



The Hideaways Club

# *Club constitution*

## Contents

### A. Structure of membership rights

1.0	Club Company and Property Company	2
2.0	Club Members' Rights	2

### B. Admission to membership

3.0	Membership application	3
4.0	Admission to full Membership	3
5.0	Joint membership	4

### C. Membership rights

6.0	Membership benefits	5
7.0	Property usage terms	5
8.0	Week allocation	6
9.0	Reservation policy	6
10.0	Club rental and Club Preview Programmes	8
11.0	Cancellation	8
12.0	The services	9
13.0	Payment of the Annual Contribution and Additional Usage	9
14.0	Other obligations of membership	10

### D. Cessation of membership

15.0	Membership transfer or surrender and upgrade	11
16.0	Resignation of membership	12
17.0	Involuntary termination of membership	12

### E. Miscellaneous

18.0	General	14
19.0	Law and jurisdiction	14
20.0	Service of notices	14
21.0	Definitions and interpretation	14

## A. Structure of membership rights

### 1.0 Club Company and Property Company

It is assumed in these terms that persons admitted to Membership of The Hideaways Club will meet the admission criteria for and either be issued a Share in the Property Company or be nominated by someone who has acquired a Share in the Property Company.

### 2.0 Club Members' Rights

It should be recognised that:

- (a) Shares are provided by the Property Company and rights of shareholders of the Property Company in respect of Shares are enforceable only against the Property Company and in accordance with the Articles of Association of the Property Company; while
- (b) the Club is operated by the Club Company and Club Members' rights in respect of the Club are enforceable only against the Club Company and are governed by this Club Constitution,

and in both cases supplemented by the relevant Membership Offer and Membership Agreement. Accordingly:

- (a) the Club Company is not responsible for any acts or omissions of the Property Company or the performance of Shares; and
- (b) the Property Company is not responsible for acts or omissions of the Club Company or the operation of the Club.

## B. Admission to membership

### 3.0 Membership Application

3.1 An Applicant shall first:

- (a) pay the applicable current Membership Reservation Payment to the Property Company in cleared funds; and
- (b) complete a current Membership Agreement (specifying whether he wishes to be a Full Member or a Non Peak Member and whether he wishes to be the Member himself or to nominate someone to be the Member in his stead ("Nominated Member") and return this with the required Identification Information on himself (and if applicable the Nominated Member) to the Club Company.

3.2 If at that time the Applicant does not fall within the current Admission Criteria as set by the Club from time to time he shall not be admitted to Membership, the Membership Reservation Payment shall be returned to him and he shall have no further obligations under the Club Membership Agreement.

3.3 If at that time the Applicant does fall within the current Admission Criteria, subject to 3.4, the Club Company shall, following the end of the Cooling Off Period (and provided the Applicant has not exercised his Cancellation Right during the Cooling Off Period), write to the Applicant to accept them (or his Nominated Member, if applicable) as a Provisional Full Member or a Provisional Non Peak Member as the case may be).

3.4 The Club Company shall have an overriding unfettered discretion to add additional Admission Criteria or to refuse the grant of Provisional Membership or full Membership on such grounds as it sees fit. The Club Company shall not be obliged to disclose its reasons for declining any person for Provisional Membership or full Membership or for adding any additional Admission Criteria.

3.5 For the avoidance of doubt a Provisional Member shall not be treated as a Member under this Club Constitution and shall not be entitled to use of the Properties or to enjoy any other benefits of Membership hereunder.

### 4.0 Admission to full Membership

4.1 If the Applicant wishes to be considered for full Membership he must:

- (a) comply with the requirements of 3.1 and pay to the Property Company in cleared funds the current relevant Entry Cost (against which credit will be given for any Membership Reservation Payment already paid), which the Property Company will receive as trustee for itself and the Club Company, and
- (b) pay to the Club Company in cleared funds the amount of the relevant Annual Contribution due in accordance with 13.1; and
- (c) pay to the Club Company any additional joining fees required as a result of such applicants circumstances

Each of the Full Entry Cost and the Non Peak Entry Cost shall be set by the Property Company from time to time (in consultation with the Club Company Board) and published to Club Members. Any joining fee payable pursuant to (c) shall be set by the Club Company from time to time.

4.2 If at the time when the Applicant complies with the last of the requirements referred to at 4.1:

- (a) less than one month has elapsed since the Club Company has written to accept the Applicant as a Provisional Member under 3.3; and
- (b) the Applicant still complies with the current Admission Criteria,

subject to 3.4 he (or his Nominated Member) shall be admitted to the relevant Membership (Full Membership or Non Peak Membership as applicable) with effect from the first day of the next calendar month.

## B. Admission to membership

4.3 However, if at the time when the Applicant complies with the last of the requirements referred to at 4.1:

- (a) more than one month has elapsed since the Property Company has written to accept the Applicant as a Provisional Member under 3.3; or
- (b) the Applicant does not at that time comply with the current Admission Criteria or the Club Company Board has exercised its discretion to decline full Membership to the Applicant,

he shall not be admitted to Membership, the relevant Entry Cost shall be repaid to him and he shall have no further rights or obligations under the Membership Agreement (save in relation to the obligations in the Membership Agreement to keep confidential the contents of any information provided to the Applicant in connection with his application for Membership).

### 5.0 Joint Membership

5.1 Two or more persons may be a Member jointly and for the purposes of these rules but:

- (a) shall count as one Member whose vote is exercised by the person whose name appears first on the register of Members; and
- (b) shall be treated as being jointly entitled to use the Property and to enjoy other benefits available to Members hereunder although in the event of any dispute the person first named shall have preference.

5.2 Where two or more persons are jointly entitled to Membership each shall sign the Membership Agreement. On notification of the death of the first named Member (together with such documentation as the Club Company may require by way of verification) the other or second named Member shall be recognised as the Member for the purposes of this Club Constitution.

## C. Membership rights

### 6.0 Membership Benefits

#### Full Membership

6.1 Each Full Member shall receive an agreed number of points (normally 100 points or such other number as may otherwise be agreed when joining the Club (each a "Destination Point") in each Membership Year. The Full Member may apply these points against use of Properties at the rates set out in Clause 9.0.

#### Non Peak Membership

6.2 Each Non Peak Member shall in each year receive an agreed number of Destination Points (normally 70 points or such other number as may otherwise be agreed when joining the Club), in each Membership Year. The Non Peak Member may apply these points against use of Properties at the rates set out in Clause 9.0.

#### Additional Destination Points

6.3 Members may acquire additional Destination Points (in multiples of 10) at the current rates set by the Club ("Additional Destination Points").

#### Founder Members

6.4 The first forty (40) Full Members are considered Founder Members. However, Founder Member status and any special rights attached hereto will cease on any transfer of the A Share by the Founder Member.

6.5 Properties may be used by the Member or any person over the age of 25 nominated by a Member (an "Authorised Guest") alone or with Guests present in the Property. The Member shall remain responsible for ensuring that Booking Conditions, Property Usage Terms and other terms of this Club Constitution are adhered to during reservations taken up by their Authorised Guests. In particular the Member is responsible for any damage to any Club property in accordance with rule 7.3.

### 7.0 Property Usage Terms

7.1 In connection with the use and enjoyment of the Property no Member (nor their Authorised Guests) shall:

- (a) permit more than the allotted maximum number of persons as specified in regulations issued from time to time by the Club;
- (b) damage or destroy or make any alterations to the Property or any contents thereof;
- (c) bring or permit to be brought on to or into the Property any animals;
- (d) bring or permit to be brought on to the Property any explosive or inflammable material;
- (e) use or permit the Property to be used for any illegal or immoral act or purpose;
- (f) use or permit the Property to be used for any purpose which could reasonably be expected to cause the policies of insurance on the Property to be avoided or to breach any provisions of the insurance notified to the Member or Authorised Guest orally or in writing or by notice on the Property;
- (g) use or permit the Property to be used in a way which would be likely to bring the Property Company (or whichever of its direct or indirect subsidiary companies owns the Property in question) or the Club (or its relevant direct or indirect subsidiary) into disrepute;
- (h) fail to pay due regard to the interests or rights of occupants of neighbouring property; or
- (i) fail to comply with the strict non-smoking policy applicable to all Properties.

7.2 Every Member shall observe and comply with all other regulations from time to time made by the Club for the use and enjoyment of the Property. Such regulations shall be sent to Members or displayed on the Members' web site.

## C. Membership rights

- 7.3 If there is any damage caused to Property while the Member or his Authorised Guest is in occupation the Member or Authorised Guest shall notify the Club and/or the local concierge as soon as possible after such damage comes to its attention and the Member shall be liable to refund to the Club the cost of repair or damage to the Property. Such cost shall be recoverable from the Member through his Member's Account.
- 7.4 On the expiration of the period during which a Member is entitled to use the Property he shall vacate and cause any of his Authorised Guests or others in his party to vacate the Property leaving it in proper condition and:
- (a) a Member shall be liable to pay to the Club compensation at the prevailing rate as set by the Club for every day or part of a day during which he is in breach of this rule 7.4 together with all costs which may be incurred by or on behalf of the Club as a result of the breach including (without prejudice to the generality of the above) the cost of providing alternative accommodation for any person; and
  - (b) in the event of a claim under rule 7.4(a), the Club shall give to the Member concerned written notice specifying the duration of the breach and any costs involved and after service of the notice the following conditions shall apply:
    - (a) the Member shall be entitled to make representations in writing to the Club during the subsequent 28 days following service of the notice; and
    - (b) after the expiration of 28 days following service of the notice the Club shall give the Member within 7 days a response to any representations made by the Member and if not accepted in full a written demand for the amount and costs assessed by it which shall be recoverable as if it were part of the Annual Contribution save that such sums shall be due and payable immediately on service of such demand.

### 8.0 Week Allocation

The Club shall allocate weeks at each Property into four categories; Priority Weeks, Peak Weeks, Mid Peak Weeks and Off Peak Weeks. The Club will notify all Club Members of the allocation up to two years in advance (other than in the initial year of operation of the Club).

### 9.0 Reservation policy

#### General

- 9.1 Each Member may authorise a person over the age of 25 to act as their "Nominated Person". A Member's appointment of a Nominated Person (and any change of Nominated Person) must be notified in writing to the Hideaways Club (UK) Limited to be effective. The Member and their Nominated Person (if any) may (subject to the Booking Conditions) reserve any Property, or cancel or amend such reservation.
- 9.2 A Full Member may apply Destination Points to reserve use of any Property at any time, for himself or an Authorised Guest subject to availability, through the Club's UK concierge team at any time within twelve months of the intended date of arrival at a Property.
- 9.3 A Non Peak Member may apply his Destination Points to reserve use of any Property during Mid Peak Weeks and Off Peak Weeks for himself or an Authorised Guest subject to availability through the Club's UK concierge team and at any time within twelve months of the intended date of arrival at the Property.
- 9.4 Other than short break reservations, reservations will normally run from Saturday (pm) - Saturday (am) inclusive (specific times of arrival and departure to be advised at the time of booking). The reservation week at some Properties may be adjusted to accommodate flight restrictions and to take account of public holidays falling on certain days of the week.
- 9.5 Full Members are permitted a maximum of four weeks of 'live' Peak and Priority reservations in any Membership Year. There are no set restrictions on the number of 'live' Mid Peak and Off Peak reservations a Member may book, other than as may arise from application of the Club's Fair Usage Policy.

## C. Membership rights

9.6 In addition, reservations can also be made by Members for the following Membership Year providing that the reservations are within 12 months of the intended date of arrival and it is acknowledged that this may result in a Full Member having more than four weeks of 'live' Peak and Priority reservations outstanding at any one time.

9.7 Reservations must be made a minimum of 14 days in advance.

### Priority Reservations

9.8 Priority Weeks are defined as Christmas, New Year and Easter, weeks falling over major sporting or cultural events, and for ski properties February half term. Priority Weeks can be reserved by Full Members for a maximum and minimum of one consecutive week at any time in any particular Property, and subject to 9.12, in return for thirty (30) Destination Points per week.

Additional reservations during Priority Weeks may be made by Full Members in respect of any Property still unreserved less than four months prior to intended date of arrival.

Priority Weeks may not be reserved by Non Peak Members.

### Peak Reservations

9.9 Peak Weeks are generally to be the school holiday periods excluding Christmas, New Year, Easter and for ski properties February half term with specific dates to be advised in accordance with 8.0.

Reservations during a Peak Week can be made by Full Members for a maximum of two consecutive weeks at any time in any particular Property and a minimum of one week, and subject to 9.12 in return for thirty (30) Destination Points per week. Additional reservations during Peak Weeks may be made by Full Members in respect of any Property still unreserved, less than four months prior to the intended date of arrival.

Peak Weeks may not be reserved by Non Peak Members.

### Mid Peak Reservations

9.10 Mid Peak Weeks are defined as the periods not included in Priority and Peak Weeks but including the popular summer months and the winter (ski) periods that fall either side of the Priority and Peak Reservation allocations.

Reservations during Mid Peak Periods can be made, subject to 9.12, in return for twenty five (25) Destination Points per week. There are no restrictions on the number of reservations other than as may arise from application of the Club's Fair Usage Policy.

### Off Peak Reservations

9.11 Off Peak Weeks are defined as the remaining weeks not allocated as Priority, Peak or Mid Peak Weeks. These will generally be autumn/winter for summer locations and in the early autumn for ski and mountain locations.

Reservations during Off Peak Weeks can be made, subject to 9.12, in return for twenty (20) Destination Points per week. There are no restrictions on the number of reservations that can be made during Off Peak Weeks, other than as may arise from application of the Club's Fair Usage Policy.

### Short Breaks

9.12 Short break reservations will be available at designated properties which will be notified to Club Members from time to time. The length of stay for a short break, the check in and check out times and the number of Destination Points required will vary from property to property and the time of year and will be notified by the Club to Members. Short breaks will be bookable a maximum of four months in advance.

### Different Destination Point Values

9.13 Certain Properties in the portfolio will have different Destination Points value allocations to take into account property value and demand. The Club will review all Destination Points values on an ongoing basis and any re-allocations made, will never be applied retrospectively.

## C. Membership rights

### Fair Usage Policy

9.14 Members are not permitted to advertise or sell their reservations for financial gain, to any individual or company. All Members will be expected to use the Club reservations policy in a fair and equitable way and the Club may monitor individual Member's usage patterns, to ensure that they are not to the detriment of other Members. The Club reserves the right to amend the Club reservations policy, at any time, provided that the Club Company Board consider that it is to the benefit of Members.

### 10.0 Club Rental and Club Preview Programmes

#### Club Rental Programme

10.1 The Club reserves the right to place any unreserved weeks on to the rental market no more than four months prior to the date of the reservations. Income generated will be used to keep the Members' Annual Contributions as low as possible.

10.2 Rental Programme reservations will be restricted to a maximum of an average of six weeks per year at each Property.

10.3 Should a Member be unable to use a Property which he has reserved, he may notify the Club of this and, the Club will try to rent out the Property during the period of the reservation, but without obligation or guarantee. If the Club is successful in rebooking the reservation through the Rental Programme, the Member's Annual Contribution for the following Membership Year, will be credited with 65% of the net rental received.

10.4 Destination Points that have been purchased in addition to the annual inclusive points allocation will not be eligible for the Club Rental Programme.

#### Club Preview Programme

10.5 The weeks at each Property that remained unreserved four months prior to the date of the reservation, will be considered for allocation to the Club Preview Programme, which allows prospective Members to book preview weeks. The Club Preview Programme will be administered by the Club Company which shall retain all income (other than that for weeks submitted to the Club Rental Programme by Members) in order to keep Members' Annual Contributions as low as possible.

### 11.0 Cancellation

11.1 A Member cancelling a reservation for a Priority Week or a Peak Week:

- (a) **More than 6 months** prior to the departure date, will be refunded all the Destination Points used to make the original reservation.
- (b) **Between 6 and 4 months** prior to the departure date, the booking can be re-submitted to the reservations system, enabling other Members to book in the normal way. If the reservation is re-allocated to another Member, all of the Destination Points used to make the reservation will be refunded. If the Property is not re-let the Member will be refunded half of the Destination Points used to make the original reservation (rounded up to the nearest whole Destination Point).
- (c) **Less than 4 months** prior to the departure date, the reservation can be re-submitted to the reservations system, enabling other Members to book in the normal way. If booked by another Member, all of the Destination Points used to make the reservation will be refunded. Alternatively, the reservation can be allocated to the Club Rental Programme (see 10.0 above). If the Property is not re-let the Member will not be entitled to refund of any Destination Points.

11.2 A Member cancelling a reservation for a Mid Peak Week or an Off Peak Week

- (a) **More than 2 months** prior to the departure date will be refunded all the Destination Points used to make the original reservation.
- (b) **Less than 2 months** prior to the departure date, the reservation can be re-submitted to the reservations system, enabling other Members to book in the normal way. If booked by another Member, all of the Destination Points used to make the reservation will be refunded. Alternatively, the reservation can be allocated to the Club Rental Programme (see 10.0 above). If the Property is not re-let the Member will not be entitled to refund of any Destination Points.

## C. Membership rights

### Carry Over of Destination Points

11.3 A maximum of thirty (30) Destination Points per Member, may be carried forward into the following Membership Year.

### 12.0 The Services

12.1 The Club shall either directly or via a service provider or other intermediary provide such services as it shall at its discretion deem necessary or desirable in the interests of the Membership generally for carrying on the Club in accordance with its objects and these rules including:

- (a) seeking to make available for enjoyment by Members holiday properties with appropriate furniture and fixtures;
- (b) maintaining the Properties, furniture, fixtures and fittings, swimming pools and grounds;
- (c) repairing, replacing and renewing the Properties, fixtures and fittings and furniture;
- (d) decorating the Properties and keeping them in a good decorative state;
- (e) regular gardening;
- (f) paying applicable property taxes;
- (g) arranging and paying for insurance and processing claims;
- (h) cleaning the Properties and providing a supply of clean bed linen and towels; and
- (i) offering any additional services and amenities considered appropriate,

in each case in accordance with any agreement between the Club Company and the Property Company or the relevant member of its Group or associated company.

12.2 The Club may contract with any person firm or corporation for the purposes of running the Club and for the provision of services and amenities including authority for such person firm or corporation to sub-contract such services.

12.3 The Club Company may allow employees of the Group to use Properties at no or reduced cost for quality control purposes.

### 13.0 Payment of the Annual Contribution and Additional Usage

13.1 Each Full Member shall be required to pay a Full Annual Contribution and each Non Peak Member shall be required to pay a Non Peak Annual Contribution in each year at such levels as are set from time to time by the Club Company. The Club Company shall review the Annual Contributions in each year and shall issue Members with a revised price list each 1st January.

13.2 If Members wish to acquire Additional Destination Points (in accordance with 6.2 or otherwise) they shall be required to make a contribution for these at the then prevailing rate. Additional Destination Points may only be acquired in multiples of ten (10).

13.3 Members shall discharge the cost of any services other than use of Property and the inclusive concierge services that the Club provides to them at the rate and on the terms applicable when the Club agrees to provide such services.

13.4 The Club shall maintain an account with in respect of each Member recording amounts due to and from such Member (the "Member's Account").

- (a) any Annual Contribution not paid when due by direct debit;
- (b) any further payment due for Additional Destination Points falling due;
- (c) any further payment due for consumables used at the Property;
- (d) any other sums payable by the Member to the Club or any overdrawn amount on the Member's Account; and

## C. Membership rights

(e) the cost of repair or damage to a Property charged to a Member in accordance with 7.3,  
or enter into such other payment arrangements as the Club requests from time to time.

If the Annual Contribution in respect of any Membership is not paid by the due date for payment the person from whom the sum is due shall pay interest on the sum unpaid from the due date to the time of actual payment at such rate not exceeding 5% over the bank base lending rate of Barclays Bank PLC from time to time in force as the Club may determine.

13.5 If the Annual Contribution has not been paid within four weeks of its due date the provisions of 17.3 shall apply.

13.6 The Annual Contribution shall be payable in Gibraltar or in the place to be specified in the demand.

### 14.0 Other obligations of Membership

14.1 Each Member shall be bound by this Club Constitution as amended from time to time and any other rules of the Club set by the Club from time to time.

## D. Cessation of membership

### 15.0 Membership Transfer or Surrender and upgrade

- 15.1 Membership may only be transferred, resigned or otherwise terminated in accordance with rule 15.2 (Membership Transfer); rule 15.8 (Change of Nominated Member); rule 16.0 (Resignation of Membership); or rule 18.0 (Involuntary Termination of Membership).
- 15.2 A Member (the "Transferor") may during their lifetime (but not before the third anniversary of becoming a Member) or by their will (or application of intestacy rules) transfer their Membership to another person (the "Transferee") if the Transferee meets the Club's then applicable Admission Criteria, has completed the current Membership Application Form and been accepted for Membership by the Club Company and the Club Company does not exercise its discretion to decline to accept the Transferee as a Member. If the Transferee is a member of the Transferor's family (their "Family Member" meaning for this purpose the Member's spouse, partner, child, grandchild or remoter lineal descendant and including adoptive lineal descendants) no Entry Cost will be payable by the Transferee, but the transfer will be deemed to have been made at the original Entry Cost of the transferor for the purposes of the payment of any future Appreciation Payment. If the Transferee is not a Family Member of the Transferor, he or the Transferor must pay to the Property Company (on behalf of the Club Company) the Appreciation Payment and the Administration Contribution which would have been payable if the Membership were transferred at the then prevailing Entry Cost set by the Property Company (irrespective of the price at which it was transferred).
- 15.3 A Member who transfers his Membership in accordance with 15.2 shall transfer his A Share or C Share (as the case may be) to the same transferee(s), and a person who transfers his Share in the Property Company shall also transfer his Membership to the same Transferee.
- 15.4 Subject to rule 15.8 where this Club Constitution requires or provides for the transfer of Membership (both Full Membership and Non Peak Membership) this shall be effected by a transfer of the relevant Member's Share together with the relevant Membership rights in such form as the Club and/or the Property Company may require from time to time. The transferee shall be responsible for any stamp duty payable on the transfer.
- 15.5 The Club Company shall have an overriding unfettered discretion to refuse to admit a transferee of Club Membership (or his Nominated Member) or to add additional Admission Criteria on such grounds as it sees fit. The Club Company shall not be obliged to disclose its reasons for declining to admit any person as a Member or for adding any additional Admission Criteria.
- 15.6 If a Non Peak Member wishes to become a Full Member, he shall exercise his right of conversion attached to his C Share under the Articles of the Property Company, pay the Conversion Sum to the Property Company and the Entry Cost Conversion Sum and the difference between Full Annual Contribution at the rate then current and the Non Peak Annual Contribution he has paid to the Club Company whereupon his Membership shall be changed to a Full Membership and he shall be entitled to the rights of a Full Member and be subject to the obligations of a Full Member.
- 15.7 In the event of a Change of Control of a Member, the Member must pay to the Club Company the Appreciation Payment and Administration Contribution which would have been payable if the Full Membership and A Share or Non Peak Membership and C Share (as the case may be) were transferred at the then prevailing relevant Entry Cost set by the Company.
- 15.8 A person who is a Nominated Member has no right to transfer the Membership. The holder of the Share who nominated the Nominated Member may terminate such nomination by giving the Club Company notice in writing and may become the Member himself or, at the absolute discretion of the Club Company, may nominate another person to be the Nominated Member. If the Club Company does allow another Nominated Member then it may specify any requirements that it wishes to attach to such consent including requiring the new Nominated Person to provide the necessary identification evidence.
- 15.9 If the holder of a Share who has nominated a Nominated Member transfers that Share, then the right of the Nominated Member to be a Member shall immediately cease and the right to become a Member or to nominate a Nominated Member shall belong to the transferee.

## D. Cessation of membership

### 16.0 Resignation of Membership

16.1 A Member will be entitled to offer their Membership and Share for sale ("Resign") by notice in writing and sent by registered post to the Club Company at any time after the third anniversary of their admission to full Membership under the following procedure.

- (a) The Member should ask that his name be placed on a list of Members who wish to resign from the Club and sell their Share (the "Resignation List") with the date on which the written request to Resign was received by the Club Company. Separate Resignation Lists shall be kept for Full Members ("Full Resignation List") and Non Peak Members ("Non Peak Resignation List");
- (b) Resignations shall take effect in accordance with 15 in date order save that:
  - (i) before the then applicable Full Membership Quota has been reached, Resignation of a Full Membership shall only take effect after two new Full Members have been admitted to the Club after the Full Member's name has reached the top of the Full Resignation List. Thereafter, the next applicant to join the Club shall be directed to acquire the A Share from the resigning Full Member at the Full Entry Cost then payable;
  - (ii) before the then applicable Non Peak Membership Quota has been reached Resignation of a Non Peak Membership shall only take effect after two new Non Peak Members have been admitted to the Club after the Non Peak Member's name has reached the top of the Non Peak Resignation List. Thereafter, the next applicant for a Non Peak Membership shall be directed to acquire the C Share from the resigning Non Peak Member at the Non Peak Entry Cost then payable;
  - (iii) after the then applicable Full Membership Quota has been reached each new applicant for Full Membership shall be directed to acquire the A Share from the resigning Full Member at the top of the Full Resignation List;
  - (iv) after the then applicable Non Peak Membership Quota has been reached each new application for Non Peak Membership shall be directed to acquire the C Share from the resigning Non Peak Member at the top of the Non Peak Resignation List; and
  - (v) any applicant directed towards a resigning Member shall be directed to pay the relevant Entry Cost to the retiring Member less the Appreciation Payment and the Administration Contribution which shall be payable by such applicant directly to the Club Company along with the then applicable Annual Contribution.
- (c) When a Member's Resignation takes effect the Member will be relieved of all future liability for Annual Cost Contributions which have not then fallen due (but shall not be relieved of liability for Annual Cost Contributions which have fallen due for payment and shall not be entitled to any refund of Annual Cost Contributions paid).
- (d) The provisions of rule 15.9 shall apply to any such resignation.

16.2 If a Full Member wishes to downgrade his Membership to a Non Peak Membership, he shall resign his Full Membership pursuant to 16.1 and shall apply for a C Share and a Non Peak Membership.

### 17.0 Involuntary termination of Membership

#### Death

17.1 In case of the death of a Member:

- (a) the only persons recognised by the Club as entitled to claim the Membership rights to which the deceased Member was entitled shall be:
  - (a) the survivor or survivors where the deceased was one of two or more joint Club Members;
  - (b) the legal personal representatives of the deceased Member where he was a sole Member; or
  - (c) a Family Member as defined at 15.2;
- (b) nothing contained in these rules shall release the estate of a deceased Member from any liability in respect of any Membership which has accrued at the date of their death;
- (c) any person (other than surviving joint Members) becoming so recognised as entitled to claim Membership may, upon such evidence being produced as may from time to time be reasonably required by the Club Company and subject to rule 17.1.(d), elect either to be registered himself as a Member in respect of that Membership or to have some person nominated by him

## D. Cessation of membership

registered as a Member in respect of that Membership, provided that all the provisions of rules 3 and 4 (Admission to Membership) (other than payment of the purchase price for the Share and Membership Reservation Payment) shall apply to such election or nomination as if it were a nomination by an existing Member and the provisions of rules 15.2 to 15.5 shall apply thereto;

- (d) a person (other than a surviving joint Member) becoming recognised under rule 17.1(c) as entitled to membership rights in relation to a Membership shall not be entitled to the advantages to which he would be entitled if he were a registered Member until he has paid the Annual Contribution and other money due to the Club which his predecessor would have been liable to pay had the death of such predecessor not occurred; and
- (e) a surviving joint Member shall be entitled to all the advantages of a registered Member upon notifying the Club of the death with such evidence as the Club Company shall reasonably require and the Club Company shall then amend its records.

### Suspension of Membership rights

17.2 If, in the opinion of the Club, a Member has committed a material breach of any of these rules:

- (a) the Club shall have the right to suspend the rights of use and enjoyment of the Property of any such Member.
- (b) the Club shall give to the Member (and to the holder of the relevant Share if the Member is a Nominated Member) written notice of the breach or breaches complained of and after service of the notice the following procedure shall apply:
  - (i) the Member (and to the holder of the relevant Share if the Member is a Nominated Member) shall be entitled to make representations in writing to the Club during the subsequent 28 days following service of the notice; and
  - (ii) at the expiration of 28 days following service of the notice the Club Company shall within 7 days give to the Member (and to the holder of the relevant Share if the Member is a Nominated Member) written notice of the period or periods if any of the suspension.
- (c) In the event of suspension of a Member under this rule 17.2 such suspension shall be for a period not exceeding 2 consecutive years.

### Forfeiture and termination of Membership rights

17.3 Where the whole or any part of the relevant Annual Contribution of any Membership is unpaid more than four weeks after the making of the demand for such contribution, the Member shall for that year lose his rights of to use the Properties, and, the Member will not be able to make any further reservations or use any further services of the Club until payment has been received (and until paid any outstanding booking will be deemed cancelled in accordance with Rule 11.0).

17.4 If the relevant Annual Contribution shall remain unpaid for more than 26 weeks the Club shall be entitled to terminate the rights of Membership of the defaulting Member in accordance with the following procedure:

- (a) the Club shall give written notice of the amounts unpaid to the Member (and the holder of the share if the Member is a Nominated Member) and that the Member may accordingly have his Membership terminated;
- (b) at the expiration of 28 days after service of such notice if any money is still unpaid the Club shall be entitled, to expel the Member and forfeit the relevant Share (which they shall hold and transfer to an incoming new Member when required) and any rights;
- (c) the Club may authorise some person to execute the instrument effecting the surrender or transfer of Membership; and
- (d) the Club shall be entitled to deduct its costs of enforcing this right (including the Appreciation Payment, the Administration Contribution and any professional costs) from the sale proceeds of the Share.

17.5 On the Insolvency of a Member the Member shall be deemed to have resigned and the provisions of rule 16.0 shall apply.

17.6 By executing the Membership Agreement the Member appoints such director of the Club Company as the Club Company Board may nominate to be its attorney to execute, sign or do such transfer, deed, document or act as is required to give effect to that provision and to exercise such rights and discretions as the Member has as Member of the Club Company or as shareholder of the Property Company as such attorney shall see fit.



## E. Miscellaneous

### 18.0 General

- 18.1 The business and affairs of the Property Company shall be managed by and the powers of the Property Company shall be exercised by the board of directors of the Property Company.
- 18.2 The business and affairs of the Club shall be managed by and the powers of the Club exercised by the board of directors of the Club Company.
- 18.3 The Club Company may change this Constitution if it considers this to be necessary or expedient from time to time and shall notify such changes to Club Members in such manner and at such times as it sees fit.
- 18.4 This Club Constitution is constructed on the assumption that all Applicants are individuals who will hold the entire legal and beneficial interest in a Share. If applications for Membership and/or a Share are received from companies or trustees the Property Company Board may admit such applicant and may impose such additional requirements as they feel appropriate.

### 19.0 Law and Jurisdiction

These rules shall in all respects be governed by and construed in accordance with Gibraltar law and the Club, and the Members submit to the exclusive jurisdiction of the Gibraltar courts.

### 20.0 Service of notices

- 20.1 A notice may be given by the Club to any Member or Applicant by sending it by post or email to the Member's address as appearing in the Membership Agreement or the register of Club Members (or which has otherwise been notified to the Club Company).
- 20.2 A notice may be given by a Member or Applicant to the Club by sending it by post to The Hideaways Club Limited care of Benady Cohen & Co, Chartered Accountants, Suite 2, Garrison House, 3 Library Ramp, Gibraltar.
- 20.3 Any notice sent by post shall be deemed to have been given on the second day following that on which the letter containing the same is posted if within the United Kingdom or on the fourth day if outside the United Kingdom and sent by air mail and in proving such service it shall be sufficient to prove that such letter was properly addressed stamped and posted. A notice sent by e mail shall be deemed to have been given at the time of sending provided that if it is sent outside normal business hours it shall be deemed to be sent at the commencement of Business on the next Business day.
- 20.4 Service of a notice or document on any one of several joint Members shall be deemed effective service on the other joint Members. Service of a notice or document on a Nominated Member shall be deemed effective service on the holder of the relevant Share and vice versa.
- 20.5 Any notice or document sent by post or left at the registered office of a Member shall notwithstanding that such Member be then dead or insolvent and whether or not the Club has notice of his death or insolvency be deemed to have been duly served.

### 21.0 Definitions and Interpretation

#### 21.1 Definitions

In these rules:

"A Share" means an A Share of £1,000 in the capital of the Property Company having the rights attached thereto as set out in the Articles of the Property Company and "A Shareholder" shall be construed accordingly.

"Additional Destination Points" as defined in 6.3;

## E. Miscellaneous

**"Admission Criteria"** the criteria for admission of an Applicant to Membership as set by the Club Company Board in consultation with the Property Company Board from time to time which may include a limit of the number of Members by reference to:

- (a) the country or region of the main residence of the Applicant;
- (b) the number and type of Properties then available to Members;
- (c) the overall number of Full Members and Non Peak Members at such time, or otherwise (the **"Full Membership Quota"**); and
- (d) such other considerations as the Club Company Board in consultation with the Property Company Board then feel appropriate but which shall not discriminate on grounds of race, sex, age, disability, religion or sexuality;

**"Annual Contribution"** means a Full Annual Contribution or a Non Peak Annual Contribution as the context may require.

**"Applicant"** a person wishing to be considered for admission:

- (a) to the Club as either a Full Member or a Non Peak Member; and
- (b) to the Property Company as a holder of an A Share (in the case of a Full Member) or as a holder of a C Share (in the case of a Non Peak Member);

**"Appreciation Payment"** the payment of an amount representing 20% (or such other rate as is set from time to time by the Club Company Board in consultation with the Property Company Board and which may be specified in the Statement of Annual Contributions) of the increase (if any) between:

- (a) the relevant Entry Cost paid by a person at the time of their admission as a Shareholder (by way of subscription or for the transfer of a Share) and as a Member; and
- (b) the cost paid by a new Member to purchase the Share from such Shareholder or the then current relevant Entry Cost whichever is higher,

Provided that if the Shareholder is the holder of an A Share which has been converted from a C Share by him then the Appreciation Payment shall be the aggregate of (i) the increase if any between the cost referred to at (a) of this definition and the C Share Entry Cost at the time of conversion; and (ii) the increase if any between the A Share Entry Cost at the date of such conversion and the price referred to at (b) of this definition

**"Articles of the Property Company"** the articles of association of the Property Company as amended from time to time;

**"Authorised Guest"** as defined in 6.5;

**"B Share"** the B Shares of £1 each in the capital of the Property Company;

**"Booking Conditions"** the terms and conditions pursuant to which the Club Company permits a Member to use any Property which shall include but not be limited to the Property Usage Terms and any reservations policy adopted by the Club;

**"Business Day"** a day other than a Saturday or Sunday or a day which is a public or bank holiday in England and Gibraltar;

**"C Share"** means a C Share of £1,000 in the capital of the Property Company having the rights attached thereto as set out in the Articles of the Property Company and **"C Shareholder"** shall be construed accordingly;

**"Cancellation Right"** the right to cancel the Membership Agreement in accordance with the Timeshare Act 1992 of the UK and the Timeshare Act 1997 of Gibraltar;

**"Christmas Period"** the period set by the Club Company in each year;

**"Club"** or **"The Hideaways Club"** the club operated by the Club Company, and its Group as envisaged by the Club Constitution;

**"Club Company"** The Hideaways Club Limited a company incorporated in Gibraltar with number 96671 of 57-63 Line Wall Road, Gibraltar or such other address as is notified to Members;

**"Club Company Board"** the board of directors of the Club Company from time to time;

**"Club Constitution"** or **"Rules"** this constitution (or the rules in it) as amended from time to time;

**"Club Preview Programme"** the programme outlined at 10.0;

## E. Miscellaneous

"Club Rental Programme" the programme outlined at 10.0;

"Control" in relation to a body corporate, means the power of a person to secure that affairs of the body corporate are conducted in accordance with the wishes of that person:

(a) by means of the holding of shares, or the possession of voting power in or in relation to that or any other body corporate; or

(b) by virtue of any powers conferred by the articles of association or any other document regulating that or any other body corporate; and

a "Change of Control" shall occur if a person who controls any company or undertaking ceases to do so or if another person acquires control of it and "Controlled" shall bear a related meaning;

"Conversion Entry Cost" means the amount payable to the Club Company when a C Shareholder converts his C Share to an A Share and consequently his right to a Non Peak Membership to a Full Membership being the difference between the aggregate of the then current Non Peak Joining Contribution and the Full Joining Contribution and the difference between the Non Peak Administration Contribution and the Full Administration Contribution.

"Conversion Share" the conversion shares which are created to permit conversion of the B Shares in accordance with the Articles of the Property Company;

"Conversion Sum" the amount to be payable by a C Shareholder to the Property Company on the conversion of his C Share to an A Share being the difference at the time of conversion between the subscription price for a C Share and the subscription price for an A Share

"Cooling Off Period" the period of 14 days after entering into the Membership Agreement during which an Applicant may exercise their Cancellation Right;

"Data Protection Law" Data Protection Act 1998 of the UK and the Data Protection Act 2004 of Gibraltar any regulations or guidance issued under that act and other data protection or privacy laws of any country to which the Club Company is subject;

"Destination Points" as defined in 6.1;

"Dissolution" the insolvency or winding up (as such terms are defined in Insolvency Act 1986 of the UK) of the Club Company, a striking off or dissolution of the Club Company under the Companies Act 1985 of the UK or a procedure similar to any of these in any jurisdiction;

"Entry Cost" means the Full Entry Cost or the Non Peak Entry Cost as the context may require;

"Fair Usage Policy" the Club's fair usage policy as outlined at 9.14;

"Founder Member" a person who is admitted as a Founder Member and "Founder Membership" shall be construed accordingly;

"Full Administration Contribution" the amount payable by an A Shareholder to the Club Company or a subsidiary of the Club Company towards the administration of the Club;

"Full Annual Contribution" the annual contribution to be paid by Full Members towards maintenance of the Properties, running of the Club and other matters as is set from time to time by the Club Company Board in consultation with the Property Company Board and which may be specified in the Statement of Annual Contributions and which is payable in accordance with the Club Constitution;

"Full Entry Cost" the aggregate amount to be paid by a successful Applicant for an A Share in the Property Company, (including the subscription price for an A Share, the Full Joining Contribution, the Full Administration Contribution and any Membership Reservation Payment) payable in accordance with the Club Constitution, to be set by the Club Company after consultation with the Property Company from time to time having regard to the underlying Property values and the demand for A Shares in the Property Company;

"Full Joining Contribution" the contribution towards the cost of managing the acquisition, refurbishment, furnishing and preparation for Members' use the Club Properties being 5% of the Full Entry Cost for Full Members);

"Full Membership" a Member of the Club either holding an A Share or having been nominated by someone holding an A Share and having paid the relevant fees;

"Full Membership Quota" see definition of Admission Criteria;

## E. Miscellaneous

"Full Redemption List" as defined in 16.1;

"Group" in respect of a company, that company, any of its subsidiaries and holding companies (and any of their subsidiaries or holding companies);

"Identification Information" such evidence of identity and place of residence as the Club Company Board or the Property Company Board (as the case may be) may require;

"Insolvency" shall have occurred in relation to a Member as soon as any of the following occurs in respect of the Member:

- (a) he, or is deemed for the purposes of any law to be, unable to pay his debts or insolvent;
  - (b) he admits his inability to pay his debts as they fall due;
  - (c) he suspends making payments on any of his debts or announces an intention to do so;
  - (d) by reason of actual or anticipated financial difficulties, he commences negotiations with one or more of his creditors with a view to rescheduling any of his indebtedness; or
  - (e) a moratorium is declared in respect of any of his indebtedness,
- or any corporate action, legal proceeding or other procedure or step is taken in relation to or with a view to:
- (f) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration (whether out of court or otherwise) or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
  - (g) a composition, assignment or arrangement with any creditor of the Member;
  - (h) the appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer (in each case, whether out of court or otherwise) in respect of the Club Member or any of its assets;
  - (i) the enforcement of any security over any assets of the Member;
  - (j) if a corporation, a meeting of the Member, its directors or its members being convened for the purpose of considering any resolution for, or to petition for, or apply for or to file documents with a court for its winding-up, administration (whether out of court or otherwise) or dissolution or any such resolution is passed;
  - (k) if a corporation, any person presenting a petition or an application for its winding-up, administration (whether out of court or otherwise) or dissolution;
  - (l) if a corporation, its directors or other officers requesting the appointment of or giving notice of their intention to appoint or take any step with a view to appointing a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator (whether out of court or otherwise) or similar officer; or
  - (m) any analogous procedure or step is taken in any jurisdiction;

for the purposes of this definition "Member" shall include a holder of a Share who has appointed a Nominated Member.

"Member" means a Full Member or a Non Peak Member as the context may require and if the context permits includes a Nominated Member;

"Member's Account" as defined in 13.4;

"Membership" membership of the Club;

"Membership Agreement" an agreement between a Member, prospective Member, Nominated Member (if applicable), the Club Company and the Property Company in the form prepared by or on behalf of the Club by which the prospective Member applies for Membership (or to be able to nominate a Member) and an A Share (in the case of a Full Member) or a C Share (in the case of a Non Peak Member) accepts the Membership Offer on the terms stated in that agreement;

"Membership Application Form" a form applying for an A Share and either Full Membership of the Club or to nominate someone to be a Full Member of the Club, or a C Share and either Non Peak Membership or to nominate someone to be a Non Peak Member of the Club (as the case may be) in a form approved by the Club Company Board and the Property Company Board;

## E. Miscellaneous

"**Membership Reservation Payment**" the amount payable under the Membership Agreement on its signing and which is expressed in the Club's then current Statement of Annual Contributions to be the then current "**Membership Reservation Payment**";

"**Membership Year**" the day on which any person is admitted to full Membership and each subsequent anniversary of that date;

"**Mid Peak Week**" any week designated as such in accordance with rule 9.0 and "**Mid Peak Period**" shall be construed accordingly;

"**New Year Period**" the period set by the Club Company in each year;

"**Nominated Member**" as defined in 3.1(b);

"**Non Peak Administration Contribution**" the amount payable by a C Shareholder to the Club Company or a subsidiary of the Club Company towards the administration of the Club as set from time to time by the Club Company;

"**Non Peak Annual Contribution**" the annual contribution to be paid by Non Peak Members towards maintenance of the Properties, running of the Club and other matters as is set from time to time by the Club Company Board in consultation with the Property Company Board and which may be specified in the Statement of Annual Contributions and which is payable in accordance with the Club Constitution;

"**Non Peak Entry Cost**" the aggregate amount to be paid by a successful Applicant for a C Share in the Property Company, (including the subscription price for a C Share, the Non Peak Joining Contribution, the Non Peak Administration Contribution and any Membership Reservation Payment ) payable in accordance with the Club Constitution, to be set by the Club Company after consultation with the Property Company from time to time having regard to the underlying Property values and the demand for C Shares in the Property Company;

"**Non Peak Joining Contribution**" the contribution towards the cost of managing the acquisition, refurbishment, furnishing and preparation for Members' use the Club properties being 5% of the Non Peak Entry Cost for Non Peak Members);

"**Non Peak Member**" a Member of the Club either holding a C Share or having been nominated by the holder of a C Share and having paid the relevant fees;

"**Non Peak Resignation List**" as defined in 16.1;

"**Off Peak Week**" any week designated as such in accordance with rule 9.0 and "**Off Peak Period**" shall be construed accordingly;

"**Peak Week**" means any week designated as such in accordance with rule 9.0 and "**Peak Period**" shall be construed accordingly;

"**Priority Week**" means any of the Christmas Period or New Year Periods and any other period allocated by the Club Company and "**Priority Period**" shall be construed accordingly;

"**Property**" means a dwelling made available to Members by the Club including the fittings and equipment at such dwelling (including a property owned by the Property Company or associated parties and those owned by other parties but made available to Members) and "**Properties**" shall be construed accordingly;

"**Property Company**" means The Hideaways Club Property Company Limited a company incorporated in Gibraltar with number 97871;

"**Property Company Board**" a duly convened meeting of the Directors of the Property Company at which a quorum is present;

"**Property Usage Terms**" means the terms for use of the Property set out at 7.0 and such other terms for use of the Property as are set out in this Constitution or as the Club Company may set from time to time;

"**Provisional Full Member**" as determined in accordance with 3.3 and "**Provisional Full Membership**" shall be construed accordingly;

"**Provisional Non Peak Member**" as determined in accordance 3.3 and "**Provisional Non Peak Membership**" shall be construed accordingly;

"**Provisional Member**" means a Provisional Full Member or a Provisional Non Peak Member as the context may require;

"**Resignation List**" the Full Resignation List or Non Peak Resignation List as the context may require; and

"**Resignation**" as defined in 16.1 and "**Resigned**" shall be construed accordingly;

"**Share**" means either an A Share or a C Share as the context may require.

## E. Miscellaneous

### 21.2 Interpretation

In these rules:

- (a) in the event of a conflict between the terms of these rules and the Articles of the Property Company or the Club the terms of these rules shall prevail;
- (b) references to a year or shall unless otherwise stated be to a calendar year running from 1 January to 31 December in the UK;
- (c) reference to any statutory provision includes a reference to that provision as from time to time replaced, amended, extended or re-enacted or as the same is modified by other provisions (whether before or after today's date) from time to time and shall include any provisions of which it is a re-enactment (whether with or without modification). References to statutes include references to orders, regulations or other subordinate legislation made under them;
- (d) words denoting the singular number only shall include the plural and vice versa and the masculine gender shall include the feminine and neuter and vice versa;
- (e) the headings in this Agreement are inserted for convenience only and shall not affect its construction;
- (f) references to the transfer of any A Share shall mean the transfer of either or both of the legal and beneficial ownership in such Share and/or the grant of an option to acquire the either or both of the legal and beneficial ownership in such Share and the following shall, without limitation, be deemed to be a transfer of a Share:
  - (a) any direction (by way of renunciation or otherwise) by a Shareholder entitled to an allotment or issue of any Share that such Share be allotted or issued to some person other than himself;
  - (b) any sale of other disposition of any legal or equitable interest in a Share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by instrument in writing; and
  - (c) any grant of a legal or equitable mortgage or charge over such Shares;
- (g) in this agreement a company is a "subsidiary" of another company, its "holding company" if the other company:
  - (a) holds a majority of the voting rights in it;
  - (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or
  - (c) is a member of it and controls alone, pursuant to an agreement with other shareholders or Members a majority of the voting rights in it;
  - (d) or if it is a subsidiary of a company which is itself a subsidiary of that other company;
- (h) reference to a "company" shall include any form of body corporate formed under the laws of any country or jurisdiction;
- (i) reference to a time or date shall, unless specified to the contrary be to a time and date in the UK; and
- (j) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term.