

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION
of
ORIENT ESTATES LIMITED
(the "Company")

WEDNESDAY



Circulation Date: 17 December 2019

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "**2006 Act**"), the directors of the Company propose that the following resolution be passed as a special resolution (the "**Resolution**").

SPECIAL RESOLUTION

THAT, the draft articles of association attached to these Resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolution.

We, the undersigned, being the persons entitled to vote on the Resolution on the date of circulation, hereby unanimously and irrevocably agree to the Resolution.

SIGNED for and on behalf of **EVERSLEIGH INVESTMENT & PROPERTY CO LTD:**

)
)

SIGNED for and on behalf of **KING PROPERTIES COMPANY LTD:**

)
)

SIGNED for and on behalf of **FHC INVESTMENTS LIMITED:**

)
)

SIGNED for and on behalf of **KIMPTON PROPERTIES LIMITED:**

)
)

Passed on:

17 December 2019

NOTES

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it using one of the following methods:
 - By hand: to William Nash at Charles Russell Speechlys LLP at 5 Fleet Place, London EC4M 7RD;
 - By post: to William Nash at Charles Russell Speechlys LLP at 5 Fleet Place, London EC4M 7RD; and
 - By e-mail: to William Nash at william.nash@crsblaw.com.
2. If you do not agree to the Resolution, you do not need to do anything. You will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to a Resolution, you may not revoke your agreement.
4. If your agreement to pass the Resolution is not given by the end of 28 days beginning with the circulation date stated on page 1, the Resolution will lapse. If you agree to this Resolution, please ensure that your agreement reaches us before or during this date.

ORIENT ESTATES LIMITED

(Company Number: 05748897)

ARTICLES OF ASSOCIATION

adopted by special resolution on ~~17 DECEMBER~~ 2019

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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
ORIENT ESTATES LIMITED

Adopted by Special Resolution passed on 17 DECEMBER 2019

1 PRELIMINARY

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.3 Articles 8, 9, 11(2), 12, 13, 14, 16, 18, 19, 22(2), 26(5), 28, 29, 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company.

2 INTERPRETATION

- 2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

Act	means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;
Adoption Date	means the date of adoption of these Articles;
Affiliate	means in respect of any Shareholder, a person that directly, or indirectly, is Controlled by, or under common Control with, any Shareholder or a Privileged Relation, and whose shareholders or persons having any interests shall be a Shareholder or their Privileged Relations;
these Articles	means these articles of association whether as originally adopted or as from

	time to time altered by special resolution;
Asset Sale	means the sale or transfer of the Property and/or the whole or substantially the whole of the undertaking or assets of the Company;
Associate	in relation to any person means any person who is an associate of such person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986;
Auditors	means the auditors of the Company from time to time (if any);
Board	means the board of Directors of the Company as constituted from time to time;
Business Day	means any day (other than a Saturday, Sunday or a bank or public holiday in England);
Capital Event	means a Share Sale, Asset Sale or a winding up or other return of capital;
Control	means the possession directly or in directly or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract, as a trustee or executor, or otherwise, and " Controlled " shall be construed accordingly;
Controlling Interest	means an interest in shares giving to the holder or holders control of the Company within the meaning of section 450 of the Corporation Tax Act 2010;
Director(s)	means a director or the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company;
Expert	has the meaning given in Article 8.2;
Fair Price	Is determined in accordance with Article 8;

Family Trust

a trust, whether arising under:

- (a) a settlement inter vivos; or
- (b) a testamentary disposition made by any person; or
- (c) intestacy,

in respect of which no beneficial interest in shares is for the time being vested in any person other than a Shareholder or a Privileged Relation and no power of control over the voting powers conferred by those shares is for the time being exercisable by or subject to the consent of any person other than the trustees of that trust or a Shareholder or a Privileged Relation;

Gross Asset Value

the total value of the assets of the Company (including, without limitation, the Property and any other property, which shall be assessed on the basis of the Open Market Value of such property), as determined in accordance with the accounting principles adopted by the Directors;

Group

the Company and its subsidiary undertakings from time to time and references to a member of the Group or a Group Member or Group Company will be construed accordingly;

Holding Company

has the meaning set out in section 1159 of the Act;

Net Asset Value

the Gross Asset Value less the Company's liabilities (including accrued but unpaid fees and accrued but unpaid tax) determined by the Directors in their absolute discretion in accordance with the accounting principles adopted by the directors from time to time, taking into account the provisions of Article 8.4;

Net Proceeds

means:

- (i) on a Share Sale the aggregate

consideration payable (including any deferred or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares pursuant to the Share Sale less any fees, costs and expenses payable in respect of such Share Sale; or

(ii) on an Asset Sale the aggregate consideration payable (including any deferred or contingent consideration) whether in cash or otherwise to the Company, less any fees, costs and expenses payable in respect of such Asset Sale where such fees, costs and expenses have been approved by the Board and less all tax arising in or attributable to the Company in connection with such Asset Sale; or

(iii) on a return of capital on a winding-up or liquidation or otherwise, an amount equal to the surplus assets of the Company remaining after payment of all of its liabilities and the fees, costs and expenses of such return of capital;

New Securities

means any shares or other securities convertible into, or carrying the right to subscribe for such shares, issued by the Company after the Adoption Date;

Office

means the registered office of the Company;

Open Market Value

the value of the Property assessed in accordance with paragraph 4 of VPS 4 of the RICS Valuation – Global Standards 2017;

Ordinary Shares

means the ordinary shares of £1.00 each in the capital of the Company;

Permitted Transferee

means in relation to any Shareholder:

- (a) any Member of the same Group; or
- (b) any Affiliate of that Shareholder; or

- (c) a Privileged Relation;
- (d) in relation to any Shareholder, with the prior written consent of the holders of at least 70 per cent of the Shares;

Privileged Relation

in relation to Shareholder:

- (a) the husband or wife or civil partner or the widower or widow or surviving civil partner (who has not entered into another civil partnership) of that individual;
- (b) all the lineal descendants in direct line of that individual; or

- (c) a Family Trust,

of the ultimate beneficial owner(s) of that Shareholder, and for these purposes a step-child of any individual will be deemed to be his or her lineal descendant;

Property

means the freehold land and buildings known as 164 Great North Road Hatfield and registered at the Land Registry under title numbers HD197677 and HD442503, and any other freehold or leasehold land owned by the company from time to time;

Seal

means the common seal of the Company (if any);

Secretary

means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

Shares

means the Ordinary Shares in the capital of the Company subsequently created or issued and "**Share**" shall be construed accordingly;

Share Sale

means the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of

transactions) which will result in the purchaser of such Shares (or grantee of such right) and persons acting in concert (as defined in the City Code on Takeovers and Mergers)) with such purchaser gaining a Controlling Interest in the Company;

Shareholders

means the holders of Shares from time to time and “**Shareholder**” shall be construed accordingly;

Subsidiary

has the meaning set out in section 1159 of the Act;

Transfer Notice

has the meaning set out in Article 7.2; and

United Kingdom

Great Britain and Northern Ireland.

2.2 Unless the context otherwise requires, words or expressions contained in these Articles and the Model Articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles become binding on the Company.

2.3 The objects of the Company are unlimited.

2.4 The Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.

3 ISSUES OF NEW SECURITIES

3.1 Subject to Article 3.6, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all Shareholders (the “**Subscribers**”) on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of Shares held by those holders (as nearly as may be without involving fractions). The offer:

3.1.1 shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the “**Subscription Period**”) and give details of the number and subscription price of the New Securities; and

3.1.2 may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.

3.2 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities proposed, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a *pro rata* basis

to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).

- 3.3 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities proposed, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be allotted to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- 3.4 Subject to the requirements of Articles 3.1 to 3.3 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 3.5 The Subscribers may direct that all or any number of the New Securities to be allotted to them in accordance with Articles 3.2, 3.3 or 3.4 are to be allotted to any Permitted Transferee of that Subscriber.
- 3.6 The provisions of Articles 3.1 to 3.4 shall not apply to:
- 3.6.1 shares issued as a result of or in connection with any matter pursuant to Article 36 of the Model Articles; or
- 3.6.2 any issue of New Securities which has been approved by the holders of not less than 70 per cent of the Ordinary Shares.
- 3.7 In accordance with section 567(1) of the Act, sections 561, 562 and 568(3) of the Act shall not apply to the Company.

4 SHARE RIGHTS

The Ordinary Shares shall have the following rights and be subject to the following restrictions:

4.1 Dividends

Amounts distributed (in cash or in specie) by the Company in or in respect of any financial year shall be apportioned amongst the holders of the Ordinary Shares in proportion to the numbers of Ordinary Shares held by them respectively immediately prior to the time of the relevant distribution.

4.2 Capital Event

On any Capital Event the Net Proceeds shall, and the Company and the Shareholders shall procure that such Net Proceeds shall, be allocated between or distributed to the Shareholders pro rata to the number of Ordinary Shares respectively held by them.

4.3 Voting

Each Ordinary Share will entitle its holder to receive notice of or attend, vote or speak at any general meeting of the Company and to receive a copy of and agree to a proposed written resolution as if each such Share carried one vote per Share.

5 TRANSFER OF SHARES - GENERAL

- 5.1 In Articles 5 to 10 inclusive, reference to the “**transfer**” of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 5.2 No Share may be transferred unless the transfer is made in accordance with these Articles. Any other transfer shall be void.
- 5.3 Any transfer of a Share by way of sale which is required to be made under Articles 9 and 10 will be deemed to include a warranty that the transferor sells with full title guarantee.
- 5.4 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 5.4 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 5.5 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

5.5.1 the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:

- (a) to vote whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company; or
- (b) to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares; and

5.5.2 the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in Article 5.5.1 above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in Article 5.5.2 above.

5.6 In any case where the Board may require a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:

5.6.1 the Fair Price for the Sale Shares will be as agreed in accordance with Article 8;

5.6.2 it does not include a Minimum Transfer Condition (as defined in Article 7.2.4; and

5.6.3 the Seller wishes to transfer all of the Shares held by it.

6 PERMITTED TRANSFERS

6.1 A Shareholder (the “**Original Shareholder**”) may transfer all or any of his or its Ordinary Shares to a Permitted Transferee without restriction as to price or otherwise.

6.2 Shares previously transferred as permitted by Article 6.1 may be transferred by the transferee to the Original Shareholder or any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

6.3 On the bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within fifteen Business Days after the date of the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to

any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within fifteen Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice pursuant to clause 7.2.

7 TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

7.1 Save where the provisions of Articles 6, 9, or 10 apply, any transfer of Ordinary Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 7.

7.2 A Shareholder who wishes to transfer Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:

7.2.1 the number and class of Shares which he wishes to transfer (the "**Sale Shares**");

7.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

7.2.3 the price (in cash) at which the Seller wishes to sell the Sale Shares; and

7.2.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").

The price payable for the Sale Shares shall be the Fair Price of the Sale Shares as determined in accordance with Article 8.

7.3 Except with Board approval, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

7.4 A Transfer Notice constitutes the Company as the agent of the Seller for the sale of the Sale Shares at the Fair Price.

7.5 As soon as practicable following the later of:

7.5.1 receipt of a Transfer Notice; and

7.5.2 in the case where the Fair Price has not been agreed and such Transfer Notice requires a determination of the Fair Price in accordance with these Articles, the determination of the Fair Price under Article 8,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 7.6 and 7.7. Each offer must be in writing and give details of the number and Fair Price of the Sale Shares offered.

7.6 *The Offer*

7.6.1 As soon as practicable following the receipt of a Transfer Notice (or, in the case where the Fair Price has not been agreed, the determination of the Fair Price under Article 8), the Company shall give notice in writing to each Shareholder other than the Seller (each an "**Eligible Shareholder**"):

- (a) inviting him to apply for the Sale Shares at the Fair Price;
- (b) stating that he will have a period of at least 14 days from the date of the notice in which to apply;
- (c) stating that, the Sale Shares shall be offered to each Eligible Shareholder on a pro rata basis in proportion (as nearly as may be) to his existing holdings of Shares (his "**Proportionate Allocation**"); and
- (d) inviting him to indicate if he is willing to purchase Sale Shares in excess of his Proportionate Allocation ("**Extra Shares**") and, if so, the number of Extra Shares.

7.7 *Completion of transfer of Sale Shares*

7.7.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 7.6 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

7.7.2 On expiry of an offer made in accordance with Article 7.6.1 (or sooner if applications or refusals have been received from all Eligible Shareholders), the Company shall allocate the Sale as follows:

- (a) if the total number of Sale Shares applied for is equal to or less than the number of Sale Shares, each Eligible Shareholder shall be allocated the number applied for by him; or
- (b) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each Eligible Shareholder shall be allocated his Proportionate Allocation or, if less, the number of Sale Shares for which he has applied; and
- (c) applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Shares in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Shares than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all Shares have been allocated; and

- (d) fractional entitlements shall be rounded to the nearest whole number.

7.7.3 The Company shall give written notice of allocation (an "**Allocation Notice**") to the Seller which shall specify the number of Sale Shares to be allocated to each applicant and the place and time (being not less than 7 nor more than 14 days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares

7.7.4 Upon service of an Allocation Notice, the Seller must, against payment of the Fair Price, transfer the Sale Shares in accordance with the requirements specified in it.

7.7.5 If the Seller fails to comply with the provisions of Article 7.7.4:

- (a) one of the Directors, or some other person nominated by a resolution of the Board, may as agent and/or attorney on behalf of the Seller:

- (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the applicants;

- (ii) receive the Fair Price and give a good discharge for it; and

- (iii) (subject to the transfer being duly stamped) enter the applicants in the register of Shareholders as the holders of the Shares purchased by them; and

- (b) the Company shall pay the Fair Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).

7.7.6 If an Allocation Notice does not relate to all the Sale Shares then the Seller may within eight weeks after service of the Allocation Notice, transfer the applicable Sale Shares to any person at a price at least equal to the Fair Price provided that the sale of the applicable Sale Shares shall continue to be subject to any Minimum Transfer Conditions.

8 FAIR PRICE

8.1 Fair Price shall be the price per Share as may be agreed between the Board and the Seller for the purposes of Article 7.

8.2 If no Fair Price is agreed in accordance with Article 8.17.2 between the Seller and the Board within 28 days of service on the Board of a Transfer Notice then, the Board or the Seller shall appoint an independent firm of accountants in accordance with Article 8.3 (the **Expert**). The Fair Price shall be the price which the Expert states in writing to

be, in its opinion, the fair value of each Sale Share as at the date of service or deemed service of the Transfer Notice on a sale as between a willing seller and a willing purchaser.

- 8.3 The Expert will be an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and appointed by the Company.
- 8.4 The “**Fair Price**” of the Sale Shares shall be determined by the Expert on the following assumptions and bases:
- 8.4.1 valuing the Sale Shares as on an arm’s-length sale between a willing seller and a willing buyer;
 - 8.4.2 basing the value of each Share on the Net Asset Value of the Company divided by the number of Shares in issue;
 - 8.4.3 disregarding whether or not the shares represent a minority interest; and
 - 8.4.4 taking no account of whether the shares do or do not carry control of the Company.

In assessing the **Net Asset Value**, the Seller can require that an open market valuation of the Property is undertaken by a qualified external valuer of the Royal Institute of Chartered Surveyors who will be a member with at least 10 years' experience in valuing the type of Property to be valued (the **Valuer**). The Seller shall be responsible for the Valuer's fees if the Property value is equal to or less than the value proposed by the Board and the Expert. If the value provided by the Valuer is greater than the figure proposed by the Board and the Expert, the Company will pay the Valuer's fees.

- 8.5 If any difficulty arises in applying any of these assumptions or bases then the Expert shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 8.6 The Expert shall be requested to determine the Fair Price within 20 Business Days of their appointment and to notify the Board of their determination.
- 8.7 The Expert shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 8.8 The Board will give the Expert access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 8.9 The Expert shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller

may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.

- 8.10 The cost of obtaining the certificate shall be paid by the Company unless the determination of the Expert is equal to or lower than the Fair Price proposed by the Board, in which case the Seller shall bear the cost.

9 **DRAG ALONG**

- 9.1 If the holders of more than 70 per cent of the Shares (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a bona fide third party purchaser who has made an offer on arm's length terms (the "**Proposed Purchaser**"), the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares (the "**Called Shares**") to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 9 ("**Drag Transaction**").
- 9.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company (which the Company shall immediately send to the Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this Article 9, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 9), any terms of the transfer and the proposed date of transfer and the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale ("**Sale Agreement**").
- 9.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 9.4 The consideration for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be equal to or equivalent to that which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser for the Called Shares and the Sellers' Shares were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 4.2 and may be subject to any retention or hold back on the same terms as the Selling Shareholders, provided that the consideration per share shall not be less than the Fair Price ("**Drag Consideration**"). Such consideration shall be satisfied in cash only and not in any form of non-cash consideration.

- 9.5 Within 5 Business Days of the Company serving a Drag Along Notice on the Called Shareholders or by such date as may otherwise be specified in the Drag Along Notice (the “**Drag Completion Date**”), each Called Shareholder shall deliver:
- 9.5.1 duly executed stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct;
 - 9.5.2 the relevant share certificate(s) (or an indemnity for a lost certificate in a form acceptable to the Directors) in respect of their Shares to the Company; and
 - 9.5.3 a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or otherwise specified by the Company,
- (together the “**Drag Documents**”)
- 9.6 Within 5 Business Days of the Drag Completion Date the Company shall pay to each Called Shareholder, on behalf of the Proposed Purchaser, the Drag Consideration they are due to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt of the Drag Consideration shall be a good discharge to the Proposed Purchaser. The Company shall hold the Drag Consideration in trust for the Called Shareholders without any obligation to pay interest.
- 9.7 To the extent that the Proposed Purchaser has not, within 5 Business Days of the Drag Completion Date, put the Company in funds to pay the Drag Consideration, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or an indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 9 in respect of their Shares.
- 9.8 If a Called Shareholder fails to deliver any of the Drag Documents to the Company by the Drag Completion Date, the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and/or attorney to execute and deliver all Drag Documents or any other agreement or document as is necessary to effect the transfer of the Called Shareholder's Shares to the Proposed Purchaser effective upon receipt by the Company of the Drag Consideration. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to Drag Consideration due to him pursuant in respect such Shares.
- 9.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to Article 7.
- 9.10 After a Drag-Along Notice has been served, if any person becomes a member of the Company pursuant to the exercise of a pre-existing option or other rights to acquire

shares (a "**New Shareholder**"), a Drag-Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag-Along Notice and the New Shareholder will be bound to transfer all shares acquired by him to the Proposed Purchaser or as the Proposed Purchaser may direct. The provisions of Articles 9.1 to 9.9 shall apply (with necessary changes) to the New Shareholder, save that if the shares are acquired after the sale of shares by the Called Shareholders has been completed, completion of the sale of the New Shareholder's Shares shall take place immediately on the New Shareholder acquiring the Shares.

10 **TAG ALONG**

- 10.1 The provisions of Article 10.2 will apply if a Shareholder (a "**Proposed Seller**") proposes to transfer any Shares (a "**Proposed Transfer**") which would, if put into effect, result in any person (a "**Proposed Transferee**") together with any persons with whom the Proposed Transferee is acting in concert (as defined by the City Code on Takeovers and Mergers) acquiring a Controlling Interest in the Company.
- 10.2 Subject always to Article 4, a Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Transferee of an offer to the other Shareholders to acquire all of their Shares for a consideration per share the value of which is at least equal or equivalent to the consideration per share offered to the Proposed Seller.
- 10.3 The offer referred to in Article 10.2 must be expressed to be capable of acceptance for a period of not less than fifteen Business Days and if it is accepted by any Shareholder (an "**Accepting Shareholder**") within that period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.

11 **NOTICE OF GENERAL MEETINGS**

- 11.1 A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business.
- 11.2 All business shall be deemed special that is transacted at a general meeting, with the exception of declaring a dividend, the consideration of the profit and loss account, balance sheet, and the reports of the Directors and Auditors (if any), the appointment of, and the fixing of the remuneration of the Auditors (if any) and the giving or renewal of any authority in accordance with section 551 of the Act.
- 11.3 Every notice convening a general meeting shall comply with the provisions of section 325 of the Act as to giving information to Shareholders in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any Shareholder is entitled to receive shall be sent to the Directors and to the auditor for the time being of the Company.

12 PROCEEDINGS AT GENERAL MEETINGS

No business shall be transacted at any general meeting unless a quorum of Shareholders is present throughout the meeting. A quorum shall consist of at least two Shareholders present in person or by proxy or (in the case of a Shareholder being a corporation) by representative, together holding at least 50 per cent of the Shares, save that if and for so long as the Company has only one person as a Shareholder, one Shareholder present in person or by proxy shall be a quorum.

13 VOTE OF SHAREHOLDERS

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every Shareholder entitled to vote who (being an individual) is present in person or by proxy or (being a corporate body) is present by a representative or proxy shall have one vote and, on a poll, each Shareholder shall have one vote for each Share of which he is the holder.

14 NUMBER OF DIRECTORS

The number of Directors of the Company shall not be less than two.

15 ALTERNATE DIRECTORS

- 15.1 Any Director (other than an alternate director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternative director and may remove from office an alternate director so appointed by him.
- 15.2 An alternate director shall be entitled to receive notice of all meetings of the Directors and of all meetings of committees of the Directors of which his appointer is a member (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him), to attend and vote at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointer as a Director at such meeting in his appointer's absence. An alternate director shall not be entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct.
- 15.3 A Director, may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 15.4 An alternate director shall cease to be an alternate director if his appointor ceases to be a Director.

15.5 Any appointment or removal of an alternate director shall be by notice to the company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

15.6 Save as otherwise provided in these Articles, an alternate director shall be deemed for the purposes specified in Article 15.2 to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

16 APPOINTMENT AND RETIREMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

17 DISQUALIFICATION AND REMOVAL OF DIRECTORS

17.1 Notwithstanding the provisions of Article 16 a person ceases to be a Director as soon as:

17.1.1 that person ceases to be a Director by virtue of any provision of the Act, or these Articles or is prohibited from being a director by law; or

17.1.2 a bankruptcy order is made against that person; or

17.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts; or

17.1.4 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; or

17.1.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or

17.1.6 notification is received by the company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or

17.1.7 he shall for more than six consecutive months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that his office be vacated.

18 DIRECTORS' INTERESTS

18.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the

nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:

- 18.1.1 where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested; or
 - 18.1.2 where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested; or
 - 18.1.3 where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Holding Company of, or a Subsidiary of a Holding Company of, the Company; or
 - 18.1.4 where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested; or
 - 18.1.5 where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested; or
 - 18.1.6 where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this; or
 - 18.1.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 18.1.8 any other interest authorised by ordinary resolution.
- 18.2 In relation to any vote by the Board on the approval or termination of the service agreement of any of the Directors, such vote shall be effective only if the quorum at the meeting at which such vote is taken is met without counting the Director in question (or his alternate as the case may be) and the vote is passed without the Director in question (or his alternate as the case may be) voting, or would have been agreed to if his vote had not been counted.

- 18.3 For the purposes of this Article 18, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.
- 18.4 In any situation permitted by this Article 18 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.
- 18.5 Any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:
- 18.5.1 be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors (excluding the Interested Director) as they see fit from time to time, including, without limitation:
- (a) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
 - (b) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
 - (c) *restricting the application of the provisions in Articles 18.6 and 18.7, so far as is permitted by law, in respect of such Interested Director;*
- 18.5.2 be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and
- 18.5.3 an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 18.
- 18.6 Subject to Article 18.7 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 18), if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- 18.6.1 to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
- 18.6.2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

- 18.7 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 18.6 shall apply only if the conflict arises out of a matter which falls within Article 18.1 or has been authorised under section 175(5)(a) of the Act.
- 18.8 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- 18.8.1 absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
 - 18.8.2 excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information 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.
- 18.9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 18.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
- 18.9.1 falling under Article 18.1.8;
 - 18.9.2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
 - 18.9.3 if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.
- 18.10 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 18.
- 18.11 For the purposes of this Article 18:
- 18.11.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties; and

18.11.2 the provisions of section 252 of the Act shall determine whether a person is connected with a Director; and

18.11.3 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

19 PROCEEDINGS OF DIRECTORS

19.1 The quorum at any meeting of directors (including adjourned meetings) shall be two Directors.

19.2 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless all Directors indicate their willingness to accept shorter notice of a meeting of the Directors, at least 5 Business Days' prior notice of the time and place of each meeting of the Directors shall be given.

19.3 The Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of every meeting of the Directors shall be given to every Director (or alternate director) in accordance with the provisions referred to in Article 19.1 but the non-receipt of notice by any Director shall not of itself invalidate the proceedings at any meeting of the Directors.

19.4 All decisions of the Directors made at any meeting of the Directors (or any committee of the Directors) shall be determined by a majority of votes.

19.5 Decisions of the Board shall be reached by a simple majority of votes or by unanimous written resolution of the Directors.

19.6 A decision of the Directors is taken in accordance with this Article 19.6 when all eligible Directors indicate to each other by any means that they share a common view on a matter:

19.6.1 such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible Director or to which each eligible Director has otherwise indicated agreement in writing;

19.6.2 references in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting; and

19.6.3 a decision may not be taken in accordance with this Article if the eligible Directors would not have formed a quorum at such a meeting.

19.7 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.

20 THE SEAL

If the Company has a Seal it shall only be used with the authority of the Directors or of a committee of the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined every instrument to which the Seal is affixed shall be signed by those persons specified in section 44 (2) of the Act.

21 CAPITALISATION OF PROFITS

The words "special resolution" shall be substituted for the words "ordinary resolution" in Article 36 (1) of the Model Articles.

22 GRATUITIES AND PENSIONS

The Company and the Directors may exercise any powers of the Company to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present Directors or employees (or their dependants) of the Company or any Subsidiary and the Directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

23 NOTICES

23.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- 23.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 23.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 23.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 23.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article 23.1, no account shall be taken of any part of a day that is not a working day.

- 23.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

24 INDEMNITY

- 24.1 Subject to the provisions of the Act every Director (including an alternate director) or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the lawful execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under sections 660 to 661 or section 1157 of the Act in which relief is granted to him by the court, and no Director (including an alternate director) or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the lawful execution of the duties of his office or in relation thereto.
- 24.2 The Directors shall have power to purchase and maintain at the expense of the Company for the benefit of any Director (including an alternate director) or officer of the Company insurance against any liability as is referred to in section 232(2) of the Act and, subject to the provisions of the Act, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, (including as an alternate director) officer.
- 24.3 The Directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any Director (including an alternate director), other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in Article 24.2.

25 TREASURY SHARES

The Company shall be permitted to hold Shares or any units, stocks or securities representative of Shares as treasury shares.