or revoking the appointment or in any other means approved by the Directors.

2.6 Alternate Directors shall be entitled to perform all the functions of their appointor as a Director and shall be entitled to receive notice of, attend and vote at any meeting at which his appointor is not personally present.

2.7 An alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be an agent of the Director appointing him. Alternate Directors shall not be entitled to any remuneration for carrying out their duties as an alternate Director.

2.8 The Directors shall not be permitted to borrow monies which in aggregate exceed 5% of the aggregate value of the Property without the express authority of the holders of the A Shares granted at a duly convened general meeting.

2.9 The Directors shall not be entitled to sell, transfer or otherwise dispose of the Property (or any part of it) without the express authority granted at a duly convened general meeting of Shareholders holding between them no less than 90% of the A Shares and the B Shares.

**Chairing of Director’s Meetings**

3.1 Regulation 12 shall only apply to the Company in circumstances where the office of Chair is vacant for any reason. Otherwise, the following Article 3.2 shall apply to the Company.

3.2 The office of chair shall be filled by the elected Chair of the Board, being a Director elected to that position either at a duly convened general meeting of the Company or by the Board from amongst their number. In the absence of the Chair, the Deputy Chair (if any) of the Board shall take the office of chair. The Deputy Chair shall also be a Director elected to that position either at a duly convened general meeting of the Company or by the Board form amongst their number. The office of chair shall not be regarded as vacant for the purposes of Article 3.1 if the Deputy Chair is available.

**Casting Vote**

* 1. Regulation 13 (2) shall not apply to the Company.
	2. Only the chair (which term shall include the Deputy Chair, if any) shall be entitled to a casting vote and Regulation 13 (1) shall be modified accordingly.

**Conflicts of Interest**

* 1. Regulation 14 shall not apply to the Company and the following Article 5.2 shall apply instead.
	2. Subject to Article 5.3, Directors may vote on any resolution, and shall form part of the quorum, at Directors’ meetings or meetings of committees of the Directors as long as they declare any direct or indirect interest they may have in the matter under vote and provided that they comply at all times with their fiduciary duties.
	3. A Director may not vote and may not be counted as part of the quorum for the purposes of any resolution which relates to the sale, transfer or disposal of the Property (or any part of it).

**Power to Issue Different Classes of Share**

6.1 Subject to the adoption of further provisions relating to share rights and/or different classes of shares which the Company may agree at any time by the appropriate resolution, the Company shall have three classes of shares, being A Shares, B Shares and C Shares.

6.2 The Company’s A Shares shall be ordinary shares held by first Directors of the Company. The Company shall forthwith issue one A Share to each individual who is subsequently appointed as a Director of the Company.

6.3 As soon as practicable after incorporation of the Company, the Directors shall issue one B Share to each Full Member and shall forthwith issue one B Share to any individual who subsequently becomes a Full Member save that no B Share shall be awarded to any Full Member who holds an A Share.

6.4 The C Shares of the Company shall be redeemable shares and, pursuant to section 685(1)(a) of the Act, the Directors shall have absolute discretion to determine the terms, conditions and manner of redemption of such shares, subject always to the provisions of section 685 of the Act. Regulation 22 shall be modified accordingly.

6.5 The Directors may issue C Shares to potential investors in the Company at any time.

6.6 The Company has a lien over all shares including fully paid shares registered in the name of anyone who owes or has a liability to the Company.

**Share Transfers**

7.1Pursuant to Section 567 of the Act, the statutory pre-emption provisions set out in Sections 561 and 562 of the Act do not apply to the Company.

7.2 This Article 7 shall apply to the transfer of A Shares and shall modify the provisions of Regulation 26. Save where modified by this Article 7, the provisions of Regulation 26 shall continue to apply to the transfer of A Shares. Regulation 26 shall also apply to the transfer of B Shares, which are not affected by this Article 7.

7.3 The Directors may refuse to register a transfer of any A Share or B Share. They do not have to give any reasons for refusing.

7.4 Upon a Shareholder ceasing to be a Shareholder for any reason (including, but not limited to, the Shareholder ceasing to be a Full Member), that Shareholder shall become a Retiring Shareholder and subject always to the provisions of Article 8, any A Share or B Share which the Shareholder holds in the Company shall be transferred as directed by the Company.

7.5 In the event that shares are anything other than nil paid, the Company shall pay the par value of the share to the Retiring Shareholder within 21 days of the Shareholder ceasing to be a Shareholder.

7.6 On completion of the transfer of the Shares in accordance with this Article 7:

7.6.1 the Retiring Shareholder shall deliver to the Company or to such third party as notified to them by the Company, duly executed stock transfer forms in favour of the Company or that party or as the Company may direct, together with the certificate representing the relevant Shares;

7.6.2 the Retiring Shareholder shall (if he will no longer hold any Shares following the sale), resign from all offices held with the Company.

7.7 The Directors of the Company are fully authorised to act as the attorney for the Retiring Shareholder to do such acts and to sign such documents as may be necessary to give effect to this Article 7.

7.8 Any Shareholder who for any reason ceases to be a Full Member shall be deemed to be a Retiring Shareholder and shall transfer all A shares held by them to the Company in accordance with the provisions of this Article 7.

7.9 A Director who ceases to hold office for any reason shall be regarded as a Retiring Shareholder insofar as the transfer of their A Share is concerned, but shall be entitled to be issued one B Share provided they remain a Full Member.

**Power to Buy Own Shares**

8. The Company shall have power, subject to and in accordance with the provisions of the Act, to purchase any of its own shares, whether or not they are redeemable and may make a payment out of capital in respect of the purchase.

**Procedure for Dividends and Distributions**

9.1 The Directors may not declare different dividends in respect of A Shares and B Shares and may not declare different rates of dividend in respect of Shares within the same class.

9.2 The holders of A Shares and B Shares are entitled to partake equally in a distribution of assets in the event that the Company is liquidated.

**Attendance and Speaking at General Meetings**

10. Any Shareholder or Shareholder's proxy or duly authorised representative (being a corporation) may participate in a general meeting or a meeting of a class of Shareholders of the Company by means of conference telephone or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person (or by proxy or authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum (which shall be three Shareholders entitled to vote). A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the Chair shall be deemed to be the place of the meeting and Regulations 37 (3), (4) and (5) shall be modified accordingly.

**Chairing General Meetings**

11.1 Regulation 39 (1) shall be modified to remove the wording “*If the Directors have appointed a chairman*” in its entirety.

11.2 Regulation 39 (2) shall be modified to remove the wording “*If the Directors have not appointed a chairman, or*” in its entirety.

11.3 A person chairing a meeting appointed in accordance with the provisions of Regulation 39 (2) as modified in this Article 12 shall not be entitled to a casting vote.

11.4 The quorum for general meetings shall be twenty Shareholders entitled to attend and vote.

**Adjournment of General Meetings**

12.1 Regulation 41 shall not apply to the Company and the following Article 12.2 shall apply instead.

12.2 If there is no quorum present within half an hour of the time the meeting is due to start, the meeting will be adjourned until the same day the next week at the same time and place or to any other day, time and place the Directors decide. If there is no quorum present at the adjourned meeting within half an hour of the time it is due to start that meeting will be dissolved.

**Company Seal**

13. The Company does not need to have a Company seal. If the Directors decide that the Company should, the seal must only be used with the approval of the Directors or of a Directors’ committee. The Directors may decide who should sign any document the seal is attached to. Unless they make a specific decision, this will be a Director and the Company Secretary or two Directors. Regulation 49 shall be modified accordingly.

**Winding Up**

14. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution, transfer any of the assets of the Company to Trustees to be held by them in trust for the Shareholders, or divide amongst the Shareholders in specie any assets of the Company, and in particular any fully paid shares, stocks or securities to which the Company is entitled.