
WRITTEN RESOLUTION OF THE MEMBERS

of

CRAIGENDARROCH LIMITED, a private limited company incorporated under the laws of England and Wales with company no. SC080815 (the "**Company**")

(Circulated on November 14, 2016)

WHEREAS, pursuant to section 293 of the Companies Act 2006, the members of the Company propose that the resolutions set out below (the "**Resolutions**") be passed by the sole member of the Company (within the meaning of section 289(1) of the Companies Act 2006 ("**CA 2006**")).

WHEREAS, according to the existing articles of association the Company is required to have at least two directors appointed, it is proposed that any actions taken by the sole director, Sean Michael Dell'Orto, be hereby ratified, confirmed, approved and adopted as actions of the Company.

WHEREAS, it is proposed that the Company adopt the new articles of association (the "**New Articles**") with effect from 10 October 2016 in substitution for and to the exclusion of the Company's existing articles of association. A copy of the New Articles is appended to this written resolution.

WE, the undersigned, being the sole eligible member of the Company (within the meaning of section 289(1) of CA 2006) entitled to vote on the Resolutions hereby **RESOLVE** and **AGREE**, pursuant to section 283 of CA 2006, that the Resolutions, be passed as special resolutions, being for all purposes as valid and effective as if passed as special resolutions at a general meeting of the Company:

1. **THAT** the actions taken by the sole director, Sean Michael Dell'Orto, be hereby ratified, confirmed, approved and adopted as actions of the Company.
2. **THAT** the New Articles appended to this written resolution be hereby approved and adopted as the articles of association of the Company with effect from 10 October 2016 in substitution for and to the exclusion of the Company's existing articles of association.
3. **THAT** the director of the Company be authorised to do all such things as are necessary to give effect to the adoption of the New Articles including:
 - a. making all necessary and appropriate filings with the Registrar of Companies including (without limitation) within 15 days of the Written Resolution being passed, filing:
 - (i). a copy of this Resolution; and
 - (ii). a copy of the New Articles.



AGREEMENT

The undersigned, being the person entitled to vote on the Resolutions on the date hereof, hereby irrevocably agree to the Resolutions being passed.

Signed by:



.....
Sean M. Dell'Orto
For and on behalf of
PARK UK HOLDING LIMITED

Name: Sean M. Dell'Orto

Dated: NOV 14, 2016

Time: 12:45 PM

INFORMATION REQUIRED TO COMPLY WITH SECTION 293(4) OF THE ACT

- 1 Eligible members are members who would have been entitled to vote on the resolution on the circulation date of the written resolution.
- 2 The procedure for signifying agreement by an eligible member to the written resolution is as follows:
 - A member signifies his agreement to the proposed written resolution when the Company receives from him (or someone acting on his behalf) an authenticated document which both identifies the resolution to which it relates and indicates his agreement to the resolution.
 - The document must be sent to the Company in electronic form in the following way:
 - **E-mail:** By attaching a scanned copy of the signed document to an e-mail and sending it to Theresa Attwood (Theresa.Attwood@Hilton.com).
 - A member's agreement to a written resolution, once signified, may not be revoked.
 - A written resolution is passed when the required majority of eligible members have signified their agreement to it.
- 3 The period for agreeing to the written resolution is the period of 28 days beginning with the circulation date (see section 297 of the Act).
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which names of the joint holder appear in the register of members.
- 5 If you are signing this document on behalf of a member of the Company under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
CRAIGENDARROCH LIMITED
(Registered No. SC080815)

(Adopted by Special Resolution passed on 14 November 2016)

PRELIMINARY

1. The Regulations contained in Table A in the First Schedule to the Companies Act 1948 shall not apply to the Company. Subject to the provisions hereinafter contained, the Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter called "Table A") so far as not excluded, altered or modified by or inconsistent with the following Articles shall apply to the Company and be deemed to be incorporated herein.
2. Regulations 24, 54, 73 to 78 inclusive, 80, 87 and 94 to 96 inclusive of Table A shall not apply to the Company and the following Regulations thereof shall be modified:-

Regulation 64 shall be deleted and replaced with the following "Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than one.";

Regulation 66 so that the words "(subject to his giving the Company an address within the United Kingdom at which notice may be served upon him)" shall be inserted between the words "shall" and "be";

Regulation 79 so that the second and third sentences thereof shall be held to be delete;

Regulation 82 so that the words "by way of Directors' fees" shall be inserted between the words "remuneration" and "as"; and

Regulation 89 shall deleted and replaced with the following "The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, unless the company only has one director in which case the quorum will be fixed at one, and unless otherwise fixed it is two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum."

Unless otherwise required by the context of these Articles and Table A, in so far as not excluded and as modified in terms of this Article, words importing the singular number shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine.
3. The Company is a private company as defined by Section 1 of the Act and accordingly any offer to the public (whether for cash or otherwise) of any shares in or debentures of the Company or any allotment of or agreement to allot (whether for

cash or otherwise) any shares in or debentures of the Company with a view to all or any of these shares or debentures being offered for sale to the public shall be prohibited.

SHARE CAPITAL

4. The authorised share capital of the Company at the date of adoption of these Articles is £1,000,000 divided into 999,800 Ordinary Shares of £1 each (hereinafter called "Ordinary Shares"), 10,000 A Ordinary Shares of 1p each (hereinafter called "A Ordinary Shares") and 10,000 Deferred Shares of 1p each (hereinafter called "Deferred Shares").

5. The rights and privileges attaching to the Ordinary Shares, the A Ordinary Shares and the Deferred Shares shall be as follows:-

5.1 As regards to Dividend

The Deferred Shares shall carry no rights to dividend. Any profits which it may be determined to distribute by way of dividend in respect of any financial year or other financial period or otherwise shall (subject to Article 5.4.6(d)(viii)) be distributed amongst the holders of fully paid Ordinary Shares and fully paid A Ordinary Shares in such proportions as shall ensure that there shall be paid in respect of each fully paid A Ordinary Share an issue on the record date for the relevant dividend a dividend of an amount equal to 10 times the amount of the dividend paid on each fully paid Ordinary Share in issue on such date.

5.2 As regards to Capital

On a return of capital, on liquidation or otherwise, the assets of the Company available for distribution amongst the members of the Company after payment of all the liabilities of the Company shall be applied in the following order:-

5.2.1 first, in paying to the holders of the Deferred Shares the amounts paid up or credited as paid up thereon at the date of liquidation or other return of capital, provided that not more than 25 per cent of such assets shall be distributed to the holders of the Deferred Shares; and

5.2.2 secondly, the balance of such assets shall belong to and be distributed amongst the holders of fully paid Ordinary Shares and fully paid A Ordinary Shares in such proportions as shall ensure that the amount to be paid in respect of each fully paid A Ordinary Share in issue at the date of liquidation or other return of capital shall be 10 times the amount to be paid in respect of each fully paid Ordinary Share in issue at such date, provided, however, that the aggregate of the amounts to be paid to the holders of the Deferred Shares and the holders of the A Ordinary Shares shall not exceed 25 per cent of the assets of the Company available for distribution amongst the members of the Company.

5.3 As regards to Voting

5.3.1 The holders of the Deferred Shares shall be entitled to receive notice of and to attend all general meetings of the Company, but shall not be entitled to vote at any general meeting of the Company by virtue or in respect of their holding of Deferred Shares or otherwise,

5.3.2 At a general meeting of the Company, every holder of Ordinary Shares, present in person or by proxy, shall have one vote on a show of hands and upon a poll every holder of Ordinary Shares so present in person or by proxy shall have one vote for every fully paid Ordinary Share held by him.

5.3.3 At a general meeting of the Company, every holder of A Ordinary Shares, present in person or by proxy, shall have ten votes on a show of hands and upon a poll every holder of A Ordinary Shares so present in person or by proxy shall have ten votes for every fully paid A Ordinary Share held by him.

5.4 As regards to Conversion

5.4.1 In this Article:-

(a) "the Aggregate Profits" shall mean the aggregate of the profits (less losses) on ordinary activities before taxation of the Company for the Initial Period, for the financial years of the Company ending on 31st December in each of the years 1988 to 1994 (in this Article called "the Subsequent Financial Years") and for the final Period, as adjusted in accordance with Article 5.4.2, and, for this purpose:-

(i) "the Initial Period" shall mean the period commencing on 1st August 1987 and ending on 31st December 1987;

(ii) the profit (or loss) on ordinary activities before taxation of the Company for the initial Period shall be calculated as follows:-

(1) where the audited profit and loss account of the Company for the financial year commencing on 1st September 1986 and ending on 31st December 1987 (in this Article called "the Initial Accounts"), show that the Company has made a profit on ordinary activities before taxation (in this Article called a "Pre-Tax Profit") the Pre-Tax Profit shall be increased by £179,361 and the resultant figure shall be deemed to be the profit on ordinary activities before taxation of the Company for the Initial Period;

(2) where the Initial Accounts show that the Company has made a loss on ordinary activities before taxation (in this Article called a "Pre-Tax Loss"), the Pre-Tax Loss, if greater than £179,361, shall be reduced by £179,361 and the resultant figure shall be deemed to

be the loss on ordinary activities before taxation of the Company for the Initial Period; and

- (3) where the Initial Accounts show that the Company has made a Pre-Tax Loss and the Pre-Tax Loss is less than £179,361, the Company shall be deemed to have made a profit on ordinary activities before taxation for the Initial Period of an amount equal to the difference between the amount of the Pre-Tax Loss and £179,361;
- (iii) the profit (or loss) on ordinary activities before taxation of the Company for each of the Subsequent Financial Years and for the Final Period shall be as shown in the audited profit and loss accounts of the Company for each of such Subsequent Financial Years and in the Final Accounts (in this Article being, together with the Initial Accounts, called "the Relevant Accounts");
- (b) the "Interim Aggregate Profits" shall mean at any time the aggregate of the profits (less losses) on ordinary activities before taxation of the Company for the Initial Period and each of the Subsequent Financial Years ended before that time (as adjusted in accordance with Article 5.4.2);
- (c) "the Final Period" shall mean the period commencing on 1st January 1995 and ending on 30th June 1995;
- (d) "the Final Accounts" shall mean a profit and loss account of the Company for the Final Period to be prepared by the auditors of the Company as soon as practicable after the end of the Final Period;
- (e) "the Share Sale Agreement" shall mean an Agreement dated 18th August 1987 entered into among (1) George Alexander Simpson and Others, as Vendors (2) Cannon Street Investments P.L.C., as Purchaser and (3) Kildonnan Investments limited;
- (f) "the Timeshare Agreement" shall mean an Agreement dated 18th August 1987 entered into among (1) Kildonnan Investments Limited, as Vendor (2) the Company, as Purchaser and (3) George Alexander Simpson and Kildonnan Investments Limited, as Warrantors in terms of which, inter alia Kildonnan Investments Limited agreed to sell, and the Company agreed to purchase, the assets defined therein as the Timeshare Assets;
- (g) "the Final Conversion Period" shall mean a period of 42 days commencing on the earlier of (1) the date occurring 28 days after the date of publication of the Final Accounts or, if there shall be a dispute as to the amount of the Aggregate Profits, the date on which the amount of the Aggregate Profits is agreed or determined in accordance with Articles 5.4.4 and 5.4.5 and (2) the date

occurring 28 days after the date of publication of the audited profit and loss account of the Company for the Subsequent Financial Year in which the Targeted Sales Level is achieved or, if there shall be a dispute as to the amount of the Interim Aggregate Profits, on the date on which the amount of the Interim Aggregate Profits is agreed or determined in accordance with Articles 5.4.4 and 5.4.5;

- (h) an "Annual Conversion Period" shall mean a period of 42 days commencing on the date occurring 28 days after the date of publication of the audited profit and loss account of the Company for the Subsequent Financial Years ending on 31st December in each of the years 1990 to 1994 or, if there shall be a dispute as to the amount of the Interim Aggregate Profits, on the date on which the amount of the Interim Aggregate Profits is agreed or determined in accordance with Articles 5.4.4 and 5.4.5;
- (i) "the Targeted Sales Level" shall mean the sale after 14th August 1987 of holiday certificates in respect of 3,250 of the available weeks as at that date for the lodges erected and proposed to be erected on the Timeshare Property;
- (j) "the Timeshare Property" shall have the same meaning as in the Timeshare Agreement;
- (k) "the Deferred Share Valuation" shall mean at any time a sum equal to the lower of:-

- (i) 43 per cent of (A - B) less C where:-

"A" = the Aggregate Profits or the Interim Aggregate Profits at that time; and

"B" = a sum equal to interest on £6,500,000 at the rate of 2,083 per cent per month for the number of complete months elapsed between the Completion Date (as defined in the Share Sale Agreement) and that time (except that if A is greater than £8 million during; any such month occurring after December 1992, the rate charged in respect of such month shall be 1,041 per cent); and

"C" = the amount of all claims which have at that time (i) been made by Cannon Street Investments P.L.C. (in this Article called "CSI") and/or the Company against any person or persons in respect of breaches of the Warranties contained in (and defined in) the Share Sale Agreement and the Timeshare Agreement and/or under the indemnities contained in Clause 9 of the Share Sale Agreement in accordance with the Share Sale Agreement and/or the Timeshare Agreement and (ii) not been paid in full by such person or persons; and

(ii) £2,000,000;

- (l) any reference to the date of publication of the Initial Accounts or of any audited profit; and loss account of the Company for any Subsequent Financial Year shall be to the date on which the requirements of Section 241 of the Act (as amended or re-enacted from time to time) are complied with in respect of the accounts which comprise the Initial Accounts or the relevant audited profit and loss account (as the case may be); and
- (m) any reference to the date of publication of the Final Accounts shall be to the date on which the Company's auditors shall sign their report on the Final Accounts.

5.4.2 The profits (or losses) on ordinary activities before taxation of the Company for the Initial Period, for each of the Subsequent Financial Years and for the Final Period shall be adjusted in accordance with and to reflect the following provisions:-

- (a) all income and expenditure in respect of transactions between the Company and any person who for the time being holds not less than 50 per cent of the Ordinary Shares in the capital of the Company in issue (in this Article called "the Majority Ordinary Shareholder") or any of its subsidiaries shall (to the extent, if any, necessary) be equitably adjusted to reflect so far as reasonably practicable what the position would have been if such transactions had been entered into on an arms length basis;
- (b) notwithstanding Article 5.4.2(a), (i) any sum borrowed by the Majority Ordinary Shareholder or any of its subsidiaries from the Company will (notwithstanding the actual rate of interest) be deemed to have been borrowed on the terms that the Majority Ordinary Shareholder or the relevant subsidiary is liable to pay interest thereon at a rate per annum equal to one per cent under the Base Rate from time to time of The Royal Bank of Scotland plc (and for this purpose any dividend paid by the Company to the Majority Ordinary Shareholder or any of its subsidiaries shall be deemed to be a sum borrowed by the Majority Ordinary Shareholder or such subsidiary from the Company) and (ii) any sum borrowed by the Company from the Majority Ordinary Shareholder and/or any of its subsidiaries will (notwithstanding the actual rate of interest) be deemed to have been borrowed on the terms that the Company is liable to pay interest thereon at the rate of one per cent per annum over the Base Rate from time to time to The Royal Bank of Scotland plc;
- (c) there shall be disregarded any profits or losses derived from or incurred in the carrying on of any activity other than the Designated Activities and for this purpose "the Designated Activities" shall mean the time-share activities which will be carried on by the Company (including the operation of timeshare management) on the

Timeshare Property after completion of the sale and purchase of the Timeshare Assets (as defined in the Timeshare Agreement) pursuant to the Timeshare Agreement and the operation of the hotel and related leisure complex facilities on the Timeshare Property and/or the Property (as defined in the Share Sale Agreement) and shall for the avoidance of doubt specifically exclude any profits or losses derived from or incurred in connection with any other timeshare project or development established by the Company.

- 5.4.3 The Company shall procure that the Relevant Accounts, in so far as applicable to the business carried on by the Company during the period from 1st September 1986 to 31st July 1987, shall be prepared on a basis consistent with and applying the same accounting principles and policies as were used in the preparation of the audited profit and loss account of the Company for the financial year ended on 31st August 1986.
- 5.4.4 Within 28 days after the date of publication of the Initial Accounts, the audited profit and loss account of the Company for each of the Subsequent Financial Years and the Final Accounts, the holders of a majority in number of the Ordinary Shares in issue (in this Article called "the Majority Ordinary Shareholders") or a firm of Chartered Accountants nominated by the Majority Ordinary Shareholders shall agree the amount of the profits (or losses) on ordinary activities before taxation of the Company for the Initial Period, the relevant Subsequent Financial Year or the Final Period (as the case may be) and of the Interim Aggregate Profits or Aggregate Profits (as the case may be), as adjusted in accordance with Article 5.4.2, with the Company's auditors.
- 5.4.5 In default of agreement within such 28 day period between the Company's auditors (or such other firm of Chartered Accountants as may be nominated for this purpose, at the expense of the holders of the Deferred Shares, by the holder or holders of a majority in number of the Deferred Shares in issue (in this Article called "the Majority Deferred Shareholders")) and the Majority Ordinary Shareholders or the firm of Chartered Accountants nominated by the Majority Ordinary Shareholders the determination of the amount of such profits (or losses) or of the Interim Aggregate Profits or Aggregate Profits (as the case may be) shall be forthwith referred (and in any event within 21 days) to an independent firm of Chartered Accountants who shall be jointly instructed by the Majority Deferred Shareholders and the Majority Ordinary Shareholders to determine within a period of 28 days from the date of such referral the amount of such profits (or losses) or of the Interim Aggregate Profits or the Aggregate Profits (as the case may be). Such firm shall be agreed between the Majority Deferred Shareholders and the Majority Ordinary Shareholders or, in default of such agreement within such 21 day period, such firm of international standing as may be appointed by the President for the time being of the Institute of Chartered Accountants in Scotland on the application of either the Majority Deferred Shareholders or the Majority Ordinary Shareholders. The determination of the amount of such profits (or losses) or of the Interim Aggregate Profits or the Aggregate Profits (as the case may be) by such independent firm shall

be final and binding on the holders of the Deferred Shares and on the Majority Ordinary Shareholders.

5.4.6 Any holder of Deferred Shares shall be entitled from time to time to require the Company to convert all or some of the Deferred Shares held by him into A Ordinary Shares in accordance with the following provisions:-

- (a) each such conversion shall be effected by a notice (a "Conversion Notice") in writing signed by the holder of the Deferred Shares in respect of which the Conversion Notice is given and delivered to the office;
- (b) holders of Deferred Shares shall only be entitled to deliver a Conversion Notice to the office during the Final Conversion Period or an Annual Conversion Period expiring before the commencement of the Final Conversion Period and any Conversion Notice delivered outwith the Final Conversion Period or such an Annual Conversion Period shall be of no effect;
- (c) there shall be no conversion of Deferred Shares into A Ordinary Shares unless the amount of the Deferred Share Valuation is equal to or more than £100,000;
- (d) any conversion of Deferred Shares into A Ordinary Shares shall be on the following basis;
 - (i) the total number of Deferred Shares (if any) which the holders of the Deferred Shares shall be entitled to convert into A Ordinary Shares during an Annual Conversion Period or the Final Conversion Period (each such period being in this Article 5.4.6(d) called a "Relevant Period") and the total number of A Ordinary Shares (if any) to which the holders of the Deferred Shares shall be entitled on conversion shall be as set out in Columns (1) and (3) respectively of the Table below where the Deferred Share Valuation is as stated in Column (2) of such Table:-

(1) Total Number of Deferred Shares	TABLE (2) Deferred Share Valuation	(3) Total Number of A Ordinary Shares
(A) $10,000 \times \frac{100000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	100,000	same as (A) in Column (1)
(B) $10,000 \times \frac{200000}{2000000}$ less No. of Deferred Shares	200,000	same as (B) in Column (1)

TABLE

converted immediately prior to commencement of Relevant Period		
(C) 10,000 x $\frac{300000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	300,000	same as (C) in Column (1)
(D) 10,000 x $\frac{400000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	400,000	same as (D) in Column (1)
(E) 10,000 x $\frac{500000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	500,000	same as (E) in Column (1)
(F) 10,000 x $\frac{600000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	600,000	same as (F) in Column (1)
(G) 10,000 x $\frac{700000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	700,000	same as (G) in Column (1)
(H) 10,000 x $\frac{800000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	800,000	same as (H) in Column (1)
(I) 10,000 x $\frac{900000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	900,000	same as (I) in Column (1)

TABLE		
(J) $10,000 \times \frac{1000000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	1,000,000	same as (J) in Column (1)
(K) $10,000 \times \frac{1100000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	1,100,000	same as (K) in Column (1)
(L) $10,000 \times \frac{1200000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	1,200,000	same as (L) in Column (1)
(M) $10,000 \times \frac{1300000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	1,300,000	same as (M) in Column (1)
(N) $10,000 \times \frac{1400000}{2000000}$ less No. of Deferred Shares converted Immediately prior to commencement of Relevant Period	1,400,000	same as (N) in Column (1)
(O) $10,000 \times \frac{1500000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	1,500,000	same as (O) in Column (1)
(P) $10,000 \times \frac{1600000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement of Relevant Period	1,600,000	same as (P) in Column (1)
(Q) $10,000 \times \frac{1700000}{2000000}$ less No. of Deferred Shares converted immediately prior to commencement	1,700,000	same as (Q) in Column (1)

TABLE

of Relevant Period		
(R)	$10,000 \times \frac{1800000}{2000000} \text{ less}$ No. of Deferred Shares converted immediately prior to commencement of Relevant Period	1,800,000 same as (R) in Column (1)
(S)	$10,000 \times \frac{1900000}{2000000} \text{ less}$ No. of Deferred Shares converted immediately prior to commencement of Relevant Period	1,900,000 same as (S) in Column (1)
(T)	$10,000 \times \frac{2000000}{2000000} \text{ less}$ No. of Deferred Shares converted immediately prior to commencement of Relevant Period	2,000,000 same as (T) in Column (1)

(ii) where the Deferred Share Valuation falls between any two of the figures shown in Column (2) of the above Table the Deferred Share Valuation shall be deemed to be the lower of the two figures;

(iii) the number of Deferred Shares which any holder of Deferred Shares shall be entitled to convert into A Ordinary Shares pursuant to this Article 5.4.6 during any Relevant Period shall not be greater than $A \times \frac{B}{C}$ here

"A" = the total number of Deferred Shares which all holders of Deferred Shares are entitled to convert during that Relevant Period;

"B" = the number of Deferred Shares held by that holder immediately prior to conversion on the date referred to in Article 5.4.6(d)(v); and

"C" = the number of Deferred Shares in issue immediately prior to conversion on the date referred to in Article 5.4.6(d)(v);

(iv) No fraction of a Deferred Share shall be converted into an A Ordinary Share and no Deferred Share shall be converted into a fraction of an A Ordinary Share and the Directors shall determine in which manner any fractions shall be treated for the purpose of rounding up or rounding down the

number of Deferred Shares which may be converted or of A Ordinary Shares to which any holder of Deferred Shares is entitled on conversion;

- (v) any conversion of Deferred Shares pursuant to Conversion Notices delivered to the office during any Relevant Period shall be effected on a single date not later than 3 days after the expiry of that Relevant Period;
- (vi) upon any conversion of Deferred Shares the Company shall issue a new certificate or new certificates in respect of the A Ordinary Shares resulting from the conversion, subject to there being delivered to the Company for cancellation the certificate or certificates in respect of the Deferred Shares so converted;
- (vii) so long as any of the Deferred Shares remain capable of conversion the Company shall procure that there is available for issue sufficient unissued A Ordinary Shares to satisfy in full the rights of the holders of the Deferred Shares on conversion thereof and that the Directors are given authority to allot and issue such A Ordinary Shares;
- (viii) the A Ordinary Shares resulting from any conversion shall rank *pari passu* and be in all respects identical with the A Ordinary Shares then in issue save that the A Ordinary Shares resulting from the conversion shall not rank for any dividend in respect of any financial year (or part thereof) ended prior to the date of conversion referred to in Article 5.4.6(d)(v) and shall in respect of the financial year in which they are converted rank only for a dividend of an amount per share equal to the amount of the dividend for the period from the date of conversion to the end of such financial year on the basis that dividends are assumed to be earned and to accrue equally from day to day.

5.5 As regards Option to Sell

5.5.1 Any holder of A Ordinary Shares shall have an option (in this Article called "the Sale Option") exercisable from time to time in accordance with the provisions of these Articles to require the Majority Ordinary Shareholders (as defined in Article 5.4.2(a)) to purchase all or any of the A Ordinary Shares held by him on the following terms and conditions:-

- (a) the Sale Option shall be exercised by notice in writing signed by the holder of the A Ordinary Shares and delivered to the Registered Office of the Majority Ordinary Shareholder or such other address as may be notified in writing from time to time by the Majority Ordinary Shareholder to the holder of the A Ordinary Shares;

- (b) the consideration for the purchase by the Majority Ordinary Shareholder of each A Ordinary Share in respect of which the Sale Option is exercised prior to the expiry of the Final Conversion Period shall be a sum equal to $\frac{1}{20000} \times A$ where-

"A" = the Deferred Share Valuation on the date of exercise of the Sale Option;

- (c) the consideration for the purchase by the Majority Ordinary Shareholder of each A Ordinary Share in respect of which a holder of A Ordinary Shares exercises the Sale Option after the expiry of the Final Conversion Period shall be a sum equal to $\frac{1}{20000} \times A$ where

"A" = 200 per cent of the Deferred Share Valuation on the date of exercise of the Sale Option plus $\frac{1}{A} \times \left(\left(\frac{B}{E} \times C \right) - D \right)$

"A" = the total number of A Ordinary Shares in respect of which the Sale Option is exercised after the expiry of the Final Conversion Period (whether by that holder or by any other holder);

"B" = the total number of A Ordinary Shares in respect of which the Sale Option has been exercised prior to the expiry of the Final Conversion Period (whether by that holder or by any other holder);

"C" = the Deferred Share Valuation on the date of exercise of the Sale Option;

"D" = the total consideration already paid by the Majority Ordinary Shareholder pursuant to any exercise of the Sale Option prior to the expiry of the Final Conversion Period (whether by that holder or by any other holder); and

"E" = the total number of A Ordinary Shares in issue on the date occurring three days after the date of expiry of the Final Conversion Period (excluding, however, any A Ordinary Shares held by the Majority Ordinary Shareholder and acquired by it otherwise than pursuant to an exercise of the Sale Option);

- (d) the consideration for the purchase by the Majority Ordinary Shareholder of A Ordinary Shares in respect of which the Sale Option is exercised shall be satisfied either -

(i) in cash; or

(ii) if CSI is the Majority Ordinary Shareholder at the time of exercise of the Sale Option and CSI shall so agree, by the allotment and issue to the holder of the A Ordinary Shares exercising the Sale Option of such number of new Ordinary Shares in the capital of CSI as shall be calculated by dividing the amount of the consideration due to such holder

by the average dealing price or middle market price of the Ordinary Shares in the capital of CSI as disclosed in The Stock Exchange Daily Official List for the ten business days immediately preceding the second business day before the date of exercise of the Sale Option in which event CSI shall allot and issue to the holder of the A Ordinary Shares, subject to any necessary shareholder authorities having been obtained, such new Ordinary Shares credited as fully paid as soon as practicable after the date of exercise of the Sale Option (and in any event (but subject as above) within 14 days after such date);

- (e) any holder of A Ordinary Shares who exercises the Sale Option shall deliver to the Majority Ordinary Shareholder with the notice referred to in Article 5.5.1(a) a duly executed transfer of the A Ordinary Shares in respect of which the Sale Option has been exercised in favour of the Majority Ordinary Shareholder together with the definitive certificate or certificates in respect thereof.

5.6 As regards Option to Purchase

5.6.1 The Majority Ordinary Shareholder (as defined in Article 5.4.2(a)) shall have an option in this Article called "the Deferred Purchase Option") to require any holder of Deferred Shares to sell it all or any of the Deferred Shares held by that holder on the following terms and conditions:-

- (a) the Deferred Purchase Option shall be exercisable at any time after the date occurring three days after the expiry of the Final Conversion Period by notice in writing signed by the Majority Ordinary Shareholder and delivered to the registered address of the holder of the Deferred Shares;
- (b) the consideration for the purchase by the Majority Ordinary Shareholder of each Deferred Share in respect of which the Deferred Purchase Option is exercised shall be 1p and shall be satisfied in cash;
- (c) any holder of Deferred Shares in respect of which the Deferred Purchase Option is exercised shall deliver to the Majority Ordinary Shareholder within 7 days after the date of service of the notice referred to in Article 5.6.1(a) a duly executed transfer of the Deferred Shares in respect of which the Deferred Purchase Option has been exercised in favour of the Majority Ordinary Shareholder together with the definitive certificate or certificates in respect thereof;
- (d) in the event that any holder of Deferred Shares fails to comply with his obligations under this Article 5.6, the Directors may receive the consideration due to such holder and authorise one of their number or some other person to execute a transfer of the Deferred Shares in respect of which the Deferred Purchase Option has been exercised

in favour of the Majority Ordinary Shareholder and, on that being done, the Directors shall cause such transfer to be registered and the name of the Majority Ordinary Shareholder to be entered in the Register of Members as the holder of the Deferred Shares and shall hold the said consideration in trust for the holder. The receipt of the Directors or any of them for the said consideration shall be a good discharge to the Majority Ordinary Shareholder and after its name has been entered in the Register of Members in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

5.7 As regards Automatic Reconversion

Notwithstanding any other provision of these Articles, any A Ordinary Share in respect of which the Sale Option (as defined in Article 5.5) has not been exercised within a period of seven days after the date referred to in Article 5.4.6(d)(v) on which the holder thereof became entitled thereto on conversion pursuant to Article 5.4.6 shall, on the expiry of such seven day period, be automatically reconverted into a Deferred Share ranking *pari passu* in all respects and forming one class with the Deferred Shares then in issue.

6.1 The Directors are authorised generally for the purpose of Section 80 of the Act to allot and issue such number of relevant securities and on such terms and conditions as they may in their discretion think fit subject always to the following conditions and the other provisions of these Articles:-

6.1.1 the maximum amount of relevant securities to be allotted in pursuance of this authority shall be 574,900 Ordinary Shares of £1 each and 10,000 A Ordinary Shares of 1p;

6.1.2 this authority shall expire, unless sooner revoked or altered by the Company in general meeting, on the expiry of the period of five years from the date of the passing of the resolution by virtue of which these Articles were adopted Provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

6.2 Section 89(1) of the Act shall not apply to any allotment of shares in the Company made in accordance with the authority given under Article 6.1.

7. The Director shall not register any transfer of any share (whether or not it is a fully paid share) except with the prior written consent of the holders or holders for the time being of a majority of the Ordinary Shares in the capital of the Company for the time being in issue, other than a transfer in favour of The Royal Bank of Scotland plc ("RBS"), or RBS's nominees, as security for the payment and discharge of the indebtedness of the transferor or a third party to RBS or a transfer by RBS or its nominees to such transferor or a transfer made pursuant to an exercise of the Sale Option or the Deferred Purchase Option (as appointment or removal shall be made by notice in writing (which may consist of several documents in the like form each

signed by one or more persons), signed by or on behalf of the holder or holders for the time being of a majority of the Ordinary Shares of the Company for the time being in issue (a corporation holding any such shares acting by resolution of its directors evidenced by the signature of its chairman or of its secretary or by the signature of two of its directors) and shall take effect on and from the date on which such notice is lodged at the office, or from such later date as shall be stated in such notice.

10. Any person of 18 years of age or greater age without limitation may be appointed a Director of the Company and no Director of the Company shall be required to vacate office at any time by reason of his age.
11. A Director shall not be required to hold any shares in the capital of the Company but nevertheless shall be entitled to receive notice of and to attend and speak at any General Meeting of, and at any separate meeting of the holders of any class of shares in the capital of the Company.
12. A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company, on such terms as to remuneration and otherwise as the Directors shall agree.
13. The Director's may exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner and in all respects as they think fit, including the exercise thereof in favour of any resolution appointing them or any of their number directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.
14. No Director shall be disqualified by his office from contracting with the Company whether as vendor, purchaser or otherwise nor from holding any office (except that of Auditor) or other place of profit under or from being employed by the Company nor shall any such contract, office or employment or any contract or arrangement entered into by or on behalf of the Company or any other matter in which any Director shall be in any way interested be avoided or affected by reason of such Director holding that office or of the fiduciary relationship thereby established and any Director so contracting, holding office or being employed or being so interested shall be entitled to deliberate and vote in respect of any such contract, office, employment, arrangement or matter and shall not be liable to account to the Company for any profit realised by any such contract, office, employment, arrangement or matter but the nature of his interest must be disclosed in the manner provided by Section 317 of the Act.
15. An alternate director shall be entitled to sign on behalf of the Director appointing him a resolution in writing of the Directors.
16. If any Director or other officer of the Company should be called upon to perform special services, the Directors may arrange with such Director or other officer for payment to him of such special remuneration for such services either by way of salary, commission or a fixed sum of money as they think fit.
17. The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds

for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of, or shall have rendered service of any kind to, the Company or any Company which is the holding company or a subsidiary of the Company or such holding company or is allied to or associated with the Company or with any such holding company or subsidiary or which was a predecessor in business of the Company or of any such other company as aforesaid or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid or any person in whose welfare the Company or any such other company as aforesaid is or has been at any time interested and to or for the benefit of the wives, widows, families and dependants of any such persons, to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid, to make payments for or towards the insurance of any such persons as aforesaid and to subscribe or guarantee money for any charitable or benevolent objects or for any exhibition or for any public, general or useful object and may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid; provided that the Directors shall not be entitled without the previous sanction of an Ordinary Resolution of the Company to exercise the powers conferred by this Article in favour of any person who is or was a director of the Company or of any such other company as aforesaid but who does not hold or has not held any salaried employment or office in the Company or in any such other company as aforesaid or in favour of the wife, widow, family or dependants of any such person.

OVERRIDING PROVISIONS

18. In the event that any person alone or jointly with any other person, (hereinafter called "the Parent") shall be the holder of not less than 90 per cent in nominal value of the issued shares of the Company as confer the right for the time being to attend and vote at general meetings of the Company, the following provisions (but without prejudice to the provisions of Sections 303 and 304 of the Act) shall apply and to the extent of any inconsistency shall have over-riding effect as against all other provisions of these Articles:-
- (a) the Parent may at any time and from time to time, appoint any person to be a Director or remove from office any Director howsoever appointed;
 - (b) any or all powers of the Directors shall be restricted in such respects and to such extent as the Parent may by notice to the Company from time to time prescribe and any such restriction may be removed or varied in such regard and to such extent as the Parent may by notice to the Company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing served on the Company and signed by the Parent or in the case of a company on its behalf by any one of its directors or by its secretary or by some other person duly authorised for the purpose. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third

party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.