

**Company Number: 03850699**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

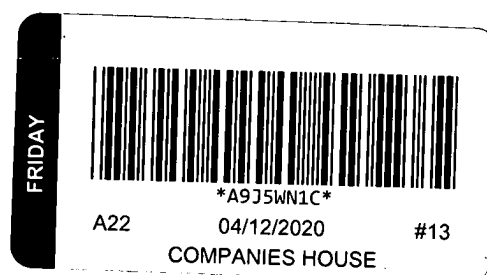
**THE HOXTON (SHOREDITCH) LIMITED**

**Incorporated in England and Wales on 30 September 1999**

**under the Companies Act 2006**

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**Adopted under the Companies Act 2006 by special resolution on 25 November 2020**



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## ARTICLES OF ASSOCIATION

- of -

### THE HOXTON (SHOREDITCH) LIMITED ("Company")

#### 1 PRELIMINARY

**1.1** These Articles shall be the Articles of Association of the Company. The model articles (within the meaning of section 20(2) Companies Act 2006 as amended, modified or re-enacted from time to time) are excluded in their entirety.

**1.2** For so long as there is only one shareholder of the Company (ignoring for these purposes the Company as holder of any treasury shares) references in these Articles to shareholders or which imply the existence of more than one shareholder shall be construed as references to the one shareholder for the time being of the Company.

**1.3** In these Articles (unless the context requires otherwise) the following words and expressions have the following meanings:

"Accountants" means the firm of accountants appointed as valuers under Article 18.

"A Director" means a director appointed or deemed appointed as an A Director by the holder(s) of the majority of the A Shares in accordance with Article 9.2 and including, unless otherwise stated, the duly appointed alternate of such a director.

"Adjusted Hurdle Value" has the meaning given in Article 14.1

"Annual Accounts" means in respect of any particular financial year of the Company, the annual accounts and reports (within the meaning of section 471(2) Companies Act 2006) of the Company for that particular financial year.

"Appointor" has the meaning given in Article 8.1.

"A Shareholder" means a holder of A Shares from time to time.

"A Shares" means A ordinary shares of £0.10 each in the capital of the Company, having the rights set out in these Articles.

"associated company" has the meaning given in Article 30.2.

"bankruptcy" means the making of a bankruptcy order by a court in England and Wales or Northern Ireland, or any individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy and a "Bankrupt" shall mean a person subject to such an adjudication of bankruptcy or insolvency proceedings.

"B Director" means a director appointed or deemed appointed as a B Director in accordance with Article 9.2 and including, unless otherwise stated, the duly appointed alternate of such a director.

"B Share" means a B ordinary share of £0.10 in the capital of the Company, having the rights set out in these Articles.

"Building Capital Works" means all repairs, alterations, improvements, renewals, replacements or additions of or to the structure or exterior facade of the hotel or other buildings, or to the mechanical, electrical, plumbing, HVAC (heating, ventilation and air conditioning), vertical transport and similar components of the buildings that are capitalized

under GAAP and depreciated as real property, but expressly excluding Repair and Maintenance, Routine Capital Works and ROI Capital Works.

**"Call Option Shares"** means the B Shares in respect of which a Call Option has been exercised.

**"capitalised sum"** has the meaning given in Article 22.1(b).

**"Chairman"** has the meaning given in Article 4.6(a).

**"clear days"** in relation to a period of notice means a period of the specified length excluding the date on which notice is given and the day for which it is given or on which it is to take effect.

**"Companies Acts"** means the Companies Acts (as defined in section 2 Companies Act 2006 as amended, modified or re-enacted from time to time), in so far as they apply to the Company.

**"Companies Act 2006"** means the Companies Act 2006 including any statutory modification or re-enactment of that statute for the time being in force, subject always to Article 1.4.

**"Company Secretary"** means the secretary of the Company, if any, or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary, if any.

**"Compulsory Seller"** has the meaning given in Article 17.2.

**"Compulsory Transfer Event"** means one of the events referred to in Article 17.1.

**"Compulsory Transfer Notice"** means (in relation to any Compulsory Seller) a notice given in accordance with the terms of Article 17.3 and offering, on the terms of Article 17, to sell the Compulsory Transfer Shares.

**"Compulsory Transfer Shares"** means in relation to any Compulsory Seller:

- (a) all of the shares registered in that shareholder's name; and
- (b) all of the shares to which that person is entitled, or has become the holder by reason of a transmission of shares, or in relation to which that person is entitled to exercise the rights on behalf of the relevant shareholder or person by virtue of a court order or otherwise.

**"Connected Person"** means, in respect of any person, a person connected with that person as described in sections 1122 and 1123 Corporation Taxes Act 2010.

**"Controlling Interest"** means an interest in shares in a company conferring in aggregate more than 50% of the total voting rights conferred by all the issued shares in that company, taking account at the relevant time of provisions regarding voting rights contained in the articles of association of that company.

**"document"** includes, unless otherwise specified, any document sent or supplied in electronic form.

**"eligible director"** means (a) in relation to a matter proposed at a directors' meeting, a director who is entitled to vote and to have that vote counted in relation to that particular matter at that meeting, or (b) in relation to a decision of the directors taken in accordance with Article 4.2, a director who would have been entitled to vote and to have that vote counted, had the matter in question been proposed at a directors' meeting.

**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid or credited as paid to the Company.

**"Exit Event"** means any direct or indirect, absolute or conditional sale conveyance, assignment, encumbrance, lease or other disposition by the Parent Company or any intermediate holding company of the Company (other than a Share Sale of the whole of the issued ordinary share capital of the Company) or by the Company of the shares in its subsidiaries or of the whole or a substantial part of the assets of the Company or those subsidiaries or a change of control of the Parent Company or any intermediate holding company (excluding the creation of any charge of such shares or assets other than in favour of a bona fide third party Institutional Lender).

**"Exit Enterprise Value"** shall have the meaning given in Article 14.

**"GAAP"** generally accepted accounting practice in the United Kingdom complying with all relevant legislation, accounting standards and best practice in the United Kingdom.

**"Group Reorganisation"** means a transfer of assets (including for the avoidance of doubt shares in any subsidiary) within a group of companies (provided each company is and remains a subsidiary of the Parent Company) that is undertaken for the purpose of reorganising the relevant group's structure and, for the avoidance of doubt introducing an intermediate holding company into a group of companies will constitute a "Group Reorganisation".

**"Group Companies"** means the Company and its subsidiary undertakings from time to time, and a reference to a **"Group Company"** shall be a reference to any one of them.

**"Institutional Lender"** means a commercial bank, investment bank, trust company, savings bank, savings and loan association, commercial credit corporation, life insurance company, real estate investment trust, pension trust, pension plan or pension fund, a public or privately-held fund engaged in real estate or corporate lending or both, or any other financial institution commonly known as an institutional lender (or any affiliate of such institution).

**"instrument"** means a document in hard copy form.

**"Market Value"** means the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

**"Opening Date"** shall have the meaning attributed thereto in the definition of ROI Capital Costs.

**"Opening Hurdle Value"** shall have the meaning given in Article 14.

**"Parent Company"** means Norlake Hospitality UK Limited a company incorporated in England and Wales with registered number 08075340.

**"Parent Company Group"** means the Parent Company and subsidiary companies and a **"Parent Company Group Company"** means a member of any such group of companies.

**"persons entitled"** has the meaning given in Article 22.1(b).

**"Proxy Notice"** has the meaning given in Article 24.2(a).

**"Put Option"** has the meaning given in Article 13.

**"Put Option Consideration"** means the consideration payable for the B Shares in respect of which a Put Option is exercised calculated in accordance with Article 14.

**"qualifying person"** has the meaning given in Article 23.2.

**"Relevant Matter"** means in relation to a director, a matter which may constitute or give rise to a breach by that director of his duty under section 175 Companies Act 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company (including a breach which would arise by virtue of his appointment as a director).

**"Repair and Maintenance"** means all ordinary repair and maintenance work to the assets of the Group Companies that is characterized as an ordinary expense (and not capitalized) under GAAP.

**"ROI Capital Costs"** means:

- (a) to the extent not already included in Opening Hurdle Value, all costs and expenses (including, without limitation, insurance, professional fees and taxes) incurred in the acquisition and development of real estate assets, including without limitation demolition and all costs of obtaining vacant possession (if applicable) all fitting out, training costs and all pre-opening expenses incurred to the date upon which construction, fitting out and furnishing of the hotel is complete, all requisite licences are in place and all facilities are open to paying guests and, to the extent the development includes other commercial space, when substantially all units are available to let ('the **Opening Date**'), together with a notional cost of capital of 4% (compounded quarterly) to be applied to all such costs and expenses; and
- (b) the costs and expenses incurred in connection with ROI Capital Works, together with a notional cost of capital of 6% (compounded quarterly) to be applied to all such costs and expenses.

**"ROI Capital Works"** all alterations, improvements, replacements, renewals and additions to the assets of the Group Companies incurred following the Opening Date that are capitalized under GAAP and involve a material change in the primary use of, or a material physical expansion or alteration of, the assets (including adding or removing guest rooms or meeting rooms, or changing the configuration of the Hotel), which are intended to generate a separate return on investment.

**"Routine Capital Works"** means all maintenance, repairs, alterations, improvements, replacements, renewals and additions to the assets (including replacements and renewals of FF&E and Supplies, exterior and interior painting, resurfacing of walls and floors, resurfacing parking areas and replacing folding walls) that are carried out following the Opening Date capitalized under GAAP and not depreciated as real property. For avoidance of doubt, Routine Capital Works expressly exclude Repair and Maintenance, Building Capital Works and ROI Capital Works.

**"share"** means a share in the Company.

**"shareholder"** means a person whose name is entered on the register of members as the holder of a share.

**"shareholders' agreement"** means any agreement binding on each shareholder which relates (in whole or in part) to the management of the business of the Company and/or the rights and obligations of each shareholder in his/her/its capacity as a shareholder.

**"Share Sale"** means the completion of any sale of any interest in any shares (whether in one transaction or a series of related transactions) resulting in the transferee (either alone or

together with its Connected Persons) holding the entire issued share capital of the Company or Group Companies (save to the extent the same arises as a result of a Group Reorganisation).

**"Share Sale Proceeds"** means the proceeds of a Share Sale (whether in cash or otherwise and whether payable on completion of the Share Sale or deferred in any way, with any non-cash consideration being valued by a firm of accountants) after payment or discharge of any relevant costs, expenses or other liabilities connected with such Share Sale other than any Exit Tax as defined in Article 12.4.

**"Transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law.

**"treasury share"** means any share held by the Company as a treasury share within the meaning of section 724 Companies Act 2006.

**"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

**"working day"** means a day when banks are open for general banking business in the City of London.

**"writing"** means a method of representing or reproducing words, symbols or other information by any method or combination of methods, whether in electronic form, hard copy or in any other legible and non-transitory form and **"written"** shall be construed accordingly.;

**1.4** Words and expressions defined in the Companies Act 2006 and used in these Articles (either without further definition or by expressly referring to the statutory definition of that word or expression) shall bear the same meaning as in the Companies Act 2006 as in force on the date when these Articles become binding on the Company. This does not apply (a) where the word or expression used is not defined by express reference to the Companies Act 2006 and the subject or context in which that word or expression is used is inconsistent with the statutory definition or (b) where that word or expression is otherwise defined in these Articles. In all other circumstances references in these Articles to any statute or statutory provision (including without limitation to the Companies Act 2006 or any provision of the Companies Act 2006) subordinate legislation, code or guideline ("**legislation**") is a reference to such legislation as the same may from time to time be amended, re-enacted, modified, extended, varied, superseded, replaced, substituted or consolidated.

**1.5** The provisions of Article 13 assume that the Parent Company holds one or more A Shares. In the event of the Parent Company not holding an A Share, the A Shareholders shall be obliged to give effect to Article 13 by procuring that the Parent Company acquire the relevant B Shares on the basis provided for in Article 13 or, alternatively, to acquire the relevant B Shares themselves and to provide the consideration required by the relevant Article.

## **2 LIABILITY OF MEMBERS**

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

## **3 DIRECTORS' POWERS, RESPONSIBILITIES AND DELEGATION**

**3.1** Subject to these Articles and provisions of any shareholders' agreement for the time being in force, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

**3.2** The shareholders may, by special resolution, direct the directors to take, or refrain from taking, a specified action. No such special resolution shall invalidate anything which the directors have done before the passing of the resolution.

**3.3** Subject to these Articles, the directors may delegate any of the powers which are conferred on them under these Articles to such person or committee, by such means (including by power of attorney), to such an extent, in relation to such matters or territories, and on such terms and conditions, as they think fit. *If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.* The directors may revoke any delegation in whole or part, or alter its terms and conditions.

**3.4** Committees to which the directors delegate any of their powers must follow procedures which are based, as far as they are applicable, on those provisions of these Articles which govern the taking of decisions by directors. The directors may make rules of procedure for all or any committees which prevail over rules derived from these Articles if they are not consistent with them.

## **4 DECISION-MAKING BY DIRECTORS**

### **4.1 Directors to take decisions collectively**

(a) The general rule about decision making by directors is that any decision of the directors must either be a majority decision at a meeting or taken in accordance with Article 4.2.

(b) If the Company only has one director for the time being (and no provision of these Articles requires it to have more than one director) the general rule does not apply and the sole director (for as long as he remains the sole director) shall be entitled to exercise all the powers and authorities vested in the directors by these Articles (and the provisions of these Articles shall be construed accordingly), and he may take decisions (provided that he constitutes an eligible director in relation to any particular decision) without regard to the provisions of Articles 4.2, 4.3, 4.4(a), 4.4(b), 4.4(f), 4.4(g), 4.5(a), 4.5(b) and 4.6 relating to directors' decision-making.

### **4.2 Unanimous decisions**

A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated his agreement in writing. A decision may only be taken in accordance with this Article 4.2 where the eligible directors taking the decision would have formed a quorum had the matter been proposed as a resolution at a directors' meeting.

### **4.3 Calling a directors' meeting**

(a) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company Secretary (if any) to give such notice. The Company Secretary must call a directors' meeting if a director so requests.

(b) Notice of any directors' meeting must indicate, its proposed location (if any), its proposed date and time and, if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(c) Subject to these Articles, notice of a meeting of the directors must be given to each director (including one who is absent for the time being from the United Kingdom) and may be given



either personally or by word of mouth or in hard copy form or by electronic means, or by any other means authorised by the director concerned.

- (d) Notice of a directors' meeting need not be given to directors who are not entitled to receive notice, or who have elected not to receive notice of that meeting pursuant to Article 7.1(b), or who have waived their entitlement to notice of that meeting, by giving notice to that effect to the Company in advance of the meeting or not more than 7 days after the date on which the meeting is held. Where such notice of waiver is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

#### **4.4 Participation in directors' meetings and decision making**

- (a) Subject to these Articles, the directors participate in a directors' meeting when the meeting has been called and takes place in accordance with these Articles and where each director can communicate orally to all of the other directors taking part, any information or opinions he has on any particular item of the business of the meeting. In determining whether the directors are participating in a directors' meeting it is irrelevant where any director is or (subject to the first sentence of this Article) how the directors communicate with each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the board meeting is located.

- (b) Subject to these Articles, each director participating in a directors' meeting has one vote, save that if:

- (i) the holder(s) of a majority of the A Shares has/have not appointed a majority of the Directors then in office; and/or
- (ii) some but not all of the A Directors appointed by the holder(s) of a majority of the A Shares are present at the meeting,

those A Directors who are present at the meeting shall be entitled to cast, between them, in aggregate a number of votes equal to the majority of the votes capable of being cast at that meeting.

- (c) Subject to the Companies Act 2006 and the other provisions of these Articles, a director may participate in any decision-making process (including being able to vote on, and be counted in the quorum at any meeting) where the matter under consideration or the resolution to be voted on concerns a matter in which he has a direct or indirect interest which conflicts or may conflict with the interests of the Company provided that:

- (i) the director has declared the nature and extent of that interest in accordance with and to the extent required by the provisions of the Companies Act 2006 and these Articles;
- (ii) where necessary, any situation which could give rise to a conflict and which would otherwise be prohibited by section 175 Companies Act 2006 is authorised pursuant to Article 5.1 or Article 6; and
- (iii) the terms of any authorisation given or imposed pursuant to Article 5.1 or Article 6 do not prevent or otherwise restrict the director from doing so,

but otherwise shall not be entitled to participate in such process or to vote or count in the quorum where he has a direct or indirect interest which conflicts or may conflict with the interests of the Company. If a director purports to vote in a situation where, by virtue of this Article 4.4(c) (or the terms of any authorisation) he is not entitled to vote, his vote shall not be counted.

- (d) For the purposes of Article 4.4(c):
- (i) an interest of a person who is connected with a director (within the meaning of section 252 Companies Act 2006) shall be treated as an interest of the director;
  - (ii) in relation to an alternate, an interest of his Appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has, but this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another Appointor who does not have such an interest (or for himself if he is a director and has no such interest);
  - (iii) references to a conflict of interest include a conflict of interest and duty and a conflict of duties; and
  - (iv) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- (e) For the avoidance of doubt, where a director ("**first director**") is appointed to act as an alternate by another one or more directors ("**second director**") and the first director has an interest which prevents him from voting in relation to any transaction or arrangement, that first director shall also not be entitled to vote in relation to that transaction or arrangement as alternate on behalf of any second director.
- (f) Subject to Article 4.4(g), if a question arises at a meeting of the directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, and that question is not resolved by the director voluntarily agreeing to abstain from voting, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and binding.
- (g) If any question as to the right to participate in a meeting (or part of a meeting) arises in respect of the Chairman (and that question is not resolved by the Chairman voluntarily agreeing to abstain from voting) the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman is not to be counted as entitled to participate in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **4.5 Quorum for directors' meetings**

- (a) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (b) Save as set out in Article 4.5(c), the quorum for the transaction of business of the directors shall be two eligible directors (including one A Director and one B Director). If within one hour from the time appointed for a meeting a quorum is not present, the meeting shall stand adjourned to the next following working day at the same time and place. If at the adjourned meeting a quorum is not present within one hour from the time appointed for the adjourned meeting, any two eligible directors (including at least one A Director) present at that adjourned meeting shall constitute a quorum.
- (c) The quorum for transaction of business of the directors shall be one eligible director (and for the avoidance of doubt shall not require the presence of both an A Director and a B Director) if:
- (i) there is a sole director; or
  - (ii) at any meeting of the directors, to the extent called to consider and vote on any matter in relation to which a director is not entitled to or does not vote or whose vote is not counted by virtue of:

- (A) the provisions of Article 4.4(c); or
  - (B) the exercise by a director, pursuant to Article 7.1, of the right not to attend and vote; or
  - (C) section 175(6)(b) Companies Act 2006,
- there is only one eligible director willing or able to take a decision on any matter; or
- (iii) any B Director has consented to the meeting being held without him/her being present.
- (d) If there are no directors in office or the directors in office or the sole director are unable or unwilling to form a quorum or to take a decision on any particular matter, or to appoint further directors to make up a quorum or to enable a decision to be taken on any particular matter, or to call a general meeting or circulate a written resolution to do so, then any shareholder (ignoring for these purposes the Company as holder of any treasury shares) may call a general meeting or circulate a written resolution or instruct the Company Secretary to do so, for the purposes of taking the decision or appointing one or more additional directors to form a quorum or to enable a decision to be taken.

#### **4.6 Chairing of directors' meetings and chairman's casting vote**

- (a) The directors may appoint (and remove at any time) a director to chair their meetings and the person so appointed for the time being is known as the Chairman. If the Chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, or is unwilling or unable to act as chairman at that meeting or any part of it, the participating directors must appoint one of themselves who is willing and able so to act, to be the Chairman for that meeting or for that part of the meeting.
- (b) If the numbers of votes for and against a proposal are equal, the Chairman or other director chairing the meeting has a casting vote, unless in relation to a particular proposal at a meeting, the Chairman or other director chairing the meeting is not an eligible director.

#### **4.7 Records of decisions to be kept**

The directors must ensure that the Company keeps a permanent record in writing which can be read by the naked eye, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors and of any decisions taken by a sole director.

#### **4.8 Directors' discretion to make further rules**

Subject to these Articles and the Companies Act 2006, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

### **5 DIRECTORS' PERMITTED INTERESTS**

- 5.1** Provided that (a) he has declared the nature and extent of his interest in accordance with (and to the extent required by) the provisions of Article 5.4; and (b) the directors or the shareholders have not (upon request) refused to give specific authorisation pursuant to Article 6 for a particular situation or matter; and (c) the directors and shareholders have not otherwise resolved pursuant to Article 6.3 that a particular situation or matter shall no longer be authorised, a director, notwithstanding his office, shall be authorised:
- (a) to enter into, or otherwise be interested in, any transaction or arrangement with the Company or any other Group Company or in which the Company (or any other Group

Company) is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as seller, buyer or otherwise;

- (b) to hold any office or place of profit (except that of auditor) with, or to be employed by or a consultant to or otherwise interested (including by way of the holding of shares or securities convertible into shares) in, the Company, any other Group Company or in any shareholder holding a majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of any such shareholder;
- (c) to act by himself or by any firm of which he is a partner, director, employee or member in a professional capacity (except as auditor) for the Company, any other Group Company or any shareholder holding a majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of any such shareholder and he or his firm shall be entitled to remuneration for professional services as if he were not a director of the Company; and
- (d) to be a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his appointment as a director of the Company or that other company (whichever is the later),

and such authorisations shall extend to any direct or indirect interest that conflicts or possibly may conflict with the interests of the Company which may reasonably be expected to arise out of the situations and matters so authorised and which is capable of being authorised at law. No authorisation shall be required pursuant to Article 6 of any such situation or matter authorised by this Article 5.1 and, without limitation, no director shall, by reason of his holding office as a director of the Company (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this Article 5.1 and no transaction or arrangement shall be liable to be avoided by reason of any director having any interest or having received any benefit permitted by this Article 5.1.

- 5.2** The authorisations given pursuant to, and the other provisions of, Article 5.1 shall extend to and include, without limitation, direct or indirect interests of a director which arise (or which may potentially arise) due to:

- (a) any transaction entered into by the director or any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of that shareholder in relation to shares (or securities convertible into shares) debentures or other securities in (a) the Company or any other Group Company; or in (b) such shareholder or in any such Connected Person of such shareholder;
- (b) any guarantee, security or indemnity given or proposed to be given by any Group Company to, or to any person for the benefit of, (a) any other Group Company; or (b) any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of that shareholder;
- (c) the recommendation, declaration and payment of any dividend or other distribution by the Company;
- (d) any transaction or arrangement proposed, made, terminated or varied between (a) the Company and any other Group Company; or (b) the Company and any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of that shareholder including without limitation transactions or arrangements relating to the sale and supply of goods and services, the borrowing or advancing of money and the use of property and other assets; and

- (e) any claim or right arising between (a) the Company and any other Group Company; or (b) the Company and any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Connected Person of that shareholder.

It shall be a term and condition of the authorisation given pursuant to Article 5.2(e) that the director shall not be entitled to vote or participate in any discussions relating to the exercise, enforcement or pursuance of any claim or right so authorised.

**5.3 For the purposes of Articles 5.1 and 5.2:**

- (a) an interest of: (a) a person who is connected with a director (within the meaning of section 252 Companies Act 2006); and (b) the Appointor in relation to any alternate; shall be treated as an interest of the director or the alternate (as appropriate) in each case in addition to any interest which the director or alternate otherwise has; and
- (b) any authorisation of a situation or matter pursuant to Articles 5.1 and 5.2 relating to a Group Company or to any shareholder holding the majority of the voting rights in the share capital of the Company or any Connected Person of that shareholder, shall be effective only for so long as the relevant Group Company remains a Group Company, the relevant shareholder holds the majority of the voting rights in the Company and the relevant Connected Person remains a Connected Person of a person who holds the majority of the voting rights in the Company.

**5.4 In relation to transactions or arrangements with the Company, the director shall declare the nature and extent of any interest authorised under Articles 5.1 and 5.2 in any way permitted by the Companies Act 2006 and shall only be required to make such disclosure to the extent required to do so under the Companies Act 2006. In relation to other situations of actual or potential conflict of interest, the director shall declare the nature and extent of his interest at a meeting of the directors, or as otherwise determined by the directors, but shall not be required to declare the nature and extent of his interest to the extent that the other directors are already aware of the interest and its extent.**

**5.5 For the purposes of this Article 5, when calculating whether any shareholder holds a majority of the voting rights attached to the issued share capital of the Company, the voting rights attached to any shares held by the Company as treasury shares shall be ignored.**

**6 AUTHORISATION OF CONFLICTS OF INTEREST**

**6.1 Any Relevant Matter may be authorised by the directors to the fullest extent permitted by law in accordance with the provisions of Articles 6.2 to 6.4.**

**6.2 Any director may propose that a Relevant Matter be authorised by the directors. Such proposal and any authorisation given by the directors shall be effected in the same way as any other matter may be proposed to, and resolved upon by, the directors in accordance with these Articles (or in such other manner as all the directors may approve) except that no authorisation shall be effective unless the requirements of section 175(6) of the Companies Act 2006 have been complied with. Any authorisation of a matter pursuant to this Article 6 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.**

**6.3 Any authorisation of a matter under Article 6.1 shall be subject to such terms, conditions and limitations as the directors may specify, whether at the time of giving the authorisation or subsequently. The directors or the shareholders may terminate or vary (including by imposing new terms, conditions and limitations in relation to) any authorisation given under this Article 6 or under Article 5.1 for the purpose of section 175 Companies Act 2006 at any time, but no such termination or variation shall be of retrospective effect. The director concerned must act in accordance with any terms, conditions or limitations specified by the directors or the shareholders in accordance with this Article 6.3.**

- 6.4** No director shall, by reason of his office as director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised by the directors in accordance with this Article 6. No transaction or arrangement shall be liable to be avoided by reason of any interest of a director to the extent that it has been so authorised.
- 6.5** Notwithstanding the other provisions of this Article 6, the shareholders of the Company shall be entitled to authorise a Relevant Matter (whether or not authorisation has previously been requested from and/or refused by the directors) and any authorisation of a matter pursuant to this Article 6.5 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. The provisions of Articles 6.3 and 6.4 shall apply mutatis mutandis to any authorisation so given by the shareholders save that the word(s) "directors" or "directors or shareholders" when referring to the authorisation being given, or to any terms and conditions of authorisation being specified, imposed, varied or terminated shall be read only as the word "shareholders". Any authorisation, and the variation or termination of any authorisation by the shareholders under Article 6.3 or this Article 6.5 shall be by ordinary resolution, save where any greater majority is otherwise required by the Act or other applicable law.

## **7 DIRECTORS' INTERESTS: GENERAL**

- 7.1** Where this Article 7.1 applies, a director shall be deemed to have the authority, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 to take (and shall take if so requested by the other directors or the shareholders) such steps as may be necessary or desirable for the purpose of managing any conflict of interest to which this Article 7.1 applies, including (without limitation) by:
- (a) complying with any procedures laid down from time to time by the directors or shareholders for the purpose of managing conflicts of interest generally or any specific procedures approved by the directors or shareholders in relation to the situation, matter or interest in question;
  - (b) excluding himself from attending and voting at board meetings or otherwise participating in directors' decision making to the extent relating to such situation, matter or interest or from participating in discussions (whether at meetings of the board or otherwise), or receiving documents or information to the extent relating to any such situation, matter or interest (including without limitation, notice of meetings, board papers, minutes or draft minutes, directors' written resolutions and legal advice given to any Group Company);
  - (c) arranging for documents or information relating to any such situation, matter or interest to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information; and/or
  - (d) not disclosing to the Company, or not using in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a director of the Company which relates to a situation, matter or interest and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party.
- 7.2** Article 7.1 shall apply, where a director has or could have:
- (a) a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company and provided that the interest or the existence of the situation or relationship leading to the interest has been authorised pursuant to Article 5.1 or Article 6 and unless otherwise specified by the terms and conditions of such authorisation; and

- (b) a direct or indirect interest in a transaction or arrangement with the Company and such interest has been declared to the other directors to the extent required by the Companies Act 2006.

**7.3** Where a director obtains or has obtained information, otherwise than through his position as a director, which is confidential to a third party other than the Company, then provided that the duty of confidentiality does not arise out of a situation in which the director has or may have a direct or indirect conflict of interest, the director shall not be required to disclose such information to the Company or use it in relation to the Company's affairs. This Article is without prejudice to the ability of a director to withhold such information from the Company in accordance with the provisions of Article 7.1.

**7.4** Articles 7.1 and 7.3 are without prejudice to any equitable principle or rule of law which may otherwise excuse or release the director from any requirement to disclose information or use information in relation to the Company's affairs, participate in discussions or receive documents or information.

**7.5** For the purposes of Articles 5 to 7 references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

## **8 ALTERNATE DIRECTORS**

**8.1** Any director, other than an alternate director, ("**Appointor**") may appoint as an alternate any other director, or any other person who is willing to act, to exercise (in the absence of the Appointor) the Appointor's powers as a director generally, and in particular but without limitation (in the absence of the Appointor) to carry out the Appointor's responsibilities in relation to the taking of decisions by directors.

**8.2** Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors. The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

**8.3** An alternate director has the same rights, in relation to any directors' meeting or decision of the directors, as the alternate's Appointor and, without limitation, is entitled to receive notice of all meetings of directors and committees of directors and all meetings of shareholders which their Appointor is entitled to receive and in the absence of their Appointor, to attend, speak and vote at all such meetings at which the Appointor is entitled to attend, speak and vote.

**8.4** Except as these Articles specify otherwise, alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their Appointors, and are not deemed to be agents of or for their Appointors.

**8.5** Subject to Article 8.6, a person who is an alternate director, but not a director:

- (a) may be counted as participating in a directors' meeting for the purposes of determining whether a quorum is present and may vote on any proposal made at a directors' meeting (if that person's Appointor is not participating but would have been an eligible director in relation to that proposal had he been participating); and
- (b) may take part in decisions of the directors pursuant to Article 4.2 (provided that person's Appointor does not take part in making the decision but would have been an eligible director in relation to that decision had he taken part in making it).

**8.6** A person may be appointed as the alternate director of more than one director. Where a person is appointed as the alternate director of more than one director, or is an alternate director and a director himself, that alternate director shall (subject to Article 4.4):

- (a) be entitled at meetings of the directors to one vote in respect of every director by whom he has been appointed (and who is not himself participating, but who would have been an eligible director in relation to the proposal had he been participating) in addition to his own vote (if any) as a director;
- (b) may be counted more than once for the purpose of determining whether or not a quorum is present; and
- (c) shall be entitled to take part in decisions of the directors pursuant to Article 4.2 on behalf of each director by whom he has been appointed (and who would have been an eligible director in relation to that decision) as well as being able to take part in making the decision for himself (if he is a director).

**8.7** An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration of the alternate's Appointor as the Appointor may direct by notice in writing made to the Company.

**8.8** An alternate director's appointment as an alternate for a particular Appointor shall terminate:

- (a) when that Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the death of that Appointor; or
- (c) when the directorship of that Appointor terminates,

and an alternate director's appointment as an alternate for an Appointor (and, if the person is an alternate for more than one director, that person's appointment as an alternate for each Appointor) shall terminate on the occurrence in relation to the alternate of any event which, if it occurred in relation to any Appointor of that alternate, would result in the termination of that Appointor's appointment as a director.

## **9 APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

**9.1** Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum, but shall not be less than two. For the avoidance of doubt, no director may be appointed other than pursuant to Article 9.2.

**9.2** The holder(s) of a majority of the A Shares may from time to time appoint such number of individuals (who are willing to act and permitted by law to do so) as they may determine from time to time as directors (each an "**A Director**") and remove from office any A Director. The holder(s) of a majority of the B Shares may from time to time appoint such a holder of B Shares (if an individual) or another individual (who is willing to act and permitted by law to do so) from time to time as director (a "**B Director**") and remove from office and replace any B Director.

**9.3** The board shall be entitled to appoint and remove any individual as a director and any person so appointed shall neither be an A Director nor a B Director.

**9.4** Any appointment or removal of a director pursuant to Article 9.2 shall be made by notice to the Company signed by the shareholder(s) entitled to appoint or remove that director. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice. In this Article 9, references to the appointment



of a director as an A Director or a B Director shall also include the designation of any existing director as an A Director or a B Director (as the case may be) and any director so designated in accordance with this Article 9.3 shall be deemed to have been appointed under Article 9.2.

**9.5** Subject to the terms of any relevant authorisation imposed on a director pursuant to Article 6, any director appointed for the time being under Article 9.2 may make such disclosures in relation to the Group Companies to the shareholder(s) appointing him as he thinks appropriate in his sole discretion.

**9.6** Notwithstanding any other provision of these Articles, on any resolution which is proposed:

- (a) in general meeting (either on a show of hands or on a poll) to remove a director appointed in accordance with Article 9.2 from office; or
- (b) in general meeting (either on a show of hands or on a poll) or as a written resolution to alter these Articles so as to result in the deletion or amendment of Article 9.2, or this Article 9.6,

the votes cast by the shareholders (or the duly appointed proxies or corporate representatives of the shareholders) entitled to appoint and remove any director(s) under Article 9.2 shall, if voting against that resolution, in aggregate carry such number of votes as is required to defeat that resolution.

**9.7** A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) (in case of a director who is a natural person) a bankruptcy order is made against that person or a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (c) (in the case of a director which is a body corporate) that body corporate (i) passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986 or otherwise) or is wound up by the court; (ii) is the subject of an administration order or an administrator is appointed in respect of that body corporate; (iii) makes any proposal under Part I Insolvency Act 1986 or otherwise for a composition in satisfaction of its debts or a scheme of arrangement of its affairs or makes any proposal under part 26 Companies Act 2006 or otherwise for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with creditors generally or ceases to carry on all or substantially all of its business; (iv) has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets; or is the subject of any occurrence substantially similar in nature or effect, whether in England and Wales or any other jurisdiction;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) he is removed from office in accordance with Article 9.2; or
- (f) notification is received by the Company from the director that the director is resigning from office as director and such resignation has taken effect in accordance with its terms.

## **10 DIRECTORS' REMUNERATION AND EXPENSES**

**10.1** Subject to the prior written consent of the shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company the directors may:

- (a) appoint a person to the office of managing director or any other executive or salaried office; and
- (b) enter into an agreement or arrangement with any such person in respect of such appointment or in respect of the provision by a director of services outside the scope of the ordinary duties of that director; and
- (c) agree to pay remuneration in such amount and form (both for their services to the Company as directors and for any other service which they undertake for the Company) as the directors determine.

**10.2** Unless the directors decide otherwise (with the prior written consent of shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company) such remuneration shall accrue from day to day and directors shall not be accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

**10.3** The Company may pay any reasonable expenses which the directors (including any alternate director) or the Company Secretary properly incur in connection with their attendance at meetings of directors or committees of directors, general meetings, or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the proper exercise of their powers and the discharge of their responsibility in relation to the Company.

**10.4** The directors may (with the prior written consent of the shareholder(s) holding a majority of the voting rights attaching to the issued share capital of the Company) exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a Group Company or with a predecessor in business of the Company or of any such body corporate, and for any member of his family (including a spouse, former spouse, civil partner or former civil partner) or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such benefit.

**10.5** For the purposes of this Article 10, when calculating whether any shareholder holds a majority of the voting rights attaching to the issued share capital of the Company, the voting rights attaching to any shares held by the Company as treasury shares shall be ignored.

## **11 SHARES: GENERAL**

### **11.1 Fully paid and partly paid Shares**

The Company may issue fully or partly paid shares.

### **11.2 Authority to allot**

- (a) Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders or a written resolution in accordance with section 282(2) of the Companies Act 2006, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.

- (b) In no circumstances will the Company take any action or issue Shares that will reduce the nominal value of the B Shares to less than 5% of the nominal value of the issued ordinary share capital of the Company.

#### **11.3 Pre-emption on the issue of shares**

Except with the consent in writing of the holders of not less than 75% of the issued shares of the Company:

- (a) all shares in the capital of the Company which are to be issued shall, before issue, be offered by the board of directors in the first instance:
  - (i) to all shareholders of the Company holding shares of the same class as the shares to be issued at the date of the offer and thereafter any balance to members at such date holding shares of every other class; and
  - (ii) in proportion as nearly as may be to the aggregate amounts paid up or credited as paid up on the shares of the class or classes held by such members respectively;
- (b) every such offer shall be in writing, shall state the number of the shares to be issued and shall be subject to the conditions, which shall be deemed to be incorporated in such offer:
  - (i) that any acceptance thereof (which may be as regards all or any of the shares offered) shall be in writing and be delivered to the company at the registered office within a period of fourteen days from the date of service of the said offer;
  - (ii) that in the event of the aggregate number of shares accepted exceeding the number of shares included in such offer the shareholders accepting the offer shall be entitled to receive and bound to accept an allocation of the lower of (A) the number of shares accepted by them respectively or (B) a proportionate number of the shares offered according to the amounts paid up or credited as paid up on the shares of the class or classes carrying the right to such offer as aforesaid then held by them respectively;
  - (iii) that any shareholder to whom such offer has been made and whose requirements have not been fully met by such allocation shall further be entitled to receive and be bound to accept an allocation such shareholder of any surplus shares in proportion as nearly as may be to the number of shares accepted by that shareholder in excess of the number of shares to which that shareholder may be entitled on the first allocation thereof as aforesaid;
- (c) any shares offered to, but not taken up by, existing shareholders pursuant to this Article 11 may within three months after the date of the offer thereof be offered by the directors to such person or persons as they may think fit but only upon the same terms as were specified in such offer.

#### **11.4 Power to issue different classes of share**

- (a) Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.
- (b) The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the relevant shareholder.

#### **11.5 Authority to purchase own shares with cash**

The Company shall have the authority to purchase its own shares with cash pursuant to section 692(1)(b) Companies Act 2006.

#### **11.6 Absolute interests only**

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or these Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the shareholder's absolute ownership of it and all the rights attaching to it.

#### **11.7 Share certificates**

(a) The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(b) Every certificate must specify:

- (i) in respect of how many shares and of what class, it is issued;
- (ii) the nominal value of those shares;
- (iii) that the shares are fully paid; and
- (iv) any distinguishing numbers assigned to them,

and no certificate may be issued in respect of shares of more than one class. Certificates must have affixed to them the Company's common seal, or be otherwise executed in accordance with the Companies Acts.

**11.8** If more than one person holds a share, only one certificate may be issued in respect of it and delivery to one joint shareholder shall be a sufficient delivery to all of them.

**11.9** If a certificate issued in respect of a shareholder's shares is damaged or defaced, or said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares. A shareholder exercising the right to be issued with such a replacement certificate may at the same time exercise the right to be issued with a single certificate or separate certificates and (if it is damaged or defaced) must return the certificate which is to be replaced to the Company, and must comply with such conditions as to evidence and indemnity as the directors decide.

#### **11.10 Company's lien over partly paid shares**

(a) The Company has a lien (the "company's lien") over every share which is partly paid for any part of:

- (i) that share's nominal value; and
- (ii) any premium at which it was issued;

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it. The Company's lien may extend to all shares standing registered in the name of a person for all monies presently payable by them to the Company.

- (b) The Company's lien over a share:
  - (i) takes priority over any third party's interest in that share; and
  - (ii) extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.
- (c) The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

#### **11.11 Enforcement of the Company's lien**

- (a) Subject to the provisions of this Article, if:
  - (i) a lien enforcement notice has been given in respect of a share; and
  - (ii) the person to whom the notice was given has failed to comply with it;the Company may sell that share in such manner as the directors decide.
- (b) A lien enforcement notice:
  - (i) may only be given in respect of a share which is subject to the Company's lien, where there are monies payable to the company by the relevant shareholder and the due date for payment of that sum has passed;
  - (ii) must specify the share concerned;
  - (iii) must require payment of the sum payable within fourteen days of the notice;
  - (iv) must be addressed either to the holder of the share or the transmittee; and
  - (v) must state the Company's intention to sell the share if the notice is not complied with.
- (c) Where shares are sold under this Article:
  - (i) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
  - (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- (d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
  - (i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
  - (ii) second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates.

- (e) A statutory declaration by a director or the Company Secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the Company's lien on a specified date:
  - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - (ii) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- (f) Where the Company becomes entitled to sell any share under this Article, the directors may within ninety days after becoming so entitled also give notice to the shareholder requiring the payment within fourteen days of the notice of all sums outstanding on any other partly paid shares held by that shareholder (whether or not the directors would in the absence of this Article 11.11 be entitled to send a call notice under Article 11.12 (Call notices)) and such notice shall take effect as a call notice.

#### **11.12 Call notices**

- (a) Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a shareholder requiring the shareholder to pay the Company a specified sum of money (a "call") which is payable in respect of shares which that shareholder holds at the date when the directors decide to send the call notice.
- (b) A call notice:
  - (i) may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);
  - (ii) must state when and how any call to which it relates it is to be paid; and
  - (iii) may permit or require the call to be paid by instalments.
- (c) A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 days have passed since the notice was sent.
- (d) Before the Company has received any call due under a call notice the directors may:
  - (i) revoke it wholly or in part; or
  - (ii) specify a later time for payment than is specified in the notice,by giving a further notice in writing to the shareholder in respect of whose shares the call is made.

#### **11.13 Liability to pay calls**

- (a) Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- (b) Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- (c) Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:
  - (i) to pay calls which are not the same; or

- (ii) to pay calls at different times.

#### **11.14 When call notice need not be issued**

- (a) A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium):
  - (i) on allotment;
  - (ii) on the occurrence of a particular event; or
  - (iii) on a date fixed by or in accordance with the terms of issue.
- (b) But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

#### **11.15 Failure to comply with call notice: automatic consequences**

- (a) If a person is liable to pay a call and fails to do so by the call payment date:
  - (i) the directors may issue a notice of intended forfeiture to that person; and
  - (ii) until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.
- (b) For the purposes of this Article:
  - (i) the "**call payment date**" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date;
  - (ii) the "**relevant rate**" is:
    - (A) the rate fixed by the terms on which the share in respect of which the call is due was allotted; or
    - (B) if no rate is fixed, the aggregate, as determined by the directors, of 5 per cent. per annum and the base lending rate most recently set by the Monetary Policy Committee of the Bank of England.
- (c) The directors may waive any obligation to pay interest on a call wholly or in part.

#### **11.16 Notice of intended forfeiture**

A notice of intended forfeiture:

- (a) may be sent at any time when a call has not been paid in full in respect of any share the subject of a call notice;
- (b) must be sent to the holder of that share or to the transmittee;
- (c) must require payment of the call and any accrued interest by a date which is not less than fourteen days after the date of the notice;
- (d) must state how the payment is to be made; and

- (e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

#### **11.17 Directors' power to forfeit shares**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

#### **11.18 Effect of forfeiture**

- (a) Subject to the Articles, the forfeiture of a share extinguishes:
  - (i) all interests in that share, and all claims and demands against the Company in respect of it; and
  - (ii) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.
- (b) Any share which is forfeited in accordance with the Articles:
  - (i) is deemed to have been forfeited when the directors decide that it is forfeited;
  - (ii) is deemed to be the property of the Company; and
  - (iii) may be sold, re-allotted or otherwise disposed of as the directors think fit.
- (c) If a person's shares have been forfeited:
  - (i) the Company must send that person notice that forfeiture has occurred and record it in the register of members;
  - (ii) that person ceases to be a shareholder in respect of those shares;
  - (iii) that person must surrender the certificate for the shares forfeited to the Company for cancellation;
  - (iv) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
  - (v) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- (d) At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

#### **11.19 Procedure following forfeiture**

- (a) If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.



- (b) A statutory declaration by a director or the Company Secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:
  - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - (ii) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- (c) A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- (d) If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and any costs of sale and any other costs of forfeiture, and excluding any amount which:
  - (i) was, or would have become, payable; and
  - (ii) had not, when that share was forfeited, been paid by that person in respect of that share;but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

#### **11.20 Surrender of shares**

- (a) A shareholder may surrender any share:
  - (i) in respect of which the directors may issue a notice of intended forfeiture;
  - (ii) which the directors may forfeit; or
  - (iii) which has been forfeited.
- (b) The directors may accept the surrender of any such share.
- (c) The effect of surrender on a share is the same as the effect of forfeiture on that share.
- (d) A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

### **12 SHARES: RIGHTS**

- 12.1** The A Shares and the B Shares shall constitute separate classes of shares but except as expressly provided otherwise in these Articles, shall rank *pari passu* in all respects. If at any time the Company has only one class of share in issue, these Articles shall be read as if they do not include reference to any other class of share, or to any consents from, or attendance at any meeting or votes to be cast by any shareholder of any other class of share or to any directors appointed by that other class.

#### **12.2 Income**

- (a) Unless the A Shareholders unanimously agree to the contrary, dividends may only be declared in respect of a full financial year. Any dividends to be paid in respect of a particular class of shares shall be paid between the holder(s) of that class of share *pro-rata* to the number of shares of that class held by such shareholder(s). If any interim dividends are paid, they shall be paid on account of the shareholders' entitlements to dividends to be paid in

respect of that financial year in accordance with the provisions of Article 12.2. The directors shall be entitled to estimate the amount which shall be due to Shareholders in respect of that financial year based upon their estimate of what they consider likely to be due.

- (b) No dividend shall be declared in respect of the B Shares.

### **12.3 Capital**

On a return of assets on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment or discharge of its liabilities (as the case may be) shall be distributed in the following order:

- (a) to the holders of the A Shares an amount equal to the Adjusted Hurdle Value reduced by an amount equal to
  - (i) any loan repayments made to the A Shareholders or Parent Group Company, or any holding company of the Parent Company on a refinancing; and
  - (ii) any capital distribution to any such company and/or A Shareholders following a sale of any Group Company assets;
- (b) as to 5% of any remaining surplus to the holders of the B Shares; and
- (c) the balance of the surplus shall be distributed to the holders of the A Shares (or other classes of ordinary share other than the B Shares).

### **12.4 Share Sale**

On a Share Sale, the Share Sale Proceeds shall be distributed as follows:

- (a) 5% of the Uplift to the holders of the B Shares, where the Uplift means the amount by which the enterprise value of the Share Sale (being the equity value of the offer plus the long term and short term debt and debt like items of the Group Companies less the cash and cash equivalent subject to an adjustment for normalised working capital) exceeds the Adjusted Hurdle Value; and
- (b) the balance of the Share Sale Proceeds shall be distributed to the holders of the A Shares (or other classes of ordinary share other than the B Shares).

### **12.5 Voting**

- (a) Subject to the adjustment of voting rights in paragraphs (b) and (c) of this Article:
  - (i) on a show of hands, every A Shareholder holding one or more A Shares and every B Shareholder holding one or more B Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy, shall have one vote;
  - (ii) on a poll, every A Shareholder holding one or more A Shares and every B Shareholder holding one or more B Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for every A Share or B Share of which they are the holder;
  - (iii) on a written resolution, every A Shareholder holding one or more A Shares and every B Shareholder holding one or more B Shares as at the time on which the first copy of the resolution is sent or submitted to such shareholder in accordance with Chapter 2 of Part 13 of the Companies Act 2006, shall have one vote for every A Share or B Share held.

- (b) Where the classes of shares have different nominal values the votes attaching to each of the A Shares shall be multiplied by such number as may be necessary to ensure that the aggregate number of votes attaching to the issued A Shares amount to 95% of the total voting rights and the aggregate voting rights attaching to the B Shares amount to 5% of the total voting rights.
- (c) Notwithstanding the number of shares in issue, the B Shares shall represent no less than 5% of the voting rights and on a show of hands, poll or written resolution the votes cast by the holders of the B Shares shall be treated as representing 5% of the ordinary share capital and the votes cast by the holders of the A Shares shall be treated as representing 95% of the ordinary share capital.

### **13 SHARES: PUT AND CALL OPTIONS**

- 13.1** The B Shareholders shall have the right to require the Parent Company, on the exercise of such right, to purchase all of the B Shares for the Put Option Consideration (the "Put Option").
- 13.2** The Put Option shall be exercisable by notice given to the Parent Company by a B Shareholder at any time after the fifth anniversary of the 2012 date of acquisition of the Company by the A Shareholder (as at the date of these Articles).
- 13.3** The Put Option shall be exercisable in respect of all of the issued B Shares.
- 13.4** Upon service of a notice by a B Shareholder pursuant to Article 13.2, each of the B Shareholders shall be bound to sell and the Parent Company or its nominee shall be bound to purchase the B Shares in accordance with this Article 13 (the "Option Shares").
- 13.5** The Option Shares shall be sold by the relevant B Shareholders with full title guarantee, free from all liens, charges and encumbrances and together with all rights attaching to such Option Shares.
- 13.6** Completion of the sale and purchase of the Option Shares shall take place as soon as reasonably practicable and in any event by the later of (i) the date that falls one month after the date that notice is given in accordance with Article 13.2 and (ii) agreement or determination of the Put Option Consideration pursuant to Article 14, whereupon each B Shareholder shall deliver to the Parent Company or its nominee (subject to the provisions in Article 13.5) duly executed transfers of the relevant Option Shares in favour of the Parent Company or its nominee and the relevant share certificates (or an indemnity for lost share certificates) against payment in cash of the Put Option Consideration for the Option Shares.
- 13.7** Any A Shareholder shall have the right, to purchase all of the B Shares for the consideration calculated on the basis set out in Article 14.1 paragraph (a) as if it were an Exit Event (the "Call Option Consideration") (the "Call Option").
- 13.8** The Call Option shall be exercisable in respect of all of the issued B Shares by notice given to the B Shareholder(s) by an A Shareholder at any time after the tenth anniversary of the Opening Date.
- 13.9** Upon service of a notice by an A Shareholder pursuant to Article 13.8, each of the B Shareholders shall be bound to sell and the relevant A Shareholder or its nominee shall be bound to purchase the B Shares (the "Call Option Shares") in accordance with this Article 13.
- 13.10** The Call Option Shares shall be sold by the relevant B Shareholders with full title guarantee, free from all liens, charges and encumbrances and together with all rights attaching to such Call Option Shares.

- 13.11** Completion of the sale and purchase of the Call Option Shares shall take place as soon as reasonably practicable and in any event by the later of (i) the date that falls one month after the date that notice is given in accordance with Article 13.8 and (ii) agreement or determination of the Call Option Consideration pursuant to Article 14.1 paragraph (a), whereupon each B Shareholder shall deliver to the relevant A Shareholder or its nominee (subject to the provisions in Article 13.10) duly executed transfers of the relevant Option Shares in favour of the relevant A Shareholder or its nominee and the relevant share certificates (or an indemnity for lost share certificates) against payment in cash of the Call Option Consideration for the Call Option Shares.

#### **14 CALCULATION OF PUT OPTION CONSIDERATION**

- 14.1** The Put Option Consideration shall be calculated as follows:

- (a) in the event of an Exit Event (other than a sale of the entire issued share capital of the Company) or the exercise of the Put Option in accordance with Article 13.2, the Put Option Consideration shall be an amount equal to 5% of the amount by which the Exit Enterprise Value exceeds the Adjusted Hurdle Value;
- (b) on sale of the entire issued share capital of the Parent Company or any intermediate holding company, or the Company the Put Option Consideration shall be the amount set out in Article 12.4(a).

- 14.2** For the purposes of these Articles 12 to 14 (inclusive):

"**Opening Hurdle Value**" shall mean an amount equivalent to the costs and expenses incurred by the Company to 31 December 2015;

"**Adjusted Hurdle Value**" shall be the Opening Hurdle Value plus the cost of any Building Capital Works and the ROI Capital Costs (to the extent not included in the Opening Hurdle Value) carried out by the Group Companies prior to the relevant date of exercise or Exit Event;

"**Exit Enterprise Value**" means the value agreed between the holders of the B Shares and the A Shares as the enterprise value of the Group Companies business and assets within 5 days of the exercise of the Put Option or the Exit Event (if earlier) (as the case may be) or (in default of agreement between them) such sum as the Specified Expert certifies to be the fair value of the assets and business of the Group Companies as between a willing buyer and a willing seller contracting on arm's length terms after a reasonable period in which to negotiate the sale (taking into account the nature of the assets and the state of the market) having expired, on a cash free and debt free basis (subject to an adjustment for normalised working capital) of the Company and the Subsidiaries as at the date of the notice exercising the Put Option, but without taking into account (if it is the case) that the B Shares represent a minority or a majority interest in the Company;

"**Specified Expert**" means an independent firm of accountants with not less than ten years' experience in valuing the shares of private companies nominated jointly by the holders of the A Shares and the B Shares or, failing such nomination, within 14 days of the Shareholder serving notice on the other requesting that such appointment be made, at the request of either party by the President for the time being of the Institute of Chartered Accountants in England and Wales.

- 14.3** In the event of a failure to agree to Exit Enterprise Value it will be determined by the Specified Expert who shall be instructed to act as an expert and not as an arbitrator and to reach a decision, a written copy of which will be sent to both Shareholders and to the Company, within 30 days of his nomination or appointment. The Specified Expert will be entitled to call for and inspect the working papers of the Group Companies and (if any) the Subsidiaries' auditors and such other documents as it may reasonably require and shall

commission a valuation of the assets of the Group Companies utilising the criteria for appointing such a valuer set out in Article 14.4. In the absence of manifest error and fraud, the Specified Expert's decision will be final and binding on the Shareholders.

**14.4** The valuer shall be a member of the Royal Institution of Chartered Surveyors with not less than ten years of experience in valuing properties similar to the assets of the Group companies instructed to value the property in accordance with the terms of this Article. If the Specified Expert is appointed in accordance with Article 14.3 then the Specified Expert shall appoint such valuer. If the Specified Expert is not appointed then the valuer will be appointed by the Shareholders, however, if they cannot agree on such appointment within seven days of the service of a notice by one Shareholder to the other requesting the appointment of a valuer then each Shareholder shall be entitled to apply to the President for the time being of the Royal Institution of Chartered Surveyors to appoint a valuer on behalf of the Company. The valuer shall act as an expert and not as an arbitrator and his decision should be final and binding. The fee and expenses of the valuer shall be payable by the Company. If the valuer shall die, is unwilling to act or becomes incapable of acting or if for any other reason he or she is unable to act, each Shareholder may request the President for the time being of the Royal Institution of Chartered Surveyors to discharge the valuer and to appoint another surveyor in his place which procedure may be repeated as often as necessary.

**14.5** The valuer shall value the relevant assets at Market Value and notify the Shareholders of the same within seven days of being instructed. In the event that the valuation of the valuer is delayed all the time periods referred to in this Article which shall arise after receipt of the valuation shall be extended by the same number of days by which the valuer has exceeded the seven day period in submitting his valuation to the Shareholders.

**14.6** The Specified Expert shall be instructed to determine which of the Shareholders should bear, or in what proportions they should share, the costs of certifying the Exit Enterprise Value.

## **15 SHARES: TRANSFER**

**15.1** No shareholder may transfer any share except pursuant to the options in Article 13 or Article 15.1 or 17, and any purported transfer in breach of this Article 15 shall be void.

**15.2** References in Article 15.1 to a transfer of any share include a transfer or grant of any interest in any share or of any right attaching to any share, whether by way of sale, gift, holding on trust, declaration of trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also include an agreement to make any such transfer or grant or to exercise the voting rights attaching to a share at the direction of any third party and any renunciation or other direction by a shareholder entitled to an allotment, issue or transfer of shares, that such shares be allotted, issued or transferred to any other person.

**15.3** Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share and the Company may retain any instrument of transfer which is registered.

**15.4** The transferor remains the holder of a share until the transferee's name is entered in the register of members as shareholder in respect of it.

**15.5** The directors shall refuse to register a transfer of shares prohibited by or not effected in accordance with these Articles, and a transfer of shares to a minor or a Bankrupt.

**15.6** Unless under these Articles the directors have an express discretion or are obliged to refuse to register the transfer of any share, the directors shall register any transfer permitted by or effected in accordance with these Articles as soon as practicable and in any event within two

months after the date on which the following are lodged at the office or such other place as the directors may appoint:

- (a) the duly stamped (or exempt) transfer; and
- (b) the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors.

**15.7** If the directors refuse to register a transfer of a share, they shall comply with the requirements of the Companies Act 2006 to give the transferee notice of such refusal together with reasons as soon as practicable and in any event within two months after the date on which the transfer was lodged in accordance with Article 15.6.

**15.1** Notwithstanding anything contained in these Articles for the period from the date of adoption of the Articles until the release of the A Shares from any charge in favour of a Secured Party entered into on such date of adoption:

- (a) the directors shall not decline to register any transfer of shares, nor may they suspend such registration, where such transfer:
  - (i) is to any Institutional Lender to which a security interest has been granted over the shares in the Company, or any nominee, receiver or other entity acting on its behalf (a "Secured Party"), or
  - (ii) is delivered to the Company for registration by a Secured Party in order to perfect its security over the shares, or
  - (iii) is executed by a Secured Party pursuant to the power of sale or otherwise under such security, and
- (b) notwithstanding anything to the contrary contained in these Articles, no transferor of any shares in the Company (or proposed transferor of such shares) to a Secured Party, and no Secured Party shall be required to offer the shares which are or are to be the subject of any such aforementioned transfer to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not provided always the provision of Articles 19 (Tag) and 20 (Drag) shall apply in the event of any sale by the Secured Party;
- (c) notwithstanding anything contained in these Articles, the Company and the directors shall not be entitled to exercise any lien which the Company has in respect of its shares over which security has been granted in favour of any Secured Party; and
- (d) there shall be no obligation to offer the A Shares to all of the shareholders in accordance with Article 17.3 where the holder of the A Shares is subject to any of the matters listed in Article 17.1(a).

## **16 SHARES: PERMITTED TRANSFERS AND TRANSMISSION OF SHARE**

**16.1** A transfer of any share, other than one which in accordance with these Articles is declared to be subject to the restrictions set out in section 454 Companies Act 1985, may, unless otherwise provided in these Articles, be made at any time and at any price in each of the following cases:

- (a) with the prior consent of the holders of a majority of the A Shares, subject to the fulfilment of any conditions on the basis of which any such consent is given;

- (b) a transfer of the entire legal and beneficial interest in any share by a shareholder (being a company) to a Connected Person,

provided any such transferee shall have entered into a deed of adherence agreeing to be bound by any shareholders agreement.

## **16.2 Transmission of shares**

- (a) If title to a share passes to a person entitled to a share by virtue of the death of a shareholder ("Transmittee"), the Company may only recognise the Transmittee as having any title to that share.
- (b) Nothing in these Articles releases the estate of a deceased shareholder from any liability in respect of a share held solely or jointly by that shareholder.
- (c) A Transmittee who produces such evidence of entitlement to shares as the directors may properly require:
  - (i) may, subject to these Articles, choose either to become the holder of those shares or to have them transferred to another person; and
  - (ii) subject to these Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (d) Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the shareholder's death or bankruptcy or otherwise, unless and until they become the holders of those shares.

## **16.3 Exercise of Transmittees' rights**

- (a) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (b) If the Transmittee wishes to have a share transferred to another person, the Transmittee must execute an instrument of transfer in respect of it.
- (c) Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the Transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

## **16.4 Transmittees bound by prior notices**

If a notice is given to a holder in respect of shares and a Transmittee is entitled to those shares, the Transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

## **17 SHARES: COMPULSORY TRANSFERS**

### **17.1 For the purposes of these Articles, a Compulsory Transfer Event shall occur in relation to a Shareholder:**

- (a) if that person, being a company:
  - (i) passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986 or otherwise) or is wound up by the court;

- (ii) is the subject of an administration order or an administrator is appointed in respect of that company;
  - (iii) makes any proposal under Part I Insolvency Act 1986 or otherwise for a composition in satisfaction of its debts or a scheme of arrangement of its affairs or makes any proposal under part 26 Companies Act 2006 or otherwise for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with its creditors generally or ceases to carry on all or substantially all of its business;
  - (iv) has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets;
  - (v) is the subject of any occurrence substantially similar in nature or effect to those in Articles 17.1(a)(i) to 17.1(a)(iv) whether in England and Wales or any other jurisdiction; or
  - (vi) is a party to, or its ultimate holding company is a party to, any form of statutory merger in any jurisdiction irrespective of whether or not that person or its ultimate holding company (as appropriate) is the surviving entity following such merger; or
- (b) if that person, being an individual becomes a Bankrupt or is the subject of any occurrence substantially similar in nature or effect whether in England and Wales or any other jurisdiction.
- 17.2** If a Compulsory Transfer Event occurs in relation to a shareholder then the shareholder in question, or any Transmitttee of that shareholder, or any person appointed by the court or otherwise becoming able to act on behalf of that shareholder or person in relation to shares in the Company ("**Compulsory Seller**") shall promptly notify the directors that the Compulsory Transfer Event has occurred.
- 17.3** Any director may, on behalf of a Compulsory Seller, give a Compulsory Transfer Notice to all of the shareholders at any time following the date on which that director receives the notice given by the Compulsory Seller under Article 17.2 or (if no such notice is received during the period of 14 days starting on the date of the relevant Compulsory Transfer Event) starting on the date when that director becomes aware of that Compulsory Transfer Event. The Compulsory Transfer Notice shall:
- (a) identify the Compulsory Seller and the number and class of the Compulsory Transfer Shares;
  - (b) constitute an irrevocable and unconditional offer to sell the Compulsory Transfer Shares on the terms set out in this Article 17 and specify the persons to whom the Compulsory Transfer Shares are to be offered pursuant to Article 17.5;
  - (c) state that the price of the Compulsory Transfer Shares shall be their fair value as determined under Article 18 (which in the case of B Shares will be nominal value);
  - (d) set out a summary of the procedure to be adopted for the sale and purchase of the Compulsory Transfer Shares pursuant to this Article 17 including the procedure to be adopted following the receipt of the accountant's determination of the fair value of the Compulsory Transfer Shares pursuant to Article and the way in which the Compulsory Transfer Shares will be allocated pursuant to Articles 17.8 and 17.9;
  - (e) and may contain any further information deemed by the director giving the Compulsory Transfer Notice to be necessary or expedient in the circumstances.
- 17.4** Within the period of 28 days starting on the date of the Compulsory Transfer Notice, the Company shall appoint a firm of accountants in accordance with Article 18 to determine in



accordance with Article the relevant value of the Compulsory Transfer Shares (being fair value for the A Shares and nominal value for the B Shares).

**17.5** The offer contained in the Compulsory Transfer Notice shall be made:

- (a) to all shareholders equally excluding the transferee, who shall have the right to accept any or all of the Compulsory Transfer Shares offered to it (if it is lawfully able to do so) or appoint a nominee to accept, in each case by notice to the Company; and
- (b) if or to the extent that any offer made to any Shareholders under Article 17.5(a) is not lawfully accepted by that Shareholder or its nominee, to the Company, which shall have the right to indicate its intention (subject to any specified conditions) to accept any or all of the Compulsory Transfer Shares offered to it (if it is lawfully able to do so) by notice given by it to all shareholders containing the information required by Article 17.7.

**17.6** The notices required to be given by and to the Company under Articles 17.5 must be given within 14 days of the notification of the value of the Compulsory Transfer Shares in accordance with Article 18. A person shall be deemed to have declined an offer made to it under the preceding provisions of this Article 17.5 to the extent that acceptance of the offer is not received (or, in the case of the Company, a notice indicating an intention to accept, is not received) in accordance with this Article within the relevant period of time. An accepting person's notice shall specify the number of Compulsory Transfer Shares applied for.

**17.7** A notice given by the Company under Article 17.5(b) indicating an intention to accept the offer shall specify:

- (a) the number of shares which the Company intends to acquire;
- (b) the procedure (determined in accordance with Article 17.10) to be adopted by the Company to enable it to purchase the shares;
- (c) the timetable within which it is intended the acquisition of the Buy-back Shares will be completed; and
- (d) a long-stop date, being not more than 45 days after the date of the notice of intention to accept the offer given by the Company under Article 17.5(b).

In the event that either (a) a lawful and legally binding unconditional contract between the Company and the Compulsory Seller ("**Buy-back Agreement**") to acquire any or all of the shares specified (pursuant to Article 17.7(a)) in the notice given by the Company under Article 17.5(b) ("**Buy-back Shares**") has not been entered into by the long-stop date specified in accordance with Article 17.7(d) or (b) prior to the long-stop date specified in Article 17.7(d) the Company decides that it no longer wishes to acquire any shares, then the notice given by the Company pursuant to Article 17.5(b) shall automatically be revoked, the Company shall give notice of such revocation to all the shareholders without delay.

**17.8** Each notice received by the Company under Articles 17.5 shall, subject to the terms of this Article 17 be irrevocable, and shall give rise to a legally binding and unconditional agreement between the person giving it and the Compulsory Seller. A notice given by the Company under Article 17.5(b) shall not give rise to a legally binding agreement between the Company and the Compulsory Seller but shall indicate the Company's conditional intention to accept the offer made to it under Article 17.5(b). Under any agreement arising pursuant to this Article 17.8 as a result of a notice received by the Company under Articles 17.5(a), or under any Buy-back Agreement, the person accepting the offer or the Company (as appropriate) shall be bound to buy, and the Compulsory Seller shall be bound to sell the number of Compulsory Transfer Shares applied for or the subject of the Buy-back Agreement, except where the aggregate of: (a) the number of Compulsory Transfer Shares applied for by all

persons under Articles 17.5(a); and (b) the number of Compulsory Transfer Shares the subject of any Buy-back Agreement, exceeds the total number of Compulsory Transfer Shares. In those circumstances, the Compulsory Transfer Shares shall be allocated in accordance with Article 17.9.

**17.9** If the aggregate of: (a) the number of shares applied for under Articles 17.5 and 17.5(a); and (b) the number of shares the subject of any Buy-back Agreement, exceeds the number of Compulsory Transfer Shares then the Compulsory Transfer Shares shall be allocated as follows:

- (a) to satisfy, to the extent possible, the number of Compulsory Transfer Shares applied for by the Parent Company or its nominee pursuant to an offer made under Article 17.5. The Parent Company or its nominee shall not be allocated more Compulsory Transfer Shares than it has applied for. Fractional entitlements to shares shall be ignored. Fractions of shares which would otherwise be allocated to the Parent Company or its nominee under this Article 17.9(a) shall be consolidated and allocated to the Parent Company or its nominee;
- (b) to the extent that there remain any Compulsory Transfer Shares unallocated following offers made under Article 17.5, to satisfy, to the extent possible the number of Compulsory Transfer Shares applied for by any A Shareholder or its nominee pursuant to an offer made under Article 17.5(a). Such A Shareholder or its nominee shall not be allocated more Compulsory Transfer Shares than it has applied for. Fractional entitlements to shares shall be ignored. Fractions of shares which would otherwise be allocated to an A Shareholder or its nominee under this Article 17.9(b) shall be consolidated and allocated to such A Shareholder or its nominee; and
- (c) to the extent that there remain any Compulsory Transfer Shares unallocated following offers made under Articles 17.5 and 17.5(a), to satisfy, to the extent possible, the number of Compulsory Transfer Shares the subject of any Buy-back Agreement following an offer made under Article 17.5(b),

and in each case the Compulsory Transfer Shares shall be sold on, and subject to, the provisions of Articles 17.11, 17.12, 17.13 and 17.14.

**17.10** If the Company gives notice under Article 17.5(b) that it intends to buy any Compulsory Transfer Shares, the directors (other than the Compulsory Seller or (if different) any director who is the person to whom the Compulsory Transfer Event in question has occurred or any director appointed by the Compulsory Seller or any such person) shall in accordance with the provisions of this Article 17 determine a timetable and procedure for such purchase and the shareholders shall comply with any requirements of the directors (as to voting of their shares or otherwise) to give effect to that purchase. In the event that any shareholder refuses so to comply, then any director shall be entitled to do anything on behalf of such shareholder (including without limitation appointing any person as that shareholder's proxy at any general meeting of the Company or signifying that shareholder's agreement to and authenticating on behalf of that shareholder any written resolution of the Company) in order to give effect to this Article 17.10.

**17.11** The Compulsory Transfer Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the fair value as determined under Article 18, and together with all rights attaching to such shares on or after the date of the Compulsory Transfer Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Compulsory Transfer Shares.

**17.12** The Company shall specify by notice given to the persons acquiring Compulsory Transfer Shares pursuant to this Article 17 and the Compulsory Seller, a time and place for completion of the sale and purchase of the Compulsory Transfer Shares. Where the Company does not give a notice under Article 17.5(b) indicating its intention to purchase Compulsory Transfer Shares, completion shall take place not less than three and not more

than 14 days after the date on which the final notice is received by the Company under Article 17.5. If the Company gives notice under Article 17.5(b) indicating its intention to purchase Compulsory Transfer Shares, then:

- (a) where some or all of the Compulsory Transfer Shares are being acquired by the Company under a Buy-back Agreement, completion of the sale and purchase of the Buy-back Shares and any Compulsory Transfer Shares to be sold pursuant to acceptances received under Articles 17.5 and/or 17.5(a), shall take place at the same time, where appropriate in accordance with the provisions of the Buy-back Agreement, but in any event on a date not later than seven days after the long-stop date specified in the directors' notice pursuant to Article 17.7(d); or
- (b) where any notice given by the Company under Article 17.5(b) is automatically revoked in accordance with Article 17.7, completion of the sale and purchase of all of the Compulsory Transfer Shares to be sold pursuant to acceptances received under Articles 17.5 and/or 17.5(a), shall take place on the date falling not less than three and not more than 14 days after the date of the Company's notice under Article 17.7 informing shareholders of such revocation,

when:

- (c) each person acquiring Compulsory Transfer Shares shall pay the Compulsory Seller in cash the purchase price for the shares bought by that person; and
- (d) the Compulsory Seller shall deliver to each person acquiring Compulsory Transfer Shares, a transfer in respect of the shares bought by it, duly executed in its favour by the Compulsory Seller, together with the certificate(s) for the shares being sold or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors.

**17.13** If the Compulsory Seller does not, (where relevant) execute and deliver the Buy-back Agreement in accordance with any procedure or timetable determined by the directors under Article 17.10 and/or, execute and deliver the transfers in accordance with Article 17.12 and/or deliver the certificate(s) for the Compulsory Transfer Shares (or an indemnity in lieu of those certificate(s) in accordance with Article 17.12), then any director shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute, (where relevant) the Buy-back Agreement and/or the necessary transfer(s) on behalf of the Compulsory Seller and, against receipt by the Company on trust for the Compulsory Seller of the consideration payable for the Compulsory Transfer Shares, deliver (where relevant) the Buy-back Agreement, those transfer(s) and certificate(s) (or indemnities) to the Company and the relevant purchaser (as appropriate). Following receipt by the Company of the consideration payable for the Compulsory Transfer Shares, the Company shall (subject to the payment of any stamp duty) cause the relevant purchaser(s) (other than the Company itself where the sale of shares is pursuant to a Buy-back Agreement) to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person. Sections 982(2), (3), (4), (5), (7) and (9) Companies Act 2006 shall apply mutatis mutandis in relation to any consideration held on trust in accordance with this Article 17.13.

**17.14** Subject to the provisions of Article 17.15 the Compulsory Transfer Shares shall be subject to the restrictions set out in section 454 Companies Act 1985, until sold under this Article 17 or otherwise agreed by the directors.

**17.15** In the event that a sale process pursuant to Article 13 or 15.1 is underway and a Compulsory Transfer Event occurs in relation to any shareholder then (without prejudice to the obligations of the Compulsory Seller to give notice of that Compulsory Transfer Event to the directors pursuant to Article 17.2) this Article 17 shall not apply and the sale process underway pursuant to Article 13 or 15.1 (as appropriate) shall continue in accordance with the provisions of that Article. If following the conclusion of such sale process (including

without limitation the completion of the sale and purchase of the last of the shares to be bought and sold pursuant to such Article or the lapse of such process in accordance with the terms of Article 13 or 15.1 or otherwise the termination of such process with the consent of the shareholders of the Company) the relevant Compulsory Seller still holds or is entitled to shares by reason of a transmission, then the provisions of this Article 17 shall then apply in relation to those shares save that the time period within which any director shall be entitled to serve a Compulsory Transfer Notice on behalf of such Compulsory Seller pursuant to Article 17.3 shall be the later of: (a) the time period set out in Article 17.3; and (b) 30 days following the date on which the sale process pursuant to Article 13 or 15.1 as appropriate has concluded.

## **18 VALUATION**

**18.1** Where these Articles provide for a valuation to be determined (save as provided in Article 14) by a firm of accountants who are to be appointed by the Company under these Articles within a specified period of time:

- (a) the Company shall appoint an independent firm of chartered accountants (which may be the Company's auditors if they are able and willing to act) and determine their terms of engagement within the specified period of time; or
- (b) if no such firm is appointed (and their terms of engagement agreed) within the period of time specified (or if no period of time is specified, within one month of the date on which the requirement for such an appointment arose), a firm of chartered accountants shall be nominated on the application of any director or shareholder by the President for the time being of the Institute of Chartered Accountants in England and Wales and the Company shall appoint such firm. In the event that the Company fails to agree and sign terms of engagement with any firm so nominated within five working days after the date on which such nomination is made, or terms are received by the Company (if later) any director or shareholder shall be entitled to enter into such terms of engagement on behalf of the Company and the appointment of that firm on such terms shall be binding on the Company and all the shareholders and shall not be challenged by the Company or any shareholder.

**18.2** The Company shall use all reasonable efforts to ensure that the valuation is determined (or any other calculations are made such as, for example, in relation to any relevant Annual Accounts) by the Accountants as quickly as possible. The Accountants shall act as experts and not as arbitrators, shall not be obliged to give reasons for their valuations (or calculations) and their certificate shall, save in the case of manifest error or fraud, be final and binding on the Company and all shareholders, including (for the avoidance of doubt but without limitation) in the circumstances where pursuant to Article 18.1 any director or shareholder has signed that firm's terms of engagement on behalf of the Company. The Accountants' costs for any determination (or calculations) shall be borne by the Company and thereafter the costs for such determination shall be borne equally by the parties who require the valuation (or calculations). The Company shall ensure that a notice containing details of any determination under this Article 18 is promptly given to each shareholder.

## **19 SHARES: TAG RIGHTS**

**19.1** If:

- (a) the A Shareholder(s) wish to transfer the beneficial (or the legal and beneficial) interest in all or some of the A Shares to any person not being a member of the Parent Company Group; and
- (b) that transfer would result in the transferee ("**Proposed Transferee**") and any person with whom he is acting in concert together holding a beneficial interest in shares then representing greater than 50% of the voting rights attaching to the then issued share capital

of the Company, then the A Shareholder(s) shall notify the Company of the intended transfer. That notice ("**Prospective Seller's Notice**") shall set out:

- (i) the fact that the A Shareholder(s) intend to transfer the relevant number of A Shares held by them and the relevant purchase price per share;
- (ii) the identity of the Proposed Transferee;
- (iii) details of any conditions to which the transfer is subject;
- (iv) the date on which the transfer is proposed to be made;
- (v) the amount which would be payable to each B Shareholder for his B Shares on a Exit Event on the assumption that if all the B Shareholders were to sell their B Shares to the Proposed Transferee (being the Put Option Consideration calculated with effect from the date of the notice); and
- (vi) whether the A Shareholders intend to exercise their rights under Article 20.4.

**19.2** The Prospective Seller's Notice shall be accompanied by an irrevocable offer by the Proposed Transferee, complying with the requirements set out below in this Article 19 ("**Tag-along Offer**") to buy all of the B Shares held by each B Shareholder.

**19.3** The Tag-along Offer shall be expressed to be capable of acceptance by notice given to the Company, shall remain open for acceptance for not less than 14 days after the date of the Prospective Seller's Notice and shall provide for the sale and purchase of any B Shares to which it relates to be completed (and for the purchase price of the B Shares to be paid in full) at the same time as completion of the purchase of the A Shares held on the date of the Prospective Seller's Notice by the A Shareholder(s), which may not be earlier than the first working day falling not less than two working days after the end of the period during which the Tag-along Offer is open for acceptance.

**19.4** The Tag-along Offer may not require any B Shareholder to give any warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) in respect of the number of B Shares to be transferred by the B Shareholder in question other than a covenant as to title and the aggregate liability of each B Shareholder under any warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) it may give shall be limited to the consideration payable by the Proposed Transferee to that B Shareholder for such B Shares.

**19.5** The Company shall (within three working days of receipt) send a copy of the Prospective Seller's Notice and a copy of the Tag-along Offer to each B Shareholder, and each B Shareholder may, within the period during which the Tag-along Offer remains open for acceptance, notify the Company that it wishes to accept that offer. If any notice accepting the offer is so given to the Company by any B Shareholder, at the time set in the Tag-along Offer for the completion of the sale and purchase of the shares, the B Shareholder(s) in question shall each deliver to the Company a duly executed transfer in respect of the relevant B Shares together with the certificate in respect of those shares (or an indemnity in lieu of any such certificate in such form as the Company may reasonably require) and the Prospective Transferee shall deliver to the Company the purchase monies due in respect of those B Shares (which the Company shall hold on trust for the relevant B Shareholder(s)).

**19.6** If the Proposed Transferee does not, at the time set in the Tag-along Offer for completion of the sale and purchase of the shares, pay the consideration for the relevant number of B Shares in respect of which notice has been received from a B Shareholder under Article 19.5, other than by reason of any failure by that B Shareholder to discharge its obligations in relation to the completion of the sale and purchase of the relevant B Shares, no A

Shareholder may sell any of the A Shares registered in its name to the Proposed Transferee. The directors shall refuse to register any transfer prohibited by this Article 19.6.

## **20 DRAG ALONG**

- 20.1** If, following an Enforcement Event, a bona fide offer is made by any third party (the "Offeror") for shares and such offer is conditional upon all of the issued shares being sold or, if the price to be paid for the shares will be increased if all of the shares are sold and acceptances are given by holders of shares (the "accepting shareholders") which in aggregate confer 50 per cent or more of the voting rights exercisable at general meetings of the Company the accepting shareholders may require by written notice all of the holders of B Shares (the "non-accepting shareholders") to accept the offer, in each case on terms that each non-accepting shareholder shall be entitled to receive for his holding of B Shares a consideration of £1.00 (one pound).
- 20.2** Within 5 working days of receiving the notice from the accepting shareholders referred to in this Article, the non-accepting shareholders must agree to sell all of their B Shares (the "Drag Along Shares") to the Offeror. If any non-accepting shareholder refuses to transfer such Drag Along Shares within the five Business Day period then, with effect from the date of termination of the five working day period, each accepting shareholder shall be entitled to act as such non-accepting shareholder's agent to transfer the Drag Along Shares held by such non-accepting shareholder on his or its behalf to the Offeror on the terms of the offer. Such agent shall be entitled to execute any necessary documentation on behalf of the non-accepting shareholder for the purposes of such transfer.
- 20.3** For the purposes of this Article 20, "Enforcement Event" shall mean the enforcement of any security by a chargee or mortgagee by an Institutional Lender over shares which in aggregate confer 50 per cent. or more of the voting rights exercisable at the general meeting of the Company.
- 20.4** In the event any B Shareholder does not accept an offer made under Article 19, within 5 working days of issue of the Prospective Seller's Notice the B Shareholders may be required by written notice from the A Shareholders to accept the terms of the Tag Along Offer. If any non-accepting shareholder refuses to transfer such Drag Along Shares within the five working day period then, with effect from the date of termination of the five working day period, each accepting shareholder shall be entitled to act as such non-accepting shareholder's agent to transfer the Drag Along Shares held by such non-accepting shareholder on his or its behalf to the Proposed Transferee (as defined in Article 19) on the terms of the offer.

## **21 DIVIDENDS AND OTHER DISTRIBUTIONS**

### **21.1 Procedure for declaring dividends**

- (a) The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (b) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights and complies with Article 12.2. Unless the shareholders' resolution to declare or the directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it. Any shares held by the Company as treasury shares shall be ignored for the purposes of calculating each shareholder's entitlement to any dividend or distribution.

The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

## **21.2 Payment of dividends and other distributions**

- (a) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
  - (i) transfer to a bank or building society account specified by the Distribution Recipient either in writing or as the directors may otherwise decide; or
  - (ii) sending a cheque made payable to the Distribution Recipient by post (in accordance with Article 29.4) to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is the shareholder of the share), or (in any other case) to an address specified by the Distribution Recipient in writing or (where no such address has been specified) as the directors may otherwise decide.
- (b) In this Article 20, "**Distribution Recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
  - (i) the shareholder of the share (ignoring for these purposes the Company as holder of any treasury share); or
  - (ii) if the share has two or more joint shareholders, whichever of them is named first in the register of members; or
- (c) if the shareholder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree.

## **21.3 No interest on distributions**

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued, or the provisions of another agreement between the shareholder of that share and the Company.

## **21.4 Unclaimed distributions**

- (a) All dividends or other sums which are payable in respect of shares and which are unclaimed after having been declared or becoming payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- (b) If twelve years have passed from the date on which a dividend or other sum became due for payment and the Distribution Recipient has not claimed it, the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

## **21.5 Non-cash distributions**

- (a) Subject to the terms of issue of the share in question, the Company may, by ordinary resolution, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- (b) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including (where any difficulty arises regarding the distribution) fixing the value of any assets, paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of Distribution Recipients, and vesting any assets in trustees.

## **21.6 Waiver of distributions**

Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect prior to the declaration of a dividend by a general meeting, or the payment of an interim dividend decided on by the directors, but if the share has more than one shareholder, or more than one person is entitled to the share whether by reason of the death or bankruptcy of one or more joint shareholders or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the shareholders or persons otherwise entitled to the share.

## **22 CAPITALISATION OF PROFITS**

**22.1** Subject to these Articles, the directors may, if they are so authorised by an ordinary resolution:

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise ("**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend ("**persons entitled**") and in the same proportions.

**22.2** Capitalised sums must be applied on behalf of the persons entitled, and in the same proportions as a dividend would have been distributed to them.

**22.3** Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

**22.4** A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

**22.5** Subject to these Articles the directors may:

- (a) apply capitalised sums in accordance with Articles 22.3 and 22.4 partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments or ignoring fractions altogether); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

## **23 GENERAL MEETINGS: ORGANISATION**

### **23.1 Attendance and speaking at general meetings**

- (a) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate orally to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (b) A person is able to exercise the right to vote at a general meeting when:



- (i) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (ii) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (c) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
  - (d) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
  - (e) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them. Such a meeting shall be deemed to take place where the largest group of those persons are assembled or, if there is no such group, where the chairman of the meeting is located.

#### **23.2 Quorum for general meetings**

The quorum required at general meetings shall be any qualifying person or qualifying persons (including one holder of A Shares and one holder of B Shares) present at the meeting. The quorum required at adjourned meetings shall be any qualifying person or qualifying persons (including one holder of A Shares) present at the meeting. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting or an adjourned meeting if the persons attending it do not constitute a quorum. For the purposes of this Article 23.2 a "qualifying person" means (a) an individual who is a shareholder of the Company; (b) a person authorised to act as the representative of a corporation who is a shareholder (ignoring for these purposes the Company as the holder of any treasury shares) in relation to the meeting; or (c) a person appointed as proxy of a shareholder (ignoring for these purposes the Company as the holder of any treasury shares) in relation to the meeting.

#### **23.3 Attendance and speaking by directors and non-shareholders**

Unless the shareholder(s) holding shares representing a majority of the voting rights attaching to the issued share capital of the Company resolve otherwise in relation to a particular meeting directors may attend and speak at general meetings, whether or not they are shareholders.

#### **23.4 Notice deemed received**

A shareholder present either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where relevant, of the purposes for which it was called.

#### **23.5 Adjournment**

- (a) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn the meeting. The chairman of the meeting must also adjourn a general meeting if directed to do so by a meeting at which a quorum is present.
- (b) The chairman of the meeting may adjourn a general meeting at which a quorum is present if the meeting consents to an adjournment, or it appears to the chairman of the meeting that

an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.

- (c) When adjourning a general meeting, the chairman of the meeting must either specify the time and place to which it is adjourned (which shall be the time and place (if any) specified at the meeting by shareholder(s) holding a majority of the voting rights attached to the issued share capital of the Company excluding the voting rights attached to any shares held by the Company as treasury shares) or (if no such time and place are so stated by the shareholders) state that it is to continue at a time and place to be fixed by the directors.
- (d) Save where: (a) the adjournment is of a temporary nature lasting not more than half an hour; (b) the adjourned meeting is to be held in the same place as the original meeting; and (c) the chairman announces whilst a quorum is present the time at which the adjourned meeting shall start; at least 5 clear days' notice shall be given of every adjourned meeting. Such notice shall be given to the same persons to whom notice of the Company's general meetings is required to be given and shall specify the time and place of the meeting and the general nature of the business to be conducted. No further notice of an adjourned meeting is required.
- (e) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **24 GENERAL MEETINGS: VOTING**

### **24.1 Voting: General**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

### **24.2 Content of proxy notices**

- (a) Proxies may only validly be appointed by a notice in writing ("**Proxy Notice**") which:
  - (i) states the name and address of the shareholder appointing the proxy;
  - (ii) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - (iii) where the proxy is not entitled to exercise the rights attaching to all of the shares held by that shareholder, identifies the number of shares in relation to which the proxy is entitled to exercise such rights;
  - (iv) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (v) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate,and only one proxy may be appointed in any Proxy Notice and a shareholder wishing to appoint more than one proxy must use a separate Proxy Notice for each appointment.
- (b) The directors may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes. Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions or may give the proxy discretion as to how to vote on one or more resolutions.
- (c) Unless a Proxy Notice indicates otherwise, it must be treated as:

- (i) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting;
- (ii) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself; and
- (iii) allowing the person appointed under it as a proxy to exercise the rights attaching to all of the shares held by the shareholder appointing that person as a proxy and no person shall be entitled to challenge the validity of the exercise by such proxy of all those rights.

#### **24.3 Delivery of proxy notices**

- (a) A Proxy Notice and any authority under which it is signed or otherwise authenticated in such a manner as the directors may determine (or a copy of such authority or other authentication certified notarially or by a solicitor or in some other way approved by the directors) may:

- (i) in the case of a Proxy Notice in hard copy form, be deposited at the registered office (or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any form of proxy sent out by the Company in relation to the meeting) at any time before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or
- (ii) in the case of a Proxy Notice sent by electronic means where an address has been given by the Company:

- (A) in the notice calling the meeting; or
- (B) in any form of proxy sent out by the Company in relation to the meeting; or
- (C) in any invitation to appoint a proxy issued by the Company in relation to the meeting,

be received at that address (subject to any conditions or limitations specified in the notice) at any time before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

- (iii) in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll,

and a Proxy Notice which is not deposited, delivered or received in a manner so permitted shall be invalid. Any valid Proxy Notice shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting. In this Article 24.3, "address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.

- (b) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- (c) An appointment under a Proxy Notice may be revoked by delivering to the Company at the registered office or at any other place or address specified by the Company pursuant to Article 24.3(a) in relation to the delivery of Proxy Notices for the particular meeting concerned, a notice of revocation of authority in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.

- (d) A notice revoking a proxy appointment or the authority of a person authorised by a corporation pursuant to section 323(1) Companies Act 2006, only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates or (in the case of a poll taken after the date of the meeting or adjourned meeting at which the poll was demanded) before the time appointed for taking the poll to which it relates.
- (e) Subject to Article 24.3(d), the provisions of sections 330(1) to (4) inclusive Companies Act 2006 shall apply mutatis mutandis to any termination of the authority of a person authorised by a corporation pursuant to section 323(1) Companies Act 2006.
- (f) If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **25 COMPANY SECRETARY**

The Company shall not be required to have a secretary, but may choose to have one. Any Company Secretary shall be appointed by the directors for such term and at such remuneration and upon such conditions as they think fit, and any Company Secretary so appointed may be removed by them.

## **26 AUTHENTICATION**

Any director or the Company Secretary or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company, any resolutions of the Company or decisions of the directors or any committee of the directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies of, or extracts from, them as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the directors or any committee of the directors which is certified in accordance with this Article shall be conclusive evidence in favour of a person dealing with the Company upon the faith of that document that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## **27 COMPANY SEALS**

- 27.1** Any common seal may only be used by the authority of the directors and the directors may decide by what means and in what form any common seal is to be used.
- 27.2** Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature. For the purposes of this Article, an authorised person is:
  - (a) any director of the Company;
  - (b) the Company Secretary (if any); or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **28 RIGHT TO INSPECT ACCOUNT AND OTHER RECORDS**

In addition to the statutory information rights, each A Director and B Director shall be entitled to share with the shareholders who appoint him all information relevant to a valuation of the Company or calculation of the Put Option Consideration.

## **29 NOTICES AND COMMUNICATIONS**

- 29.1** Except as otherwise provided in these Articles and subject to Article 29.4, any document or information to be given, sent or supplied under these Articles by the Company shall be given, sent or supplied in any way in which the Company may send or supply documents or information generally to the intended recipient under schedule 5 of the Companies Act 2006 (which may include, without limitation, in hard copy form, in electronic form or by making it available on a website) subject to, and in accordance with, the requirements of that schedule.
- 29.2** Except as otherwise provided in these Articles and subject to Article 29.4, any document or information to be given, sent or supplied under these Articles to the Company shall be given, sent or supplied in English and otherwise in any way in which documents or information generally may be sent or supplied by the sender to the Company under schedule 5 of the Companies Act 2006 (where the sender is a body corporate) or schedule 4 of the Companies Act 2006 (in all other cases) subject to, and in accordance with, the requirements of schedule 4 or schedule 5 of the Companies Act 2006, as applicable.
- 29.3** Articles 29.1 and 29.2 shall apply whether the document or information is authorised or required to be sent or supplied by the Companies Acts or otherwise. References in this Article 29 to documents or information being given, sent or supplied by or to the Company include references to documents or information being given, sent or supplied by or to the directors of the Company acting on the Company's behalf.
- 29.4** Articles 29.1 and 29.2 shall apply as if schedules 4 and 5 of the Companies Act 2006 required documents and information sent by post to be sent by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail.
- 29.5** In the case of joint shareholders of a share, all notices, documents and information shall be given to the joint shareholder whose name stands first in the register of members in respect of the joint shareholding and any notices, documents and information so given shall be sufficiently given to all the joint shareholders. A shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices, documents or information may be given to him, or an address to which notices, documents or information may be sent by electronic means, shall be entitled to have such notices, documents or information given to him at that address.
- 29.6** Proof that an envelope containing a notice, document or information was properly addressed, prepaid first class and posted shall be conclusive evidence that the notice, document or information was given. Proof that a notice, document or information sent by electronic means was sent or given in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice, document or information was sent or given. The board may require authentication of any document or information given, sent or supplied to the Company in electronic form in such manner as it may determine.
- 29.7** Section 1147 of the Companies Act 2006 shall not apply to documents or information sent by or to the Company for the purposes of the Companies Acts or these Articles.
- 29.8** In this Article 29, "address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.
- 29.9** Nothing in these Articles shall affect any legal requirement that any particular notice or other document be served in any particular manner.

## **30 INDEMNITIES AND FUNDING OF PROCEEDINGS**

- 30.1** Subject to the provisions of and so far as may be consistent with the Companies Act 2006:

- (a) the directors may exercise all the powers of the Company to indemnify any person who is, or was at any time a director of the Company or any of its associated companies, against all liabilities incurred by or attaching to him in connection with his duties, powers or office in relation to any such company of which he is or was a director, to the fullest extent permitted by law;
  - (b) where the Company or any of its associated companies is or was at any time a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act 2006 as amended, modified or re-enacted from time to time), the directors may exercise all the powers of the Company to indemnify any person who is or was at any time a director of that company against all liabilities incurred by him in connection with that company's activities as trustee of the occupational pension scheme, to the fullest extent permitted by law; and
  - (c) the directors may exercise all the powers of the Company to provide any director of the Company or of its holding company with funds to meet expenditure incurred or to be incurred by him of the kind referred to in sections 205(1)(a) and 206(a) Companies Act 2006 as amended, modified or re-enacted from time to time and otherwise take any action to enable any such director to avoid incurring such expenditure, to the fullest extent permitted by law;
- 30.2** In Article 30.1, the term "**associated company**" has the meaning given in section 256(b) Companies Act 2006 as amended, modified or re-enacted from time to time.

## **31 INSURANCE**

- 31.1** Without prejudice to Article 30, the directors may exercise all the powers of the Company to purchase and maintain insurance for, or for the benefit of, any person who is or was at any time:
- (a) a director of any Relevant Company; or
  - (b) a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of any Relevant Company or of any employees' share scheme in which employees of any such Relevant Company are interested,
- including (without limitation) insurance against any liability referred to in Article 30 attaching to him in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme.
- 31.2** In Article 31.1, "**Relevant Company**" means the Company or any other undertaking which is or was at any time:
- (a) the holding company of the Company; or
  - (b) a subsidiary of the Company or of such holding company; or
  - (c) a company in which the Company has an interest (whether direct or indirect).