

THE COMPANIES ACTS 1985 - 1989

PRIVATE COMPANY LIMITED BY SHARES

COMPANY NO: 6254195

ARTICLES OF ASSOCIATION

OF

FOX STRATEGIC LAND AND PROPERTY LIMITED

(Adopted by written resolution passed on 7th September 2007 and amended by Special Resolutions dated 5th April 2016 and 13 September 2018)

THURSDAY



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COMPANIES HOUSE

ARTICLES OF ASSOCIATION

- of -

FOX STRATEGIC LAND AND PROPERTY LIMITED ("the Company")

(Adopted by written resolution passed on 7th September 2007 and amended by Special Resolutions dated 5th April 2016 and 13 September 2018)

1 DEFINITIONS AND INTERPRETATION

11 The regulations contained In Table A apply to the Company except to the extent that they are excluded or modified by these Articles, and those regulations (so far as applicable) and the following provisions of these Articles together constitute the Articles of Association of the Company.

1.2 References In these Articles to any Regulation are to the relevant numbered regulation of Table A.

1 3 Table A shall apply as if the words "these regulations" were deleted (wherever appearing) and were replaced by the words "these Articles".

1 4 In these Articles, the following words and expressions have the following meanings•

A Shareholder the holder (or holders) from time to time of A Shares

Bad Leaver a Founder E Shareholder who becomes a Leaver in circumstances where he Is not a Good Leaver

B Shareholder the holder (or holders) from time to time of B Shares

C Shareholder the holder (or holders) from time to time of C Shares

D Shareholder the holder (or holders) from time to time of D Shares

E Shareholder the holder (or holders) from time to time of E Shares

Business Day a day on which banks are open for business in London, other than a Saturday a Sunday or public holiday

company a body corporate, wherever incorporated

Family Trust As regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or (a) Privileged Relation(s) of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an

exercise of power or discretion conferred thereby on any person or persons

Founder Shareholder(s)	any one or more of the Founder A Shareholder, the Founder B Shareholder, the Founder C Shareholder, the Founder D Shareholder and the Founder E Shareholder
Founder A Shareholder	David Gladman, or in the event of his death or in the event that neither he nor any Privileged Relation or Family Trust of his holds any A Shares, the registered holder of the A Shares (or if more than one the holder(s) of a majority of the A Shares)
Founder B Shareholder	Jonathan Shepherd, or in the event of his death or in the event that neither he nor any Privileged Relation or Family Trust of his holds any B Shares, the registered holder of the B Shares (or If more than one the holder(s) of a majority of the B Shares)
Founder C Shareholder	Kevin Edwards, or in the event of his death or in the event that neither he nor any Privileged Relation or Family Trust of his holds any C Shares, the registered holder of the C Shares (or If more than one the holder(s) of a majority of the C Shares)
Founder D Shareholder	Michael Noble, or in the event of his death or in the event that neither he nor any Privileged Relation or Family trust of his holds any D Shares, the registered holder of the D Shares (or if more than one the holder(s) of a majority of the D Shares)
Founder E Shareholder	Geoffrey Lansbury, or in the event of his death or in the event that neither he nor any Privileged Relation or Family Trust of his holds any E Shares, the registered holder of the E Shares (or if more than one the holder(s) of a majority of the E Shares)
Good Leaver	<p>a Founder E Shareholder who becomes a Leaver in the following circumstances:</p> <ul style="list-style-type: none">(a) such Leaver having been made redundant by the Company (within the meaning of the Employment Rights Act 1996)(b) such Leaver becoming a Leaver as a result of death, incapacity through ill health (as evidenced by a certificate from a medical practitioner approved by the Company) or retirement at age 63(c) a court or tribunal of competent jurisdiction having found that the Leaver has been dismissed from his employment in breach thereof or in circumstances amounting to unfair dismissal (other than on procedural grounds only)

Leaver	the Founder E Shareholder who ceases for any reason to be a director or an employee of the Company at any time to the effect that such individual is thereafter neither an employee or director of the Company;
Participating Dividend	means the dividend accruing on the Participating Share(s) which shall accrue (on a daily basis from the date of Issue of such Participating Share(s) until the date of payment) at the Participating Rate;
Participating Rate	means a quarter of one per cent above the interest rate payable by the Company to its bankers in respect of its mainstream bank borrowing (or to the extent that the Company does not have any mainstream bank borrowing at any time shall be 3% over the base rate of RBS plc) less an amount equivalent to mainstream corporation tax on such amount at the rate payable by the Company in the relevant period (and to the extent that it is not paid by 1st September in any year shall compound annually on such September);
Participating Shares	the cumulative participating dividend redeemable shares of £1 each in the Company and to the extent that Participating Shares are issued in more than one tranche for the purposes of calculating the Participating Dividend each tranche shall be identified by the terms of their issue by the date of their issue and "Participating Shares" shall where the context admits mean all tranches of Participating Shares,
Privileged Relation	In relation to an individual member or deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants and ascendants in direct line of such member and the brothers and sisters of such member and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant;
Proceeds	means the aggregate amount of consideration which is attributable or can be reasonably attributed to all Shares in the capital of the Company on a Sale after payment of all Indebtedness of the Company required to be settled on the occurrence of the Sale, redemption of the Participating Shares and payment of all outstanding dividends on any Shares or Participating Shares;
Qualified Majority	such number of directors nominated by the Founder Shareholders pursuant to Article 16.2 that at any time is not less than 75% of any such directors so nominated at such time;
Relevant Agreement	an agreement relating to the management and affairs of the Company which is binding from time to time on the Company and the members or any of them
Relevant Percentage	means the percentage that the D Shares and E Shares in issue are of the A Shares, B Shares, C Shares, D Shares

and E Shares in Issue

Relevant Shares

(so far as the same remain for the time being held by the trustees of any Family Trusts) the shares originally acquired by such trustees and any additional shares issued to such trustees by way of capitalisation or acquired by such trustees in exercise of any right or option granted or arising by virtue of the holding of such shares or any of them or the membership thereby conferred;

Representatives

means the personal representatives of a deceased member

Sale

means:

- (a) the making of an offer to purchase all of the Shares in the Company which is accepted in relation to such percentage of such Shares as, when aggregated with such Shares, if any, already held by the offeror, will result in the offeror acquiring 90% or more of the issued Shares in the Company;
or
- (b) the entering into of one or more agreements which will result in any person other than an existing shareholder acquiring 90% or more of the issued Shares in the Company,

Provided always that a reorganisation of the share capital of the Company whereunder Shares are exchanged for shares in a new company which remains under the control of those persons who were holders of A Shares, B Shares, C Shares, D Shares and E Shares immediately prior to the reorganisation shall not, unless a Qualified Majority otherwise agree, be a Sale

Share

an A Share, B Share, C Share, D Share or E Share, unless otherwise specified

Table A

Table A In the Schedule to the Companies (Tables A to F) Regulations 1985, SI 1985/805, as In force at the date of adoption of these Articles

the Act

the Companies Act 1985 (as amended) including any statutory re-enactment thereof for the time being In force

2 SHARE CAPITAL

2.1 At the date of adoption of these Articles, the authorised share capital of the Company is £[] divided into 51,356 A Ordinary Shares of 1p each ("**A Shares**"), 17,119 B Ordinary Shares of 1p each ("**B Shares**"), 14,525 C Ordinary Shares of 1p each ("**C Shares**"), 8,500 D Ordinary Shares of 1p each ("**D Shares**") and 8,500 E Ordinary Shares of 1p each ("**E Shares**"), 18,600 undesignated ordinary shares of 1p each ("**Undesignated Shares**") and 60,000,000 Participating Shares of £1 each.

2.2 Regulation 2 shall not apply

3 SHARE RIGHTS

The rights attaching to the A Shares, the B Shares, the C Shares, the D Shares, the E Shares and the Participating Shares are as set out as follows -

As to income

- 3 1 There shall accrue on each Participating Share the Participating Dividend which shall become payable in accordance with this Article 3 Notwithstanding the income rights of the Shares in this Article 3 a Qualified Majority may in board meeting at any time in their absolute discretion determine to distribute such additional profit out of the profits available for lawful distribution to the holders of Participating Shares in addition to the Participating Dividend in such amount as they see fit
- 3 2 To the extent that prior to 1st September 2014 the Company (or the Directors as the case may be) determine to distribute profits and subject to Article 3 1 the A Shares, the B Shares, the C Shares, the D Shares and the E Shares shall rank pari passu in all respects and they shall be distributed among the holders thereof according to the number of Shares held and no dividends shall be declared on or fall due on the Participating Shares (without prejudice to the accrual of the Participating Dividend which shall accrue at the Participating Rate from the date of issue thereof) provided always that a Qualified Majority in board meeting may in their discretion determine to pay such amount of the Participating Dividend as they determine on the Participating Shares prior to 1st September 2014 either in addition to or in priority to any dividend declared on the A Shares, B Shares, C Shares, D Shares and E Shares
- 3 3
- 3 3 1 with effect from 1st September 2014 the Company shall, subject only to the availability of profits for lawful distribution and without resolution of the board or the Company and before the application of any available profits to any Shares of any other class of Shares or any other purpose apply the same as follows
- (a) In paying to the holders of Participating Shares the amount of any accrued Participating Dividends due thereon
- (b) In paying to the holders of Participating Shares on 30 April in each year (commencing 30 April 2015) the Participating Dividend accrued for the preceding 12 months (or 8 months in the case of the payment falling due on 30 April 2015)
- 3 3 2 Once all the Participating Dividends have been paid, any available profits remaining that the Company determines to distribute after 4 April 2016 shall be declared on all or any of the A Shares, B Shares, C Shares, D Shares and/or E Shares as the directors may in their discretion determine and distributions made accordingly
- 3 3 3 If the Company is unable to pay the Participating Dividend in full on the due date because there are insufficient available profits, it shall pay the Participating Dividend on that date to the extent that it is lawfully able to do so
- 3 3 4 Unless the Company has insufficient profits available for lawful distribution, the Participating Dividend shall be paid immediately on the due date Such payment shall be made notwithstanding Regulations 102 to Regulation 108 inclusive of Table A or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting

If the Participating Dividend is not paid on the due date, it shall immediately become a debt due by the Company and shall be payable in priority to any other dividend

As to Capital

- 3 4 On a winding up or other repayment of capital (except on a redemption of shares of any class or the purchase by the Company of its own shares) the assets of the Company available for distribution among the members shall be distributed as follows
- 3 4 1 in paying to the holders of the Participating Shares the nominal amount of each such share together with a sum equal to any accrual of Participating Dividend calculated up to and including the date of return of capital,

- 3 4 2 (to the extent the Company has in aggregate since 4 April 2016 determined to distribute any available profits In accordance with articles 3 3 2 in a manner which is not to the A Shares, B Shares, C Shares D Shares and E Shares pari passu as if they were one class of shares according to the number held) in paying to the holders of the A Shares, B Shares, C Shares D Shares and E Shares (as the case may be) such amount as is equal to the shortfall between the amount they would have received if any available profits so distributed in accordance with articles 3 3 2 were distributed to the holders of the A Shares, B Shares, C Shares D Shares and E Shares pari passu as if they were one class of shares according to the number held and the amount actually received by the holders of the A Shares, B Shares, C Shares D Shares and E Shares (as the case may be) Such shortfall shall be calculated by reference to the highest amount so distributed in aggregate per share in any class of shares and shall take into account whether a share was in issue at the point of any distribution and to the extent it was not any shortfall falling before its issue shall be disregarded
- 3 4 3 The remainder shall be distributed pari passu amongst the holders of A Shares, B Shares, C Shares, D Shares and E Shares according to the number of Shares held
- 3 5 Upon a Sale (as defined below) but conditional upon such Sale being completed, the Proceeds shall be distributed in the same manner as a repayment of capital

As to Voting

- 3 6
- 3 6 1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every A Shareholder, B Shareholder, B Shareholder, C Shareholder, D Shareholder and E Shareholder who is present in person, shall have one vote and on a poll every such member who is present in person or (in either case) by proxy shall have one vote for every A Share, B Share, C Share, D Share or E Share in the capital of the Company which he is the holder
- 3 6 2 The Participating Shares shall not carry any right to vote at, attend or receive notice of any general meetings of the Company

As to Conversion

- 3 7 In the event that any Shares are transferred to a Shareholder who has a different class of Shares they shall ipso facto convert to the same class as held by that other Shareholder

As to Redemption

- 3 8
- 3 8 1 The Company shall redeem in cash at nominal value together with a sum equal to the arrears of Participating Dividend calculated up to and including the date of redemption of the Participating Shares on 1st September 2020 or if earlier (and the holder of the Participating Shares so elects in writing prior to an impending Sale) on a Sale ("the Redemption Date") or as soon thereafter as the Company shall be able to comply with the provisions of the Companies Acts relating to the redemption of shares out of distributable profits
- 3 8 2 On the Redemption Date the redemption notice specified in Article 3 8 1 shall become a debt payable to the holders of the Participating Shares and the Company shall subject to receipt of the relevant share certificates or an indemnity in lieu in a form reasonably satisfactory to the Company pay such monies to the relevant holders and the said holders shall deliver to the Company the share certificates or indemnity for the same for cancellation
- 3 8 3 If for any reason on the Redemption Date the Company is unable pursuant to the Companies Acts to redeem the Participating Shares in full then it shall redeem such number of Participating Shares which may be lawfully redeemed and shall redeem the remainder once it has sufficient distributable profits Any Participating Share not redeemed shall continue to attract its Participating Dividend until redeemed
- 3 8 4 Notwithstanding the provisions of Article 3 8 1 the holders of the Participating Shares and a Qualified Majority acting in board meeting may agree a different date for

redemption of some or all of the Participating Shares either before or after the Redemption Date.

Other Rights

- 3.9 The A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares and the E Ordinary Shares shall carry the right to appoint a director In accordance with Article 16.2.

Status of Shares

- 3.10 Save as expressed aforesaid the A Ordinary Shares, the 13 Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares and the E Ordinary Shares rank *pari passu* in all respects. The Undesignated Shares may be allotted as D Ordinary Shares or E Ordinary Shares (or any other class of shares if determined by a Qualified Majority).

4 ALLOTMENTS OF SHARES

- 4.1 The directors are generally and unconditionally authorised for the purposes of section 80 of the Act to allot relevant securities to the amount of the authorised share capital with which the Company was incorporated at any time or times during the period of five years from the date of incorporation and the directors may, after that period, allot any shares or grant any such rights under this authority In pursuance of an offer or agreement so to do made by the Company In that period. The authority hereby given may at any time (subject to the said section 80 of the Act) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.
- 4.2 In accordance with section 91(1) of the Act sections 89(1) and 90(1) to (6) inclusive of the Act shall not apply to the Company.

5 LIENS, CALLS AND FORFEITURE

The Company shall have a first and paramount lien on every share registered in the name of any person Indebted to or under any liability to the Company (whether such person Is the sole registered holder or the joint holder of such shares) for all moneys (whether or not due and payable) owing by such person to the Company. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's Hen on a share shall extend to any amount payable in respect of It. Regulation 8 shall not apply

6 TRANSFER OF SHARES

- 6.1 No member shall dispose of any Interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any share (save as may be required In pursuance of his obligations under these Articles) or create or permit to exist any charge, lien, encumbrance or trust over any share or agree (whether subject to any condition precedent, 'condition subsequent or otherwise) to do any of such things except (but subject always to Article 6.6) as permitted by Articles 7 (permitted, transfers), 8 (pre-emption), 9 (drag rights); 10 (tag along) and any such action taken by him contrary to this Article shall be invalid and ineffective.
- 6.2 If a member at any time attempts to deal with or dispose of a share or any interest therein or right attaching thereto otherwise than as permitted by these Articles he shall be deemed immediately prior to such attempt to have given a transfer notice in respect of all shares it then holds pursuant to Article 8.2 and the provisions of Article 8 will apply and the consideration and terms of payment thereof shall be ascertained pursuant to Articles 11.2.2 and 11.3.1(c).
- 6.3 Where a transfer notice in respect of any share is deemed to have been given under any provision of these Articles and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) became aware of such facts and the provisions of Article 8 shall apply accordingly.

- 6.4 A deemed transfer notice whether pursuant to Article 6.2 or Article 11 or otherwise under these Articles shall not be revocable.
- 6.5 The directors shall register any transfer of a share which is permitted under these Articles but may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which would otherwise be permitted under these Articles if it is a transfer of a share on which the Company has a lien.
- 6.6 The directors shall refuse to register the transfer of a share which is prohibited by any Relevant Agreement or does not comply with the terms imposed on transfers by any Relevant Agreement.
- 6.7 If a member becomes aware of any event which is deemed to give rise to an obligation to serve a transfer notice he shall forthwith give written notice thereof to the directors

7 PERMITTED TRANSFERS

- 7.1 Subject to the provisions of Regulation 24 any shares (other than any shares in respect of which the holder shall have been required by the Directors under these Articles to give a transfer notice or shall have been deemed to have given a transfer notice) may at any time be transferred:
- 7.1.1 to any person with the prior consent in writing of all the other holders of Shares (which consent may be granted unconditionally or subject to terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions notified in writing to the transferee prior to registration of the transfer), or
 - 7.1.2 by a Founder Shareholder (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to a Privileged Relation of such Founder Shareholder; or
 - 7.1.3 by a Founder Shareholder to trustees to be held upon Family Trusts related to such Individual Founder Shareholder; or
 - 7.1.4 by the Founder A Shareholder, the Founder B Shareholder or the Founder C Shareholder (or their Representatives) to any Privileged Relation of such Founder Shareholder or the trustees of a Family Trust in the event of their death; or
 - 7.1.5 by any person entitled to shares in consequence of the death or bankruptcy of an individual member to any person or trustee to whom such Individual member, if not dead or bankrupt, would be permitted hereunder to transfer the same provided always that nothing here shall effect the deemed service of a transfer notice by a Leaver in the event of their death; or
 - 7.1.6 if expressly permitted pursuant to any Relevant Agreement
- 7.2 Where shares have been transferred under Article 7.1 or under paragraphs 7.2.1 or 7.2.2 of this Article to trustees of Family Trusts, the trustees and their successors in office may (subject to the provisions of Article 7.1 and where appropriate Article 11.1.3) transfer all or any of the Relevant Shares
- 7.2.1 to the trustees for the time being of the Family Trust concerned on any change of trustees;
 - 7.2.2 to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or

- 7 2 3 to the relevant Founder Shareholder or any Privileged Relation of the relevant Founder Shareholder who has thereby become entitled to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid.
- 7 3 If and whenever any of the Relevant Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 7 2, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the Directors so to do, to give a transfer notice in respect of the shares concerned.
- 7 4 If a person to whom shares have been transferred pursuant to Article 7.1.2 shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the Directors so to do, to give a transfer notice in respect of the shares concerned.
- 7.5 If the Representatives of a member are permitted under these Articles to become registered as the holders of any of such member's shares and elect so to do then such shares may at any time be transferred by those Representatives to any person to whom under this Article the same could have been transferred by such member if he had remained the holder thereof, but no other transfer of such shares by the Representatives shall be permitted under this Article.
- 7 6 Unless all the members otherwise agree, no transfer of any share permitted by this Article shall be made during the active period of any transfer notice in respect of such share (and for this purpose "active period" in respect of a given notice means the period from the time of its service until the time when no member has any further rights or obligations, directly or indirectly, pursuant to that notice).
- 7 7 The Participating Shares may be transferred without restriction and the directors shall register any transfer thereof.

8 PRE-EMPTION ON THE TRANSFER OF SHARES

- 8 1 In this Article the following definitions apply:

"Auditors" means the appointed auditors of the Company from time to time;

"fair price" means the fair price of any Shares as certified by the Auditors;

"offer price" means the offer price (if any) at which shares are offered in a transfer notice;

"proposing transferor" means any shareholder desiring to sell or otherwise dispose of any Shares;

"transfer notice" means a notice in writing from a member specifying the Shares held by that member which he desires to sell or dispose of.

- 8 2 Any proposing transferor of Shares shall deliver a transfer notice to the Company at its registered office specifying the number of Shares, the offer price (if any) and the third party (if any) to whom it is proposed to transfer the Shares.
- 8 3 The transfer notice shall constitute the directors the agents of the proposing transferor for the sale of the Shares and the directors shall, within seven days of the transfer notice being given to the Company (and subject to Article 8 11), offer the Shares in writing pro rata (as nearly as may be) to the other holders of Shares (other than any privileged relation or trustees of a family trust of the Founder Shareholder who is the proposing transferor). The offer shall state
- 8 3 I the number of Shares offered;
- 8 3.2 the offer price, if any;

8.3.3 the third party specified in the transfer notice (If any);

8.3.4 that if the offer is not accepted in writing within 20 days, it will be deemed to be declined.

Any member to whom the offer is given who desires an allocation of Shares in excess of his pro rata allocation should in his reply state how many excess Shares he desires to have. If all the members do not claim their pro rata allocations the unclaimed Shares shall be applied in satisfying claims for excess Shares in the proportion that those claims are made. If any Shares are not capable, without fractions, of being offered to members in proportion to their entitlement they shall (to the extent that fractions would arise) be offered to members in the proportions determined by lots to be drawn under the direction of the directors.

- 8.4 Each member who accepts the offer made under Article 8.3 may state in his reply that he accepts the offer price, if any. If any member accepting the offer states in his reply that he does not accept the offer price or makes no reference to the offer price or if no offer price was stated by the proposing transferor, the directors, upon all the members to whom the offer is made under Article 8.3 replying or upon the expiry (or earlier) of the period of 20 days referred to in Article 8.3, shall instruct the Auditors to certify the fair price of the Shares. The fees and expenses of the Auditors shall be paid by the Company.
- 8.5 The fair price shall be determined by the Auditors (acting as experts and not as arbitrators) on the basis of the fair value of the business of the Company, as a going concern at the date on which they are instructed to determine the fair price, as between a willing vendor and a willing purchaser, assuming the Shares are being sold free of all restrictions, liens, charges, and other encumbrances and without any account being taken of whether the interest being sold is a minority or majority interest in the Company, taking account of the rights of the Participating Shares and giving such weight as they see fit to the existence of any third party offer for the Shares. In ascertaining the fair value the Auditors shall obtain independent valuations of each plot of land in which the Company has an interest where planning permission has been obtained or the land in question has been included in the local development framework on the basis that it will be valued at open market value between a willing seller and a willing buyer. Any plot of land that does not have planning permission or which is not included in the local development framework will be valued at the cost price as contained in the Company's accounting records.
- 8.6 Save for in respect of a transferor the subject of a deemed transfer notice pursuant to Article 6.2 or Article 11, any intending party to a transfer of the Shares may, within fourteen days of the issue of the Auditors' certificate, indicate in writing that he does not accept the fair price and that he does not wish to proceed either to dispose of the Shares or acquire the Shares (as the case may be).
- 8.7 The proposing transferor shall be bound to transfer to each purchaser the number of Shares being purchased upon payment by the purchaser of the offer price or the fair price (as the case may be), which payment shall be subject as provided herein to be made within fourteen days of the acceptance of the offer price or determination of the fair price (as the case may be) provided always that in the case of a deemed notice pursuant to Article 6.2 or Article 11 payment shall be made as set out therein.
- 8.8 If in any case the proposing transferor, after having become bound to sell any Shares, fails to transfer any of them the directors may receive the purchase money (or in the case of a deemed transfer notice, that amount payable in accordance with Article 11 (when paid)) which shall be paid into a separate bank account. The directors shall, within a reasonable period following the date on which the proposing transferor was due to transfer the Shares, nominate some person to execute an instrument or instruments of transfer of the relevant Shares in the name and on behalf of the proposing transferor and the directors shall cause the name of the relevant purchaser or purchasers to be entered in the register as the holder or holders of the relevant Shares and shall hold the purchase money (and any additional purchase money when it is paid) in trust for the proposing transferor but without being liable for interest. The receipt of a director for the purchase money shall be a good discharge to the purchaser or purchasers and,

after his or their names have been entered into the register, the validity of the proceedings shall not be questioned by any person.

- 8 9 If the directors do not find a member or members willing to purchase all the Shares the subject of a transfer notice and if the provisions of Article 8.11 do not apply, the proposing transferor shall, at any time within 30 days after that has been determined, be at liberty to sell and transfer the Shares, or those for which the Company shall not have found a purchaser or purchasers, to the third party named in the transfer notice for a cash price being not less than the offer price (if any) or the fair price (If no offer price Is specified in the transfer notice)
- 8 10 In the event that a shareholder shall die and all his Shares are not purchased by the other members (if applicable) then subject to the provision of any Relevant Agreement the Shares may be transferred to the beneficiaries of his estate
- 8 11 A Qualified Majority (acting In board meetings) may instead of offering the Shares to the other shareholders (subject always to the provision of the Act) serve notice on the proposing transferor within seven days of the transfer notice being given to the Company that the Shares are to be offered to the Company for purchase at the price fixed In accordance with this Article in which case the parties hereto shall adhere to such timetable as the chairman may decide and the proposing transferor shall enter into such documentation In relation thereto as shall be reasonably required.

9 DRAG RIGHTS

- 9.1 In this Article 9, a **"Qualifying Offer"** shall mean a bona fide offer on arm's length terms to buy the entire issued Shares of the Company, at the same price per Share and on the same terms, by any person (**"Qualifying Offeror"**).
- 9 2 If a Qualifying Offer made on or at any time, is accepted by the holders of more than 75% of the nominal value of A Shares, B Shares, C Shares, D Shares and E Shares then in Issue (**"the Accepting Shareholders"**) then the Company (at the direction of any one or more of the Accepting Shareholders) shall give written notice to all the members (including the holders of Participating Shares) and all other persons who at the date of such notice have rights (whether or not contingent) granted by the Company to acquire shares, giving details of the Qualifying Offer and the acceptances given by the Accepting Shareholders. All such members and other persons shall, on the giving of that notice, cease to be entitled to transfer the legal or beneficial Interest In any share pursuant to Article 7 (Permitted Transfers) or Article 8 (Pre-emption) and shall become bound to accept the Qualifying Offer and to transfer, on the date or dates specified by the Company for the purpose (being not less than 10 Business Days after the date of the Company's notice), the Shares and Participating Shares registered in their respective names (including any Shares which become so registered before the date specified by the Company) to the Qualifying Offeror (or his nominee) with full title guarantee and free from all encumbrances at the consideration per share payable by the Qualifying Offeror Provided that the price paid for the Participating Shares shall (to the extent that they have not been redeemed pursuant to Article 3.8.1) be the nominal value thereof together with a sum equivalent to any accrued Participating Dividend thereon up to and including the date of transfer. The Company may specify more than one date In Its notice if necessary for the purpose of ensuring that rights to acquire Shares in the Company become exercisable
- 9.3 If any member does not, on any relevant date specified by the Company in accordance with Article 9.2, execute and deliver to the Company transfers in respect of the Shard or Participating Shares held by it, and any other documents necessary to accept the {Qualifying Offer and deliver to the Company the certificate(s) in respect of those Shares or Participating Shares (or an indemnity in lieu of those certificate(s) in a form satisfactory to the directors), then any Accepting Shareholder shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute the necessary transfer(s), other necessary documents and Indemnities on that members behalf and (where the Qualifying Offer provides for any election to be made between any forms of consideration) to make the relevant election on behalf of that member and, against receipt by the Company on trust for that member of the consideration payable for the relevant Shares or Participating Shares, deliver such transfer(s), other necessary

documents and certificate(s) or Indemnities to the Qualifying Offeror. Following receipt by the Company of the consideration payable for those Shares or Participating Shares, the Company shall (subject to the payment of any stamp duty) cause the Qualifying Offeror to be registered as the holder of those Shares or Participating Shares and, after such registration, the validity of such proceedings shall not be questioned by any person.

- 9 4 Transfers of Shares, whether by Accepting Shareholders or other members, in accordance with this Article 9 are not subject to the provisions of Article 8 (Pre-emption).

10 TAG ALONG

- 10.1 If at any time one or more Shareholders ("**Proposed Sellers**") propose to sell, in one or a series of related transactions, 75% or more in nominal value of the A Shares, B Shares, C Shares, D Shares and E Shares then in Issue ("**Majority Holding**") to any person (not being a Qualifying Offeror for the purposes of Article 9.1) other than pursuant to Article 8 (Permitted Transfers), the Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this Article.
- 10.2 The Proposed Sellers shall give written notice ("**Proposed Sale Notice**") to the other holders of Shares (and to the holders of Participating Shares) of such Intended sale at least ten Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer ("**Proposed Buyer**"), the purchase price and other terms and conditions of payment, the proposed date of sale ("**Proposed Sale Date**") and the number of Shares and Participating Shares proposed to be purchased by the Proposed Buyer ("**Proposed Sale Shares**").
- 10 3 Any other holder of equity share capital in the Company shall be entitled, by written notice given to the Proposed Sellers within five Business Days of receipt of the Proposed Sale Notice, to sell all of his Shares to the Proposed Buyer on the same terms and conditions as those set out in the Proposed Sale Notice and any transfer of Shares or Participating Shares to the Proposed Buyer whether by the Proposed Sellers or any other holder of equity share capital, pursuant to a Proposed Sale Notice may be made notwithstanding the provisions of Article 8 (Pre-emption).
- 10 4 If any other holder of equity share capital in the Company is not given the rights accorded to him by the provisions of this Article (including for the avoidance of doubt where the Proposed Buyer does not offer to buy, and complete the purchase of, the shares of any other holder of equity share capital in the Company pursuant to Article 10.3) the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.
- 10 5 The consideration receivable by the holders of Participating Shares shall (to the extent that they have not been redeemed pursuant to Article 3 8 1) be the nominal value thereof together with a sum equivalent to any accrued Participating Dividend thereon up to and including the date of transfer.

11 DEEMED TRANSFER

- L 1 1 In any case where a Founder Shareholder:

111.1 makes any proposal under Part VIII Insolvency Act 1986 for a composition in satisfaction of his/her debts or a scheme of arrangement of his/her affairs, or makes any arrangement or compromise with his/her creditors generally,

11 1.2 is adjudicated bankrupt,

11 1 3 being a Founder E Shareholder becomes a Leaver; or

11 1 4 Is a Defaulting Shareholder under a Relevant Agreement (as defined therein)

he shall be deemed to have immediately served a transfer notice pursuant to Article 8.2 in respect of his entire holding of Shares and any Shares held by any Privileged Relation of his or trustees of a Family Trust where he is the settlor to the other holders of Shares and the remainder of Article 8 shall apply. Provided Always that the provisions of Article 11.2 shall apply as regards consideration and Article 11.3 as to payment terms.

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11.2.1 The price per Share at which the Shares will be offered for sale in accordance with Article 8 where the transfer notice is deemed served pursuant to 11.1.1, 11.1.2 or 11.1.3 (where he is a Good Leaver) (but not otherwise) will be as agreed between the relevant Founder Shareholder (or his representatives) and the Directors (other than the relevant Founder Shareholder) or in default of such agreement within 7 days on the application of either the directors or the Founder Shareholder (or his Representatives) the fair price as determined by the Auditors as at the date of the deemed transfer notice in accordance with Article 8.5 but the final sentence thereof replaced as follows:

"In the event that any plot of land does not have planning permission or is not included in the local development framework the Auditors shall obtain an independent valuation thereof on the basis that it will be valued at open market value between a willing seller and a willing buyer on the assumption that planning permission will be obtained, deducting from the valuation the likely future costs of obtaining the permission and discounting the value for the likely time that would pass before planning permission is granted, and the aggregate of such value shall then be divided by two to give an asset value of the Company's interest in such land asset."

11.2.2 The price per Share at which the Shares will be offered for sale in accordance with Article 8 where the transfer notice is deemed served pursuant to 11.1.3 (where he is a Bad Leaver) or 11.1.4 or 6.2 will be as agreed between the relevant Founder Shareholder (or his Representatives) and the Directors (other than the relevant Founder Shareholder) or in default of such agreement within 7 days of the application of either the directors or the Founder Shareholder (or his Representatives) the fair price as determined by the Auditors as at the date of the deemed transfer notice in accordance with Article 8.5.

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11.3.1 The consideration for the Shares to be transferred pursuant to this Article 11 shall be paid as follows.

- (a) where the Company acquires the Share pursuant to Article 8.11, on the date of completion,
- (b) (if the Company is not the purchaser and unless otherwise agreed by all the purchasers of the relevant Shares) where the transfer notice is deemed served in circumstances where the shareholder is a Good Leaver and/or the transfer notice is deemed served prior to Article 11.1.1 or 11.1.2 an amount equivalent to annual gross salary the E Shareholder on the date of completion on the first anniversary thereof, the same amount on the second anniversary thereof and the remainder (with interest at 1% over the base rate of the Royal Bank of Scotland plc compounded annually on the anniversary of completion) on the third anniversary of completion;
- (c) (If the Company is not the purchaser and unless otherwise agreed by all the purchasers of the relevant Shares) in any other circumstances the consideration shall be paid in four equal annual instalments the first such instalment on the second anniversary of completion and the remainder on the three subsequent anniversaries (without interest).

- 114 The provisions of this Article may be waived in whole or in part in a particular case with the prior agreement of all the members.

12 GENERAL MEETINGS

- 12 1 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall be two members entitled to vote present in person or by proxy of which one is either an A Founder Shareholder, B Founder Shareholder or C Founder Shareholder and one is either a D Founder Shareholder or E Founder Shareholder. Regulation 40 shall not apply.

- 12 2 The quorum at any adjourned meeting shall be any member entitled to vote present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy.

- 12 3 Regulation 46 shall apply as if paragraph (b) were deleted and replaced by the following words:

"(b) by any member present in person or by proxy";

and as if paragraphs (c) and (d) were deleted.

- 12 4 In the case of an equality of votes at a general meeting, whether on a show of hands or a poll, the chairman shall not be entitled to a second or casting vote. Regulation 50 shall not apply.

- 12 5 Any member or other person entitled to attend and speak at general meetings may participate in any general meeting by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall in the case of a member be entitled to vote and be counted in the quorum. 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 that meeting is located.

- 12 6 Regulation 37 shall apply as if the words "eight weeks" were deleted and replaced by the words "twenty-eight days".

- 12 7 Regulation 39 shall not apply

13 VOTES OF MEMBERS

- 13.1 Subject to any rights or restrictions attached to any shares by these Articles, on a show of hands, every member who is present in person or by proxy (in the case of an individual) or by duly authorised representative or by proxy (in the case of a company) shall have one vote. On a poll each member present (in the case of an individual) in person or by proxy or (in the case of a company) by a duly authorised representative or by proxy shall have one vote for every share of which he is the holder. Regulation 54 shall not apply.

- 13 2 A special resolution shall be effective for any purpose for which an ordinary or an extraordinary resolution is required.

14 ALTERNATE DIRECTORS

- 14 1 Any director (other than an alternate director) may appoint any other director who is willing to do so to be an alternate director and may remove from office as an alternate director any alternate appointed by him. Regulation 65 shall not apply.

- 14 2 An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and committees of directors. Regulation 66 shall apply as if the last sentence were deleted.

- 14 3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director. Regulation 67 shall not apply
- 14 4 Regulation 68 shall apply as If the following words were added at the end of that Regulation. 'and shall take effect when the notice is received or at any later time specified for the purpose in the notice"
- 14 5 The appointment of any alternate director shall terminate automatically on the happening of any event which, if he were a director, would cause him to vacate his office as a director
- 14 6 A person may be appointed as the alternate director of more than one director, and in those circumstances that alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote In respect of every director by whom he has been appointed In addition to his own vote (if any) as a director Any such person may be counted more than once for the purpose of determining whether or not a quorum Is present.

15 **DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such Individuals (whether directors or not) as they think fit The first sentence of Regulation 72 shall not apply.

16 **APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

- 16 1 Unless and until otherwise determined by ordinary resolution, the minimum number of directors (other than alternate directors) shall be four.

16.2

16 2 1 The Founder A Shareholder shall be entitled to appoint himself to be an A Director of the Company;

16 2 2 The Founder B Shareholder shall be entitled to appoint himself to be a B Director of the Company the Company;

16.2 3 The Founder C the Company shall be entitled to appoint himself to be a C Director of the Company the Company;

16 2 4 The Founder D the Company shall be entitled to appoint himself to be a D Director of the Company;

16 2.5 The Founder E shall be entitled to appoint himself to be an E Director of the Company;

- 16 3 Any A Director, B Director, C Director, D Director or E Director may at any time be removed from office by the relevant Founder Shareholder. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.
- 16.4 Any appointment or removal of a director pursuant to this Article shall be In writing and signed by the relevant Founder Shareholder and served on each of the other members and the Company at its registered office, marked for the attention of the security or delivered to a duly constituted meeting of the directors of the Company.- Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified In such notice.
- 16 5 The right to appoint and to remove Directors under paragraphs 16.2 and 16.3 of this Article shall be a class right attaching to the relevant Shares

- 16.6 If no A Shares, B Shares, C Shares, D Shares or E Shares remain in issue following a redesignation under these Articles, any director appointed by shareholders of that class shall be deemed to have been-removed as from the redesignation
- 16.7 No A Director, B Director, C Director, D Director or E Director shall be appointed or removed otherwise than pursuant to this Article, save as provided by law.
- 16.8 A Qualified Majority may subject to the provisions of any Relevant Agreement appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or In accordance with the Articles as the maximum number of directors Regulation 79 shall not apply.
- 16.9 A person may be appointed a director whatever his age, and no director shall be required to vacate his office by reason of attaining or having attained the age of 70 or any other age.
- 16.10 Regulations 73 to 77 and 80 shall not apply.

17 PROCEEDINGS OF DIRECTORS

- 17.1 Regulation 88 shall apply as If the third sentence were deleted and replaced by the following: "Notice of every meeting of the directors and of every meeting of a committee of the directors shall be given to every director and alternate director, provided that any one or more of the directors or alternate directors may waive his right to receive notices either generally or in respect of any particular meeting or while absent from the United Kingdom, and prospectively or retrospectively (in the latter case within 7 days of the start of the meeting or any longer period determined by the Company by ordinary resolution)".
- 17.2 No business may ~~be~~ transacted at any meeting of the directors or a committee of the directors unless a quorum is present The quorum for the transaction of the business of the directors or a committee of the directors shall be two directors of whom one shall be a director appointed by the holders of either the A Shares, the B Shares or the C Shares and one shall be a director who is appointed by either the holders of the D Shares or the E Shares provided that If a directors meeting Is Inquorate any reconvened meeting shall be quorate if at least one director appointed by a Founder Shareholder pursuant to Article 16.2 Is present. A person who holds office only as an alternate director shall, if his appointor is not present, be counted In the quorum. Regulation 89 shall not apply.
- 17.3 Unless otherwise stated in these Articles, at any meeting of the directors or a committee of the directors each director present (in person or by alternate) shall have one vote Resolutions put to the vote of a meeting shall be passed by simple majority. Any chairman of the board from time to time shall not have a casting vote. Regulation 88 shall apply as if the fourth and fifth sentences were deleted.
- 17.4 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any Interest of his, a director shall, subject to the remaining provisions of this Article, be entitled to vote and to be counted in the quorum In respect of any resolution concerning a matter in winch he has, directly or Indirectly, an interest. A &lector shall not, be entitled to vote (but may count In the quorum) In respect of any resolution concerning his own appointment to or removal from office with or employment or engagement by the Company (or any of Its subsidiaries) or the terms or approval of any agreement or arrangement to be entered Into by the Company (or any such subsidiary) in respect of such appointment or removal (including, without limitation, the terms or approval of any agreement or arrangement providing for a third party to cause that director's services to be supplied to the Company or. any such subsidiary) Regulations 94 and 97 shall not apply.
- 17.5 Notice of a meeting of the directors may be given to a director either personally or by word of mouth or in writing or by electronic communication, or by any other means authorised by the director concerned.

- 17 6 All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and/or be counted in a quorum. 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 meeting is located.
- 17 7 A resolution in writing signed by each director (or his alternate) entitled to vote on that resolution or by each member of a committee of the directors (whether as one Instrument or as several identical Instruments) shall be as valid as if it had been passed at a duly convened and held meeting of the directors or (as the case may be) that committee. Regulation 93 shall not apply.
- 17 8 If any question arises at any meeting of directors or of a committee of directors as to the right of any director to vote, and that question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting). The ruling of the chairman in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and binding. Regulation 98 shall not apply.

18 OFFICIAL SEAL

The Company may exercise all the powers conferred by the Act with regard to having any official seal, and those powers shall be vested in the directors. Subject to the provisions of the Act, any Instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

19 ACCOUNTS

Regulation 109 shall apply as if the words "or pursuant to any shareholders' agreement or other legally binding obligation entered into by the Company with that member from time to time" were inserted at the end of that Regulation.

20 NOTICES

- 20 1 Regulation 111 shall apply as if the words "(Including, without limitation, any consent, approval or other document)" were inserted after the words "Any notice" in the first sentence of that Regulation and as if the words "given personally or by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail" were inserted after the words "in writing" in the first sentence of that Regulation.
- 20.2 Notices given by a company pursuant to these Articles may be signed on its behalf by an officer of the company or by its duly appointed attorney.
- 20 3 Notices to the Company shall be sent to the office, marked for the attention of the secretary.
- 20 4 Regulation 112 shall apply as if the words "first class" were inserted after the word "prepaid" in the first sentence of that Regulation and as if the words "or (in the case of a registered address outside the United Kingdom) by airmail in a prepaid envelope" were inserted after the words "sending it by post in a prepaid envelope" and as if the words "but otherwise no such member shall be entitled to receive any notice from the Company" were deleted. Regulation 115 shall apply as if the last sentence was deleted.
- 20 5 Regulation 116 shall apply as if the words "within the United Kingdom" were deleted.

21 **INDEMNITY**

- 21 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every director, alternate director and other officer of the Company be Indemnified out of the assets of the Company against all costs, charges, losses and liabilities Incurred by him In the execution of his duties or the exercise of his powers, authorities and discretions including (without limitation) a liability incurred
- 21 1 1 defending proceedings (whether civil or criminal) In which judgement is given in his favour or in which he Is acquitted, or which are otherwise disposed of without the finding or admission of material breach of duty on his part, or
- 21 1 2 in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- Regulation 118 shall not apply.
- 21 2 The directors may exercise all the powers of the Company to purchase and maintain Insurance for the benefit of a person who Is a director, alternate director or other officer or employee, or former director, alternate director, officer or employee, of the Company or of a company which Is a subsidiary of the Company or In which the Company has an Interest (whether direct or indirect), or who is or was trustee of any pension fund or retirement, death or disability scheme or another trust in which a director, alternate director, officer or employee or former director, alternate director, officer or employee is or has been Interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be Insured against by the Company.