

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

OF

MONDAY



NORFOLK CAPITAL HOTELS (SOUTHERN) LIMITED

(THE "COMPANY")

**Adopted by special resolution passed on 12 January 2015 and as amended by
special resolution passed on 17 July 2015**

1. PRELIMINARY

1.1 The following definitions and rules of interpretation shall apply in these Articles

Act: the Companies Act 2006

Articles: the Company's articles of association for the time being in force.

Business Day: a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business

Conflict: a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company

Group: the Company, any subsidiary or any holding company of the Company from time to time, and any subsidiary from time to time of a holding company and shareholder of the Group shall mean any of them

Model Articles: the model articles for private companies limited by shares set out in Schedule 1 of the Companies (Model Articles) Regulations 2008 (as varied, altered or modified on the date on which these articles become binding on the Company)

1 2 Unless expressly provided otherwise 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. The final paragraph of Model Article 1 shall not apply to the Company.

1 3 References in the Articles –

- (a) to a numbered Article are to a numbered Article as set out in this document, and
- (b) to a numbered article of the Model Articles are to the article as numbered in the Model Articles.

1 4 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.

1 5 Articles 11(2), 11(3), 13, 14, 15 and 17(1) of the Model Articles shall not apply to the Company.

2. INTERPRETATION

2 1 Words and expressions defined in the Model Articles shall have the same meaning in these articles and save as otherwise provided in these articles or unless the context otherwise requires and except for words or expressions to which a meaning is given in the Articles, other words or expressions contained in the Articles bear the same meaning as in the Act as in force on the date on which these articles become binding on the Company.

2 2 A reference in the Articles to the exercise of a power or the taking of a decision by the directors includes the exercise of the power or the taking of the decision by any person or committee (including any sub-committee) to whom it has been delegated.

2 3 In the Articles, the headings are for convenience only and shall be ignored in construing the meaning of the Articles.

3. LIABILITY OF MEMBERS

3 1 The liability of members is limited to the amount, if any, unpaid on the shares held by them.

4. SHARES

- 4 1 No provision setting out the maximum amount of shares that may be allotted by the Company imposed by virtue of the amount of the Company's authorised share capital that was in force immediately before 1st October 2009 shall apply to the Company
- 4 2 Subject to Article 4 4, the directors may exercise any power given to them by section 550 of the Act
- 4 3 The directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to offer or allot ordinary shares in the Company, or to grant rights to subscribe for or convert any security into, ordinary shares in the Company up to a maximum nominal amount of £1 00 The authority given by this Article 4 3 (unless previously renewed, further renewed, revoked or varied) shall expire at the end of five (5) years beginning on the date on which this Article 4 3 was first adopted, save that the directors may make an offer or agreement which would, or might, require ordinary shares to be allotted or rights to be granted after the expiry of such authority (in which case the directors may allot or grant rights in respect of ordinary shares in pursuance of such offer or agreement as if such authorisation had not expired)
- 4 4 This Article 4 4 applies to any time when –
- (a) the Company has only one class of shares, and
 - (b) there is a shareholder holding a majority of the voting rights in the Company

Any power of the directors to allot shares of that class, or to grant rights to subscribe for or to convert any security into such shares, shall not be exercised unless such shareholder shall first have given consent by notice in writing to the Company in hard copy form delivered to the Company's registered office to the exercise by the directors of that power; and such consent may be given generally or specifically in relation to a particular exercise and with or without conditions

- 4 5 The requirements of sections 561 and 562 of the Act are excluded and shall not apply to the Company
- 4 6 Notwithstanding anything otherwise provided in the Articles, the directors may not decline to register any transfer of shares and may not suspend registration thereof where such transfer

- (a) is to the bank or institution to which such shares have been charged by way of security, whether as agent and security trustee for a group of banks or institutions or otherwise (a "**Secured Institution**"), or to any nominee or any transferee of such a bank or institution,
- (b) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares, or
- (c) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under each security

5. APPOINTMENT AND REMOVAL OF DIRECTORS

5 1 The number of directors shall not be subject to any maximum but shall not be less than one (1) A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by the Articles

5 2 A director may only be appointed by the members under this Article Any shareholder or members from time to time holding shares carrying a majority of the voting rights in the Company may at any time appoint –

- (a) any person willing to act (and who is permitted by law to do so) to be a director either as an additional director or to fill a vacancy, and
- (b) may remove from office any director however appointed

Any appointment or removal under this Article 5 2 shall be made by an instrument signed by or on behalf of the person or persons making it and delivered in writing to the Company Article 18 of the Model Articles shall be modified by the addition after sub-paragraph (f) of the following new sub-paragraph “(g) *notification of the director’s removal is received by the Company from a shareholder pursuant to Article 5 2*”

5 3 Any notice of the appointment or removal of a director under Article 5 1 shall be deemed to be an act of the Company (and no-one else) The power of removal of a director from office conferred on the Company by Article 5 2 is in addition to that conferred by the Act, to the intent that sections 168 and 169 of the Act shall not apply to a removal under Article 5 2

- 5 4 The removal of a director under Article 5 2 shall be without prejudice to any claim for damages he may have for breach of any employment contract or contract to provide services between the Company and the director so removed

6. DIRECTORS' DECISIONS

- 6 1 Subject to Article 6 2, the quorum for the transaction of business at a meeting of directors is two (2) directors or, where there is only one (1) director in office for the time being, that director

- 6 2 For the purposes of a decision to authorise a matter under Article 8 1, if there is only one (1) director entitled to vote on the matter, the quorum for any directors' meeting (or part of a meeting) at which such decision is proposed for consideration shall be the one (1) director entitled to vote

- 6 3 Where the directors have delegated any of their powers, they may revoke any delegation in whole or in part, or alter its terms and conditions, and where any person to whom any powers are delegated holds those powers by virtue of being appointed an executive, any variation or revoking of those powers is without prejudice to any contract with that executive

- 6 4 Any or all powers of the directors (or any of them) shall be restricted in such respects, to such extent and for such duration as a shareholder may from time to time by notice in writing to the Company prescribe

- 6 5 The directors must ensure that the Company keeps a record, in writing, for at least ten (10) years from the date of the decision recorded, of every unanimous or majority decision taken by the directors, of every directors' written resolution and of every decision of a sole director

- 6 6 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the directors to retain a copy of such decisions

7. DIRECTORS' APPOINTMENTS AND INTERESTS

- 7 1 Subject to the director having declared the nature and extent of his interest in accordance with the requirements of the Act, a director may -

- (a) be a party to, or otherwise directly or indirectly interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested, and

- (b) be a director or other officer of, or employed by or provide services (directly himself or through his firm, including in a professional capacity), or a party to any transaction or arrangement with, or otherwise directly or indirectly interested in, any body corporate in which the Company is interested,

and where a proposed decision of the directors is concerned with such a transaction, arrangement, office, employment or other matter, that director may be counted as participating and may participate in the decision making process for quorum and voting purposes

7 2 For the purposes of this Article and in accordance with sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, the following shall not be treated as an ‘**interest**’ –

- (a) an interest of which a director is not aware and of which it is unreasonable to expect him to be aware, or an interest in a transaction or arrangement of which he is not aware and of which it is unreasonable to expect him to be aware,
- (b) an interest of which the other directors are aware, or ought reasonably be aware, to the extent they are or ought reasonably to be aware of such interest,
- (c) an interest which cannot reasonably be regarded as giving rise to a conflict of interest, and
- (d) an interest if, or to the extent that, that interest contains terms of his service contract which have been, or are to be, considered by a meeting of the directors or a duly appointed committee of the directors

8. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

8 1 Subject to section 177(5) and (6) and section 182(5) and (6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
- (b) shall be entitled to vote at a meeting of directors or participate in any unanimous decision in respect of such existing or proposed transaction or arrangement in which he is interested,

- (c) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- (d) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit, nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

8.2 The provisions of Article 8.1 are subject, where applicable, to such conditions or limitations, or be granted subject to such terms, as the directors may think fit and the director will be obliged to conduct himself in accordance with any such terms and conditions

9. DIRECTOR'S CONFLICTS OF INTEREST

9.1 The directors may, in accordance with the requirements set out in this Article 9, authorise any Conflict 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 or which may reasonably be regarded as likely to give rise to a conflict of interest

9.2 Any authorisation of a Conflict under this Article 9 will be effective only if to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles

9.3 Any authorisation of a Conflict under this Article 9 may (whether at the time of giving the authorisation or subsequently) impose on the director such conditions or limitations, or be granted subject to such terms, as the directors may think fit for the purposes of dealing with the Conflict and the director will be obliged to conduct himself in accordance with any such terms and conditions

9.4 The directors may at any time vary or terminate any authorisation of a Conflict under this Article 9 (but no variation or termination will affect anything done by the director prior to such variation or termination in accordance with the then terms of the authorisation)

- 9 5 Where the directors authorise a matter or situation under Article 9 1, then an interested director –
- (a) will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the matter or situation, and
 - (b) will not infringe any duty he owes to the Company under sections 171 to 177 of the Act
- 9 6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any shareholder of the Group and no further authorisation under Article 9 1 shall be necessary in respect of any such interest
- 9 7 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 that he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company and no contract shall be liable to be avoided on such grounds

10. ALTERNATE DIRECTOR

- 10 1 Any director of the Company may appoint a director of any Group company to act as an alternate director
- 10 2 An alternate director shall be entitled to receive notice of all meetings of directors, to attend and to vote at any meeting at which the director appointing him is not personally present and at that meeting to exercise and discharge all the functions, powers and duties of his appointer as a director and for the purposes of the proceedings at that meeting the provisions of these Articles shall apply as if he was a director
- 10 3 Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for determining whether a quorum is present
- 10 4 Any person appointed as an alternate director shall vacate his office as an alternate director if the director by whom he has been appointed ceases to be a director or removes him or on the happening of any event which, if he is or were a director, causes or would cause him to vacate that office

- 10 5 An alternate director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the director appointing him

11. SECRETARY

- 11 1 The directors may determine from time to time whether a person shall hold the office of company secretary for such term, at such remuneration and on such conditions as they may think fit and, at any time when the Company is without a secretary, that anything required or authorised to be done by or to the secretary may be done by or to a director (or by a person authorised generally or specifically in that behalf by the directors), the appointment of a person, or persons jointly, to office as secretary shall be decided by the directors who may remove any person or persons appointed to that office and may appoint a person or persons to act in the place of any secretary removed from office or may appoint a person or persons to act jointly with any person holding office as secretary

- 11 2 The Company may pay expenses to any secretary and the directors may otherwise fix the terms and conditions of the appointment of any secretary, Article 20 of the Model Articles is modified by adding after the words “the *directors*” where they first appear, the words “*and the company secretary (if any)*”

12. NOTICES

- 12 1 Article 48 of the Model Articles shall be read as if it were amended by the addition in Article 48(1) of the following sentence -

“Subject to the Articles, the provisions of section 1147 of the Act shall apply to anything sent or supplied to the Company as they apply to anything sent or supplied by the Company”

- 12 2 Any notice, document or other information will be deemed served on or delivered to the intended recipient -

- (a) if delivered by hand, on signature of a delivery receipt, or
- (b) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 00 am on the second Business Day after posting, or
- (c) if sent by electronic means (which expression has the meaning given to it in section 1168 of the Act), one (1) hour after the notice, document or information was sent or supplied, or

- (d) if addressed either –
 - (i) to an address outside the United Kingdom, or
 - (ii) from outside the United Kingdom to an address within the United Kingdom,

five (5) working days after despatch, provided (in each case) it was sent by reputable international overnight courier addressed to the intended recipient, with delivery in at least five (5) working days guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider

12 3 To prove service, it is sufficient to prove that –

- (a) if delivered by hand, the notice was delivered to the correct address, or
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or
- (c) if sent by email, the notice was properly addressed and sent to the e-mail address of the recipient

13. INDEMNITY AND INSURANCE

13 1 Article 52 of the Model Articles shall be read as if it were amended as follows –

- (a) in article 52(1) -
 - (i) the words “*or a relevant secretary*” were added immediately after the words “*a relevant director*”, and
 - (ii) the words “*or that secretary*” were added immediately after the words “*that director*” in sub-paragraphs (a), (b) and (c), and
- (b) in article 52(3) a new sub-paragraph (c) be added immediately after sub-paragraph (b) –

“(c) a “*relevant secretary*” means any company secretary of the Company or an associated company”, and

13 2 Article 53 of the Model Articles shall be read as if it were amended as follows –

- (a) in article 53(1) the words “*or any relevant secretary*” were added immediately after the words “*any relevant director*”, and

(b) in article 53(2) -

- (i) the existing sub-paragraphs (b) and (c) be renumbered as (c) and (d) and a new sub-paragraph (b) be added immediately after sub-paragraph (b) as follows –

“(b) a “relevant secretary” means any company secretary of the Company or an associated company, and”, and

- (ii) in sub-paragraph (c) (as renumbered by this Article), the words *“or a relevant secretary”* were added immediately after the words *“a relevant director”* and the words *“or secretary’s”* were added immediately after the words *“that director’s”*