



MEMORANDUM & ARTICLES OF ASSOCIATION OF EXPECTATIONS CLUB LIMITED

Incorporated this 11th day of April 2012

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Companies Act 2006
Private Company Limited By Guarantee
Company Number 08025221

THE COMPANIES ACT 2006 PRIVATE COMPANY LIMITED BY
GUARANTEE ARTICLES OF ASSOCIATION OF EXPECTATIONS
CLUB LIMITED ('the Company')

(Adopted by Special Resolution dated the 15th June 2012)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act:

means the Companies Act 2006;

Appointor:

has the meaning given in article 9.2;

Articles:

means the company's articles of association for the time being in force;

Business day:

means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Club Rules:

means the agreement between the Company and the Club Members concerning the occupation rights, and use of the Club.

Club Members:

means those members of the Company who have rights of occupancy in the Club

Conflict:

has the meaning given in article 7.1;

Founder Member:

is Worldwide Timeshare Hypermarket Limited

Model Articles:

means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

Member:

means the subscribers to the Company's memorandum and every other person who agrees to become a member of the Company.

Occupancy Rights:

means the rights granted to a Club Member under the Club Rules to enable occupation at accommodation held by the Club.

Usage Points:

means points that are allocated or bought by the member and can be used against occupancy rights in resorts within the Club's inventory.

Duration of Club:

Expectations Club is a Company Limited by Guarantee and was formed in 2012 as a member's only holiday club. The initial term set was for a period of 30 years, terminating in 2042. However, subject to an extraordinary general meeting, to be called within a 5 year period of the termination date, it could be renewed for a further term (to be agreed). This would be decided by a vote from the current membership whereby the majority voted to extend Expectations Club for a further period with this clause also being revisited for the future of the Club. Should this not be the case and the majority was to cease then the club would be terminated in 2042 as originally planned.

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.

1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.

1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

- (a) any subordinate legislation from time to time made under it; and
- (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

1.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.

1.8 Articles 8, 11(2) and (3), 11(2), 13, 14(1), (2), (3) and (4), 17(2), 30(3), 38 and 39 of the Model Articles shall not apply to the Company.

2. OBJECTS OF THE COMPANY

2.1 The Company’s objects are:

- (a) To acquire, rent or obtain through contractual relationship`s inventory whether it be apartments , or Villas or occupancy rights for the use and enjoyment of the Club Members.
- (b) any other trade or business which may seem to the company and its directors to be advantageous and to directly or indirectly enhance all or any of the business of the Company.

2.2 Notwithstanding Article 2.1, the Company’s objects are unrestricted.

LIABILITY OF MEMBERS

3. GUARANTEE

3.1 The liability of the members is limited.

3.2 Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the company’s assets if it should be wound up while he is a member or within one year after he ceases to be a member, for payment of the company’s debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

3.3 The income and property of the Company shall be applied solely towards the promotion of its Objects and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Company, and no trustee shall be appointed to any office of the Company paid by salary or fees or receive any remuneration or other benefit in money or money's worth from the Company; Provided that nothing in this document shall prevent any payment in good faith by the Company.

3.4 If the Company is wound up or dissolved and after all its debts and liabilities have been satisfied there remains any property it shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other company or companies having objects similar to the Objects which prohibits the distribution of its or their income and property to an extent at least as great as is imposed on the Company by Clause 3.3 above, chosen by the members of the Company at or before the time of dissolution and if that cannot be done then to some other company.

4. MEMBERS

4.1 Subject to Article 21 of the Model Articles, the subscribers to the memorandum of association of the company and such other persons as are admitted to membership in accordance with the articles shall be members of the company. No person shall be admitted a member of the company unless they are approved by the directors and the Founder Member. Every person who wishes to become a member shall deliver to the company an application for membership in such form as the directors require to be executed by him.

PROVIDED THAT no persons under the age of 21 years may apply to become a member of the Company

4.2 A member may at any time withdraw from the Company after three years membership by giving at least six months clear written notice to the Company. Membership shall be transferable on the death of the member. Upon the death of the member his personal representatives may nominate another person to take over the rights of the deceased member.

4.3 Where a person or corporation ceases to be a Club Member pursuant to Article 6.1. hereof, neither the former Club Member nor his assigns or successors shall have any right to any Compensation or any other payment of any kind related to the cessation of membership, nor to the return of any moneys that such Club Member may have paid to the Company by way of membership.

4.4 No person shall be admitted as a Club Member unless he has agreed to be bound by the Club Rules.

4.5 No person shall be admitted as a Club Member unless, upon such admission, he shall have had allocated to him, and shall have accepted the allocation of usage points.

4.6 The directors of the Company shall cause a register of members to be kept by the Registrar in which shall be set out the full name and address of each member, the date of admission to membership, the amount of usage points and the date of cessation of membership of the Company, and whether such cessation is by virtue of resignation or otherwise.

4.7 A person who has been admitted to membership of the Company as a Club Member by the directors shall not be obliged to contribute any capital to the Company

4.8 Each Club Member shall have issued to them a Certificate of Membership

4.9 The fact that the name of a person has been entered in the register of members shall be conclusive evidence of that person's membership, and the class of such membership.

4.10 The personal representatives of a deceased sole Club Member as long as the said member is in good standing with company, shall (whether appointed under the laws of the UK or the laws of any other jurisdiction) be recognised by the Company as the persons entitled to the rights vested in the member immediately prior to death and those personal representatives shall be entitled at their written request to be registered in the Company's register of members in place of the deceased member.

CLASSES OF MEMBERSHIP

5.1 Membership of the Company shall comprise two classes of persons: -

- a) Club Members shall have the right to attend and vote at all general meetings of the Company. At such meetings each Club Member shall be entitled to one vote in respect of each certificate held by him
- b) The Founder Member who is entitled to attend and vote at all general meetings

6. DIRECTORS' MEETINGS

6.1 The directors may appoint a director to chair their meetings and the person so appointed for the time being is known as the chairman.

6.2 The directors may terminate the chairman's appointment at any time.

6.3 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

6.4 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

6.5 But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

7. DIRECTORS' DEALINGS WITH THE COMPANY

7.1 A director who is in any way, whether directly or indirectly interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.

7.2 A director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act unless the interest has already been declared in accordance with Article 7.1 above.

7.3 Subject, to sections 177(5), 177(6), 182(5) and 182(6) of the Act, the disclosures required under Articles 7.1 and 7.2 and to any terms and conditions imposed by the directors, a director shall be entitled to vote in respect of any proposed or existing transaction or arrangement with the Company 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.

7.4 A director need not declare an interest under clause 7.1 and clause 7.2 as the case may be:

- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (b) of which the director is not aware, although for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware;
- (c) if, or to the extent that, the other directors are already aware of it, and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware; or
- (d) if, or to the extent that, it concerns the terms of his service contract that have been, or are to be, considered at a board meeting.

8. DIRECTORS' CONFLICTS OF INTEREST

8.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest provided that the required quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director (**Conflict**).

8.2 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
- (c) be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

8.3 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:

- (a) disclose such information to the directors or to any director or other officer or employee of the company; or
- (b) use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.

8.4 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:

- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;
- (b) is not given any documents or other information relating to the Conflict; and
- (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.

8.5 Where the directors authorise a Conflict:

- (a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict, and insofar as he does not do so their authorisation will no longer be valid; and
- (b) the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation and provided that the conflicted director is not in breach of his duties set out in s171 to 177 of the Act otherwise than by reason of the mere existence of the conflict.

8.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

9. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means (including but not limited to, telephone, text message and e-mail), such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

10. NUMBER OF DIRECTORS

10.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall be limited to three directors. When the minimum number of directors shall be one, a sole director may exercise all powers and authorities vested in the directors by the Model Articles and by these articles.

10.2 Any director (other than an alternate director) (in this article, the appointor) may appoint any person (whether or not a director).

10.3 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

10.4 The notice must:

(a) identify the proposed alternate; and

(b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

10.5 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.

10.6 Except as the Articles specify otherwise, alternate directors:

(a) are deemed for all purposes to be directors;

(b) are liable for their own acts and omissions;

(c) are subject to the same restrictions as their appointors; and

(d) are not deemed to be agents of or for their appointors, and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

10.7 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, and does not himself participate).

10.8 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision).

10.9 An alternate director may be paid expenses and may 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 remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's appointor as the appointor may by notice in writing to the Company from time to time direct.

10.10 An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director; or
- (c) when the alternate director's appointor ceases to be a director for whatever reason.

11. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no members and no directors, the personal representatives of the last member to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person, who is willing to act and is permitted to do so, to be a director.

12. SECRETARY

The Company is not required to have a secretary, but the directors may choose to appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

13. GENERAL MEETINGS

13.1 All business shall be deemed special that is transacted at an extraordinary general meeting and also all that is transacted at an annual general meeting, with the exception of the consideration of the account, balance sheets, income and expenditure statements and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors.

13.2. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided two members present in person or by proxy shall be a quorum

13.3 At a general meeting, on a show of hands, every Club member shall have one vote.

13.4 Where a poll is demanded, each member present in person or by proxy shall have one vote per certificate held. The Founder Member shall have 2 votes for every Certificate held by Club members as confirmed by the registrar.

13.5 For the purposes of article 24 of the Model Articles, 2 persons entitled to vote upon the business to be transacted shall constitute a quorum.

13.6 Only members that are of good standing and fully compliant with the Club Rules shall be allowed to vote at any meeting.

14. PROXIES

Article 31(1) (d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

15. NOTICE

15.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

15.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

16. INDEMNITY

16.1 Subject to article 15.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 16(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

16.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

16.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

17. INSURANCE

The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

