

Articles of Association of Hapimag AG

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Articles of Association

1. Company, duration, registered office and purpose

Article 1 Hapimag AG constitutes a limited company of indefinite duration with the registered office in CH-6340 Baar.

Article 2 The objective of the company shall be the construction, acquisition, rental, management and operation of holiday villages, apartment complexes, hotels and similar facilities, with the primary intent of placing such facilities at the disposal of the company's shareholders and partners within the framework of the Hapimag holiday concept, at terms established by the board of directors at as favourable conditions as possible. The company may operate ancillary operations and facilities (e.g. restaurants, sports facilities, retailing outlets) and may offer other related services (e. g. travel services, goods).

The company shall be entitled to take any and all measures that are appropriate with a view to promoting the objective of the company, in particular the establishment of subsidiaries or equity investments. The sum of such investments by which the company does not hold a controlling interest shall not exceed 20% of the total of the acquisition values of the fixed assets of the company and its directly or indirectly controlled subsidiaries (group fixed assets).

2. Share capital and shares

Article 3 The company's share capital amounts to CHF 47,900,000, divided into 67,500 shares with a nominal value of CHF 100 each and 205,750 shares with a nominal value of CHF 200 each. For the purpose of attaining the company objective, the shareholders' legal subscription rights shall be ruled out in the case of capital increases.

Article 4 The shares are registered. A share register is kept at the registered office of the company. The company acknowledges those persons as shareholders, whose names are entered as such in the share register. The shares shall not be split. In cases of jointly owned shares, the shareholders may only exercise the rights conferred by such shares through a joint representative. In cases of share usufruct, representation shall be effected by the usufructuary. The shareholder shall have no right to share certificates being printed and submitted to him/her. However, he/she may demand a confirmation of his/her shareholding from the company at any time.

Article 5 Transfer of shares shall be effected by way of written assignment and submission of the instrument of assignment to the company. The transfer shall

require the approval of the company, which may be refused for the following reasons:

1. The seller has failed to meet the obligations he assumed in purchasing the share.
2. The buyer refuses to sign an agreement regarding the use of the Hapimag holiday facilities («Holiday Agreement») in its most current version.
3. If, according to the discretionary judgement of the board of directors:
 - a) The buyer and/or his economic situation should not be able to guarantee that he will meet the obligations arising from the Holiday Agreement;
 - b) Such share purchase is not being effected for the purpose of using the facilities and services of the company within the scope of the company objective; or
 - c) There is reason to assume that the buyer intends to use the rights granted by the Holiday Agreement for commercial purposes.

Article 6 There is no liability for company debts on the part of the shareholders over and above the statutory provisions.

3. General meeting

Article 7 The principal body of the company is the general meeting. Its resolutions are binding for the shareholders, whether or not they were represented at the meeting.

Article 8 The general meeting has the following non-transferable powers:

1. The stipulation and amendment of the articles of association.
2. Election of the members of the board of directors, the auditors and the group auditors.
3. Approval of the annual report and group consolidated financial statements.
4. Approval of the annual accounts as well as passing of resolutions on the application of the financial results.
5. Discharge of the members of the board of directors.
6. Passing of resolutions on matters reserved to the general meeting by law or the articles of association, or which are submitted by the board of directors or the auditors to the general meeting.

Article 9 The ordinary general meeting takes place annually within six months of the end of the financial year. Extraordinary general meetings can be convened at any time. The general meeting is held in Switzerland.

Article 10 The general meeting shall be convened by the board of directors, the auditors or the liquidators.

Shareholders who together represent at least 5% of the share capital may request in writing that a general meeting be convened stating the matter at issue and the motions.

Article 11 Ordinary and extraordinary general meetings are called by written circular notice to all those shareholders recorded in the share register, stating the matters to be dealt with, at least 20 days before the date of the general meeting.

The invitation to the ordinary general meeting shall provide the information that the annual report and the report of the auditing agency are open to inspection by the shareholders at the company's registered office at least 20 days before the ordinary general meeting, and that a copy of these documents will be sent on request to any shareholder.

Any motions from shareholders that fall within the competence of the general meeting and are to be listed on the agenda of the coming meeting must be in the possession of the management 60 days before the general meeting at the latest.

Resolutions cannot be passed on items not mentioned on the agenda, with the exception of a resolution to hold an extraordinary general meeting or to carry out a special examination. No prior announcement shall be required for the submission of motions within the scope of the items on the agenda or for discussion of issues that do not call for a resolution to be taken.

Article 12 Towards the company every shareholder recorded in the share register is entitled to vote.

By way of written proxy, shareholders may authorise other shareholders, spouses, relatives (ascending and descending), members of the board of directors or an independent person designated by the company to represent their shares.

Article 13 The chairman of the general meeting will be the chairman of the board, or in his absence a director of the board, or if no director is available a shareholder shall take the chair for one day. The chairman shall nominate the minute-taker.

Article 14 Insofar as legally permissible, each share shall entitle the holder to one vote regardless of its nominal value and the voting right of a shareholder shall be proportional to the number of shares he represents.

Article 15 In the absence of statutory provisions to the contrary, the general meeting is able to pass resolutions irrespective of the number of shares represented. Unless otherwise stipulated by law, resolutions and elections shall require the absolute majority of the shares represented at the general meeting. In the case

of elections requiring a second ballot, the relative majority shall suffice.

The following resolutions shall require 2/3 of the represented share votes and an absolute majority of the represented nominal share values:

- Modification of the company objective
- Introduction of shares with divergent voting rights
- Restriction of the transferability of registered shares
- Capital increases from equity, against contribution in kind or for the purpose of acquisition in kind and the granting of special benefits
- Restriction or cancellation of subscription rights
- Relocation of the company registered office
- Dissolution of the company

Article 16 The board of directors shall see that minutes are kept. The minutes shall cover:

- Number, type, nominal value and category of the shares represented by the shareholders, the company organs, independent and portfolio representatives;
- Resolutions and election results;
- Requests for information and replies given;
- Statements placed on record by shareholders.

Every shareholder shall be entitled to inspect the minutes.

The minutes must be signed by the chairman and the minute-taker and shall be approved by the board of directors.

4. Board of directors

Article 17 The board of directors consists of five to nine members elected by the general meeting. The board of directors constitutes itself.

Article 18 The period of office of the members of the board of directors is four years. Directors can be re-elected indefinitely subject to any regulations concerning age limits.

Should any member retire from the board of directors during his term of office, a successor will be elected for the remaining period of office.

Article 19 The members of the board of directors must be shareholders. If other persons are elected, they may only assume office after they have become shareholders.

Article 20 The resolutions of the board of directors shall be taken with the majority of votes cast. In the event of parity of votes, the chairman has the casting vote.

Article 21 Minutes shall be kept of the deliberations and resolutions of the board of directors. The minutes of every meeting are to be signed by the chairman and

the secretary and must mention the members present. Circular resolutions can be passed. Such resolutions are also to be minuted.

Article 22 The board of directors may pass resolutions in all matters that are not reserved by law or the articles of association to the general meeting.

Article 23 The board of directors shall conduct the business of the company, insofar as such activities have not been assigned, in full or in part, to individual members or third parties according to organisational bylaws. However, the board of directors shall perform the following non-assignable and non-forfeitable duties:

- Supreme management of the company
- Determination of the organisation
- Configuration of the accounting system; financial control, financial planning
- Appointment and dismissal of persons entrusted with management and representation
- Superintendence of persons entrusted with the management
- Compilation of the annual report, preparation of the general meeting, execution of its resolutions
- Notification of the competent judge in case of over-indebtedness

Article 24 The board of directors shall represent the company vis-à-vis third parties. It may transfer such representation to one or more members (delegates) or third parties (directors). At least one member of the board resident in Switzerland must be authorised to represent the company.

5. Auditors

Article 25 The annual general meeting shall elect an auditor to examine the company's annual accounts and group consolidated financial statements in accordance with statutory requirements, and to report the audit results to the annual general meeting and the board of directors. The board of directors is obliged to recommend an auditor to the annual general meeting who fulfils the provisions of the Swiss Code of Obligations and the Auditing Practice Act of 16 December 2005 in its current version.

The auditors are elected for a period of one year and can be re-elected.

6. Financial year, annual accounts

Article 26 The financial year begins on 1 January and ends on 31 December. The annual report, annual financial statement and group consolidated financial statement shall be compiled annually by 30 April.

7. Rights of use

Article 27 The board of directors shall have the final decision with regard to the allocation, duration, type and scope of use of the company facilities. Rights-of-residence points become invalid after five years.

8. Balance-sheet profit

Article 28 Any profit earned is not distributed to the shareholders, but remains in the company for the realisation of its objective.

9. Limitation of mortgage debt

Article 29 Real estate owned by the company and its subsidiaries can only be mortgaged up to a maximum of 20% of the acquisition costs of the properties.

10. Liquidation

Article 30 Liquidation of the company is to be carried out by the board of directors, provided that the general meeting does not pass any resolution to the contrary. At least one of the liquidators must be resident in Switzerland and be authorised to represent the company.

Article 31 Any liquidation surplus will be distributed to the shareholders, whereby each share represents a claim to an equal liquidation share, irrespective of its nominal value.

11. Publications, jurisdiction

Article 32 The publication organ of the company is the Swiss Official Gazette of Commerce.

Article 33 Disputes arising in connection with company matters, between the company and/or the board of directors or the auditors and the shareholders on the one hand, or amongst the shareholders on the other hand, shall come under the jurisdiction of the ordinary courts of the canton of Zug, or of that canton in which the company may have its registered office. Swiss law shall be applicable.

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