

SmithsonHill Limited (the "Company")

Company number 07138848

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

The following resolutions have been passed by shareholders by way of written resolutions on 31 March 2016.

ORDINARY RESOLUTIONS

1. THAT, in accordance with section 551 of the Companies Act ('2006 Act'), the Directors ('**Directors**') be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ('**Rights**') up to an aggregate nominal amount of £500 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 6 December 2020 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.
2. THAT, each class of the Company's share capital should be divided by a factor of 100 so that instead of there being 2,000 ordinary shares in issue of £0.001 each, there are 200,000 ordinary shares in issue of £0.00001 each.

SPECIAL RESOLUTIONS

3. THAT, the Articles of Association be amended as marked and adopted.
4. THAT, subject to the passing of the resolution (1) and in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution (1), as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:

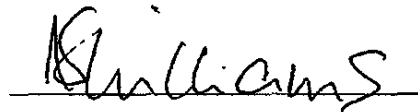
TUESDAY



A16 *A7CSHBV4* 21/08/2018 #331
COMPANIES HOUSE

- (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £500; and
- (b) expire on 6 December 2020 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

Signed by Neil Williams



Date

31 March 2016

ARTICLES OF ASSOCIATION

SMITHSONHILL LIMITED

**(adopted by a resolution of the Shareholders
on 13 February 2015 and amended by a resolution of
the Shareholders on 31 March 2016**

CONTENTS

CLAUSE

| | | |
|-----|---|----|
| 1. | INTERPRETATION..... | 3 |
| 2. | ADOPTION OF THE MODEL ARTICLES..... | 7 |
| 3. | DIRECTORS' MEETINGS..... | 8 |
| 4. | UNANIMOUS DECISIONS OF DIRECTORS..... | 9 |
| 5. | NUMBER OF DIRECTORS..... | 9 |
| 6. | CALLING A DIRECTORS' MEETING..... | 9 |
| 7. | QUORUM FOR DIRECTORS' MEETINGS..... | 9 |
| 8. | CHAIRING OF DIRECTORS' MEETINGS..... | 10 |
| 9. | DIRECTORS' INTERESTS..... | 10 |
| 10. | RECORDS OF DECISIONS TO BE KEPT..... | 12 |
| 11. | APPOINTMENT AND REMOVAL OF DIRECTORS..... | 12 |
| 12. | ALTERNATE DIRECTORS..... | 13 |
| 13. | SHARE CAPITAL..... | 15 |
| 14. | SHARE TRANSFERS: GENERAL..... | 23 |
| 15. | PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES..... | 23 |
| 16. | PERMITTED TRANSFERS..... | 27 |
| 17. | DRAG ALONG..... | 27 |
| 18. | QUORUM FOR GENERAL MEETINGS..... | 29 |
| 19. | CHAIRING GENERAL MEETINGS..... | 29 |
| 20. | VOTING..... | 29 |
| 21. | POLL VOTES..... | 30 |
| 22. | PROXIES..... | 30 |
| 23. | MEANS OF COMMUNICATION TO BE USED..... | 30 |
| 24. | INDEMNITY AND INSURANCE..... | 31 |

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SMITHSONHILL LIMITED

(Company Number 7138848)

**(Adopted by special resolution passed on
the Shareholders on 31 March 2016**

2015 and amended by a resolution of

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

A Director: any director appointed to the Company by holders of the A Shares;

A Share: an ordinary share of £0.00001 in the capital of the Company designated as an A Share;

Achieved: means that the Company's Net Assets, as calculated in accordance with Article 13.17, exceed a Hurdle;

Act: the Companies Act 2006;

Agreed Percentage: 1.5%

Appointor: has the meaning given in article 12.1;

Articles: the Company's articles of association for the time being in force;
Associates: any Permitted Group or Permitted Transferee;

Available Profits: the profits available for distribution within the meaning of part 23 of the Act;

B Director: any director appointed to the Company by holders of the B Shares;

B Share: an ordinary share of £0.00001 in the capital of the Company designated as a B Share;

Bad Leaver: a Leaver who is not a Good Leaver or a Retirement Leaver;

Base Value: £11,700,000;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

Company Value: the Distribution Value or the Share Sale Value as the case may be;

Conflict: 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;

Continuing Shareholders: has the meaning given in article 15.1;

C Share: an ordinary Share of £0.00001 in the capital of the Company designated as a C Share;

D Share: an Ordinary Share of £0.00001 in the capital of the Company designated as a D Share;

D Share Amount: the Company Value less the Base Value multiplied by the Agreed Percentage less any Prior Company Values Achieved;

Deferred Share: a deferred share of £0.00001 in the capital of the Company designated as a Deferred Share;

Distribution Value: means the total value of the assets to be distributed to the shareholders on and pursuant to a return of capital in accordance with Article 13.

E Share: an Ordinary Share of £0.00001 in the capital of the Company designated as a E Share;

Eligible Director: any Eligible A Director or Eligible B Director (as the case may be);

Eligible A Director: an A Director who would be entitled to vote on the matter at a meeting of directors but excluding any A Director whose vote is not to be counted in respect of the particular matter;

Eligible B Director: a B Director who would be entitled to vote on the matter at a meeting of directors but excluding any B Director whose vote is not to be counted in respect of the particular matter;

Employee Shareholder: a person who is a holder of Hurdle Shares (and not any other class of shares) and who is a director and/or an employee of any member of the Company's Permitted Group;

Family Trust: either

- (a) in relation to an A Shareholder (or any of them) a trust set up wholly for the benefit of that shareholder and/or that shareholder's Privileged Relations; or
- (b) in relation to the B Shareholder a trust set up wholly for the benefit of that shareholder and/or his Privileged Relations;

First Hurdle: £36,700,000;

First Review Date: the third anniversary of the date of issue of the D Shares; or if earlier the date when the Initial Hurdle has been exceeded

Fourth Hurdle: £111,700,000;

Fourth Review Date: three years from the third review date;

Good Leaver: a Leaver as a result of death or permanent disability or permanent incapacity through injury or ill-health;

holding company: has the meaning given in article 1.5;

Hurdle: the First Hurdle, Second Hurdle, Third Hurdle or Fourth Hurdle;

Hurdle Achievement: where the Company Value equals or exceeds a Hurdle;

Hurdle Shares: the D Shares and/or the E Shares;

Interested Director: has the meaning given in article 9.1;

Leaver: an Employee Shareholder who ceases to be a director or employee of any member of the Company's Permitted Group (for whatever reason and whether or not their employment or appointment is validly terminated) and does not continue as, or immediately become, a director or employee of any other member of the Permitted Group;

Leaving Date: the date upon which an Employee Shareholder becomes a Leaver;

Long Stop Date: three months from the date of an Achievement Notice or such other date as reasonably determined by the directors;

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles;

Net Assets: the net assets of the Company as determined by the Board in accordance with Article 13.17;

New Holding Company: a company which obtains control of the company where 90% or more of the new holding company's shares are held in substantially the same proportions and classes by substantially the same persons who previously held the shares and where 90 per cent or more of the consideration for the acquisition of Shares in the company is shares in the new holding company;

Original Shareholder: a shareholder who holds shares in the Company at the date of entering into and completion of the Shareholders Agreement;

Permitted Group: in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is a member of the Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to any company at any time will apply to the company as it is at that time;

Permitted Transfer: a transfer of shares made in accordance with article 16;

Permitted Transferee: in relation to a shareholder:

- (a) any member of the same Permitted Group as that shareholder; and
- (b) in the case of an Original Shareholder holding A Shares any other Original Shareholder holding A Shares; and
- (c) any Permitted Relation;
- (d) any person where the transfer is by automatic operation by law on death of the shareholder; and
- (e) a Family Trust.

Preferred Dividend: has the meaning given in article 13.11;

Preferred Payment: has the meaning given in article 13.13;

Privileged Relations: the spouse, civil partner and/or children and grandchildren (including step and adopted children and grandchildren) of a shareholder;

Prior Company Value: any D Share Amount already paid to the holder of D Shares;

Project Completion: that the Hixton land project has been deemed substantially completed by the Board in accordance with Article 13.16;

Property: any freehold and/or leasehold land and real property owned by the Company and/or in relation to which the Company has any interest or rights of any nature (including options or rights to acquire) from time to time;

Proposed Buyer: has the meaning given in article 15.1(a);

Proposed Sale Price: has the meaning given in article 15.1(b);

Purchase Notice: has the meaning given in article 15.2;

Retirement Leaver: a person who is determined by written notice given by the directors, no later than the relevant Leaving Date, to be a Leaver as a result of retirement;

Review Date: the First Review Date, the Second Review Date, the Third Review Date or the fourth Review Date;

Sale Completion: completion of the sale of any part or all of the Property or completion of the grant or disposal of any material interest in any part or all of the Property by the Company;

Sale Shares: has the meaning given in article 15.1; Seller: has the meaning given in article 15.1;

Second Hurdle: £61,700,000;

Second Review Date: three years from the first review date

share: unless the context otherwise requires a share (of any class) in the capital of the Company;

Share Sale: a sale (or series of sales) of shares to a person other than a New Holding Company, which results in a person (and any other person who is connected with or is acting in concert with) holding or increasing an existing holding of shares such that he or they obtain control or otherwise hold shares carrying the right to exercise fifty per cent or more of votes capable of being cast as a poll at a general meeting of the Company;

Share Sale Value: the value of the consideration received or receivable in respect of a Share Sale as determined in accordance with Article 13;

Shareholders Agreement: an agreement between the holders of all shares in the capital of the Company entered into on or about the date of adoption of these Articles as it shall be varied (and be subject to deeds of adherence) from time to time;

Subsidiary: has the meaning given in article 1.5;

Third Hurdle: £86,700,000;

Third Review Date: three years from the second review date.

Transfer Notice: an irrevocable notice in writing given by any shareholder to the other shareholders where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 15 and article 16, “writing” or “written” shall not include the sending or supply of notices, documents or information in electronic form (other than by fax);

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22(2), 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 In Model Article 25(2)(c), the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.

- 2.4 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words “either” and “or as the directors may otherwise decide”. Model Article 31(d) shall be amended by the deletion of the words “either” and “or by such other means as the directors decide”.

DIRECTORS

3. DIRECTORS’ MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors’ meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless:
- (a) more votes are cast for it than against it; and
 - (b) subject to article 3.4 at least one A Director and one B Director (who is participating in the meeting of the directors or of the committee of the directors) have voted in favour of it.
- 3.4 Article 3.3(b) shall not apply and the directors shall vote in favour of and shall not object to bona fide resolutions proposed by a director or directors to carry out or implement the provisions of articles 13.13, 15.5.10, 15.5.12, 16.4, 17.7 to 17.9.
- 3.5 Except as provided by article 3.7, each director has one vote at a meeting of directors.
- 3.6 If at any time before or at any meeting of the directors or of any committee of the directors all A Directors participating or all B Directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.7 If the shareholders are not represented at any meeting of the directors or of any committee of the directors by an equal number of Eligible A Directors and Eligible B Directors (whether participating in person or by an alternate), then one of the Eligible Directors so nominated by the shareholder who is represented by fewer Eligible Directors shall be entitled at that meeting to such additional vote or votes as shall result in the Eligible Directors so participating representing each shareholder having in aggregate an equal number of votes.
- 3.8 A committee of the directors must include at least one A Director and one B Director. The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4. UNANIMOUS DECISIONS OF DIRECTORS

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

5. NUMBER OF DIRECTORS

The number of directors shall not be less than two and no more than seven which shall include an equal number of A Directors (up to a maximum of three) and B Directors (up to a maximum of three) and a further director if approved by a resolution of the Board in accordance with article 3.3. No shareholding qualification for directors shall be required.

6. CALLING A DIRECTORS' MEETING

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least one A Director and one B Director) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
 - (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - (b) copies of any papers to be discussed at the meeting.
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless agreed by at least one A Director and one B Director in writing.

7. QUORUM FOR DIRECTORS' MEETINGS

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom one at least shall be an Eligible A Director (or his alternate) and one at least an Eligible B Director (or his alternate).
- 7.2 Subject to article 7.3 no business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five Business Days at the same time and place. If a quorum is not present at any such

adjourned meeting within 30 minutes of the time specified then any two Eligible Directors present will constitute a quorum.

8. CHAIRING OF DIRECTORS' MEETINGS

The post of chairman of the directors will be held at alternate meetings by an A Director (appointed by the A Directors) or by a B Director (appointed by the B Directors). The Chairman of the first meeting, after adoption of these articles, shall be an A Director. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

9. DIRECTORS' INTERESTS

- 9.1 For the purposes of section 175 of the Act, the shareholders and the directors shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the Interested Director) breaching his duty under section 175 of the Act.
- 9.2 The Interested Director must provide the shareholders and/or the directors with such details as are necessary for the shareholders and/or the directors to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders and/or the directors.
- 9.3 Any authorisation by the shareholders and/or the directors of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the conflict as the shareholders or the directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from

reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

- 9.4 Where the shareholders and/or the directors authorise a Conflict:
- (a) the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders and/or the directors in relation to the Conflict; and
 - (b) the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the shareholders or the directors impose in respect of their authorisation.
- 9.5 The shareholders and/or the directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 9.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 Any A Director or B Director shall be entitled from time to time to disclose to the holders of the A Shares or (as the case may be) the holders of the B Shares such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one A shareholder or (as the case may be) B shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.
- 9.8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the shareholders and/or the directors in accordance with these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.9 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 9.10 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9.9.

9.11 Subject, where applicable, to any terms, limits or conditions imposed by the shareholders and/or the directors in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

10. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

11. APPOINTMENT AND REMOVAL OF DIRECTORS

11.1 The holder of a majority of the A Shares for the time being shall be entitled to appoint three persons to be A Directors of the Company and the holder of a majority of the B Shares for the time being shall be entitled to appoint three persons to be B Directors of the Company provided always that there are an equal number of A Directors and B Directors.

- 11.2 Any A Director may at any time be removed from office by the holder of a majority of the A Shares and any B Director may at any time be removed from office by the holder of a majority of the B Shares.
- 11.3 If any A Director or any B Director shall die or be removed from or vacate office for any cause, the holder of a majority of the A Shares (in the case of an A Director) or the holder of a majority of the B Shares (in the case of a B Director) shall appoint in his place another person to be an A Director or a B Director (as the case may be).
- 11.4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holder of a majority of the A Shares or B Shares (as the case may be) and served on each of the other shareholders and the Company at its registered office, or delivered to a duly constituted meeting of the directors of the Company and on the director, in the case of his removal. 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.
- 11.5 The right to appoint and to remove A or B Directors under this article shall be a class right attaching to the A Shares and the B Shares respectively.
- 11.6 If no A Shares or B 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.
- 11.7 No A Director or B Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

12. ALTERNATE DIRECTORS

- 12.1 Any director (other than an alternate director) (the Appointor) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "A Director" or "B Director" shall include an alternate director appointed by an A Director or a B Director (as the case may be). A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of shares but not otherwise.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 12.3 The notice must:
- (a) identify the proposed alternate; and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors:
- (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their Appointors; and
 - (d) are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his is a member.
- 12.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:
- (a) be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person is an Eligible Director and is not participating); and
 - (b) participate in a unanimous decision of the directors (but only if he is an Eligible Director in relation to that decision, and does not himself participate).
- 12.7 A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor (provided that he is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- (a) when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
 - (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
 - (c) when the alternate director's Appointor ceases to be a director for whatever reason.

SHARES

13. SHARE CAPITAL

- 13.1 Except as otherwise provided in these articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 13.2 The C Shares shall constitute a separate class of Shares having the following rights and being subject to the following restrictions:
 - 13.2.1 the holder of C Shares shall be entitled to the Preferred Dividend pursuant to article 13.11 and the Preferred Payment pursuant to article 13.13;
 - 13.2.2 save as provided by article 13.2.1 the holder of C Shares shall not be entitled to receive any dividend or other distribution declared or paid by the Company or a return of capital;
 - 13.2.3 the holder of C Shares shall not be entitled to receive notice of any general meeting of the Company or to attend speak or vote at any such meeting;
 - 13.2.4 any other rights or restrictions arising under the Articles.
- 13.3 The D Shares shall constitute a separate class of shares having the following rights and being subject to the following restrictions:
 - 13.3.1 save as provided in article 13.13 *et seq.*, the holder of D Shares shall not be entitled to receive any dividend or other distribution declared or paid by the Company or a return of capital;
 - 13.3.2 the holder of D Shares shall not be entitled to receive notice of any general meeting of the Company or to attend speak or vote at any such meeting; and
 - 13.3.3 any other rights or restrictions arising under the Articles.
- 13.4 The E Shares shall constitute a separate class of shares having the following rights and being subject to the following restrictions:
 - 13.4.1 save as provided in article 13.13 *et seq.*, the holder of E Shares shall not be entitled to receive any dividend or other distribution declared or paid by the Company or a return of capital;
 - 13.4.2 the holder of E Shares shall not be entitled to receive notice of any general meeting of the Company or to attend speak or vote at any such meeting; and
 - 13.4.3 any other rights or restrictions arising under the Articles.
- 13.5 The Deferred Shares shall constitute a separate class of Shares having the following rights and being subject to the following restrictions:
 - 13.5.1 save as provided in article 13.13, the holder of Deferred Shares shall not be entitled to receive any dividend or other distribution declared or paid by the Company or a return of capital;

- 13.5.2 the holder of Deferred Shares shall not be entitled to receive notice of any general meeting of the Company or to attend speak or vote at any such meeting; and
- 13.5.3 any other rights or restrictions arising under the Articles.
- 13.6 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 13.7 On the transfer of any A Share or any B Share (but not any C Share or D Share or E Share) as permitted by these articles:
- (a) a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
 - (b) a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.
- If no shares of a class remain in issue following a redesignation under this article, these articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.
- 13.8 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 13.9 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:
- (a) any alteration in the articles;
 - (b) any reduction, subdivision, consolidation or redenomination of the Company's share capital, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital;
- 13.10 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.
- 13.11 The Company shall without a resolution of the Board or the Company in general meeting and before application of Available Profits to reserve or for any other purpose (save as provided for by this article) pay the holders of C Shares a fixed

preferential dividend (“**Preferred Dividend**”) of £2,260,000 (two million two hundred and sixty thousand pounds) in total (“**the Sum**”) to be paid

- (a) after repayment to the holders of A Shares (and their Associates) and the holders of B Shares (and their Associates) of all loans made by them to the Company; and
- (b) as to 50% of the Sum before and in priority to any dividend or distribution in respect of the A Shares and the B Shares and as to the balance of the Sum as soon as the aggregate dividends or distributions paid in respect of the A Shares and B Shares (to be paid *pari passu*) shall equal £10,000,000 (ten million pounds)
- (c) in each case and to the extent possible within three months of any Sale Completion; and
- (d) if and to the extent that there are insufficient Available Profits to pay such dividend in full at such time or times, the Preferred Dividend shall be paid in part to the maximum extent possible as soon as (on one or more occasions and from time to time) there are Available Profits until the Preferred Dividend has been paid in full;
- (e) pro rata on each of the C shares in issue from time to time.

13.12 When the Preferred Dividend has been paid in full any Available Profits remaining that the Company determines to distribute shall be distributed among the holders of A Shares and B Shares *pari passu* and for the avoidance of doubt no dividend shall be payable on the Hurdle Share save for a distribution constituting a return of capital in accordance with article 13.13 *et seq.*

13.13 On a return of capital, the capital to be returned to the shareholders shall be distributed among the holders of the Shares in accordance with the following methodology:

- (a) the directors or Liquidator (as the case may be) shall determine:
 - (i) the amount of the Company Value; and
 - (ii) the Hurdle Achievements relevant to each Hurdle Share before the date of Liquidation.
- (b) the holders of C Shares shall be entitled to a preferential payment for the sale of the C Shares (“**Preferred Payment**”) equal to the Sum (or if less the balance of the Sum after deduction of any Preferred Dividends pursuant to article 13.11);
- (c) the holders of the Ordinary Shares shall then be entitled to share *inter se* and *pro rata* the Company Value up to the Base Value;
- (d) subject to the First Hurdle being achieved, the Company Value from the Base Value up to the First Hurdle shall be shared so that the holders of the D Shares

shall be entitled to the D Share Amount and the holders of the Ordinary Shares shall then be entitled to share *inter se* and *pro rata* the remainder;

- (e) subject to the Second Hurdle being achieved, the Company Value from the First Hurdle up to the Second Hurdle shall be shared so that the holders of the D Shares shall be entitled to the D Share Amount and the holders of the Ordinary Shares shall then be entitled to share *inter se* and *pro rata* the remainder;
- (f) subject to the Third Hurdle being achieved, the Company Value from the Second Hurdle up to the Third Hurdle shall be shared so that the holders of the D Shares shall be entitled to the D Share Amount and the holders of the Ordinary Shares shall then be entitled to share *inter se* and *pro rata* the remainder;
- (g) subject to the Fourth Hurdle being achieved, the Company Value from the Third Hurdle up to the Fourth Hurdle shall be shared so that the holders of the D Shares shall be entitled to the D Share Amount up to a cap of £1,500,000 and, subject to article 13.13(h) and (i), the holders of the Ordinary Shares shall then be entitled to share *inter se* and *pro rata* the remainder;
- (h) the holders of the Deferred Shares shall each be entitled to 0.0000001p for their entire holding of Deferred Shares; and
- (i) above the Fourth Hurdle, the holders of the E Shares shall be entitled to the Agreed Proportion of the Company Value above £111,700,000 but only on Project Completion.

13.14 On each Review Date, or on a Share Sale or Project Completion if earlier, the directors shall review the Hurdles in accordance with article 13.13 and shall determine whether the Hurdles have been Achieved and shall notify the holders of the Hurdle Shares to the extent that the Hurdles have been Achieved (an “**Achievement Notice**”) and any entitlement to a D Share Amount or any amount potentially payable to the holders of the E Shares.

13.15 Before any transfer of Shares which is expected to result in and form part of a Share Sale is made or registered by the Company, the proposed transferee must have made an offer in writing to acquire all of the shares on substantially the same terms other than (except for the Ordinary Shares which shall be the same price offered for the Ordinary Shares the subject of the offer) as to price and, if the directors so elect either generally or on a case by case basis, as to the giving of any warranties or indemnities. The price for the Hurdle Shares shall be determined as if the consideration for the entire Share Sale were a distribution in accordance with article 13.13.

13.16 If either of articles 13.14 or 13.15 applies, the directors shall review the Hurdle applicable to each Hurdle Share and determine whether it has been Achieved. The directors shall determine whether the Hurdle has been Achieved by calculating the Net Assets of the Company and comparing such with the Hurdle.

13.17 In comparing the Net Assets of the Company with a Hurdle, the directors shall use the following principles:

- (a) the aggregate value of the net assets in the balance sheet in the last accounts of the Company;
 - (b) the directors shall add any assets which have accrued to the Company since the date of the last balance sheet used in (a) above;
 - (c) the directors shall remove any increase in net assets that results purely as a result of an accounting revaluation which has generated no cash for the Company; and
 - (d) the directors shall add any cash generated from the sale of any assets since the date of the last balance sheet used in (a) above to the extent such cash is not otherwise recognized in the net assets.
- 13.18 If the offer referred to in article 13.15 above is not accepted by any of the holders of Hurdle Shares (the ‘**Relevant Shareholders**’) within 7 days of such offer being made then, unless the directors otherwise determine, the Relevant Shareholders shall be deemed to have accepted the offer and the directors shall be authorised on behalf of all Relevant Shareholders to notify the person making the offer of such Relevant Shareholders’ acceptance of the offer.
- 13.19 Any share transferred pursuant to this article shall be transferred free of encumbrances and with all rights attaching thereto for a transfer price to be determined.
- 13.20 In respect of a Share Sale, the Share Sale Value shall be apportioned between the shareholders in accordance with the methodology set out in article 13.13.
- 13.21 If a New Holding Company makes an offer to acquire the shares, the provisions of this article shall apply except that the transfer price shall be shares in the New Holding Company which have broadly equivalent rights (as determined by the directors) as the shares being transferred.
- 13.22 Where the Share Sale Value includes any element of deferred or contingent payment under the Share Sale, that element shall be included in the calculation and no discount shall be applied but there is no obligation to distribute to any shareholders until payment is received in accordance with article 13.24.
- 13.23 On completion of any transfer of shares pursuant to article 13.19, the transferor shall deliver to the transferee a stock transfer form in the name of the transferee or as directed by the transferee and a share certificate representing the relevant shares and the relevant shareholder and the company shall ensure that the transfer is promptly entered in the company’s share register subject to stamping.
- 13.24 The transferee shall pay the Share Sale Value to the company in trust for the relevant shareholders for value on the date of completion or in such other manner as may be agreed between the Company and the transferee before completion and the receipt by the company of the purchase money shall be a good discharge for the transferee who shall not be bound to see the application of the purchase money in accordance with the articles.

- 13.25 Notwithstanding the foregoing provisions of this article 13, the directors may, acting reasonably, serve a conversion notice (a '**Conversion Notice**') by giving notice in writing to any of the holders of the Hurdle Shares. Following service of a Conversion Notice, the shares the subject of such notice shall on the date set by the directors convert into and be redesignated as Ordinary Shares in accordance with article 13.28.
- 13.26 Each Hurdle Share shall convert into the relevant number of Ordinary Shares determined in accordance with the methodology set out in this article on the basis that the value attributable to the converting shares shall be equal to (as nearly as maybe) the value of the number of Ordinary Shares into which they convert (subject to any minor differences arising by virtue of rounding).
- 13.27 If any Hurdle Shares fail to convert for any reason pursuant to a Conversion Notice or in any event to deal with fractional entitlements arising pursuant to the relevant conversion ratio (which the directors may deal with as they think fit), such Hurdle Shares shall automatically convert into such number of Deferred Shares as the directors may specify in writing.
- 13.28 For the purposes of any conversion of Shares pursuant to the articles: ditto above
- (a) The directors may, pursuant to the authority given by the adoption of the articles and without the requirement for any further resolution of the company or of the holders of any class of shares, elect to effect such conversion by redesignation or by consolidation and sub-division, in which case the shares to be converted at any one time and held by one holder shall be consolidated into one share, pursuant to the authority granted by the adoption of the articles. The consolidated share shall then be sub-divided into shares of such nominal amount as may be appropriate taking into account the number of shares to which the relevant shareholder is entitled and which shall be designated as Ordinary Shares or Deferred Shares as appropriate; or
 - (b) The directors may without the requirement for any further resolution of the company or of the holders of any class of shares, (i) elect to effect conversion by way of the capitalisation of profits or reserves (including any share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and (ii) appropriate the sum to be capitalised to any one or more holders of shares and whether or not in proportion to the nominal amounts of shares held by them, and apply that sum on such holders' behalf in or towards paying up in full unissued shares or Deferred Shares, as appropriate, of a nominal amount equal to that sum, and to allot the Ordinary Shares or Deferred Shares to such holder. Immediately upon such allotment, the shares to be converted at any one time and held by such holder shall, pursuant to the authority given by the adoption of the articles and without the requirement for any further resolution of the company, be converted as Deferred Shares on such basis as the directors may think fit.
 - (c) Each shareholder agrees that for the purposes of the conversion contemplated in this article 13.28 it will vote in favour of or, if required by the directors, execute or sign any shareholder resolutions required in order to effect the conversion of shares pursuant to this article and that they will consent to any meetings which are required being held on short notice.

(d) All conversions pursuant to this article 13.28 shall be made on the following terms:

- (i) conversions shall take effect immediately on the date of conversion (as specified in the Conversion Notice or otherwise as notified by the directors) at no charge to the relevant shareholder and the shares resulting from the conversion of each class of shares (or shares with an equal Hurdle) shall be apportioned among the holders of converting shares and the decision of the directors as to the number of shares to be converted and the apportionment of the Ordinary Shares shall (in the absence of fraud or manifest error) be conclusive and binding on the company and the shareholders;
- (ii) as soon as practicable after the date of conversion the company shall issue to the persons entitled thereto certificates for the Ordinary Shares (but not the Deferred Shares) resulting from the conversion and the certificates for the shares falling to be converted shall be deemed invalid for all purposes and the relevant holders shall be bound to deliver the same to the company for cancellation; and

13.29 The Ordinary Shares arising upon conversion under article 13.28 shall in all respects rank *pari passu* and as a single and uniform class of shares with the Ordinary Shares then in issue but subject to any entitlements arising by reference to a record date prior to the date of conversion.

13.30 If any shareholder fails or refuses to transfer any shares agreed to be sold or deemed to be sold as requested under this article, against agreement to make payment (or in a form satisfactory to the directors) of the transfer price for them:

- (a) the company shall by written notice authorise any director to execute and deliver on the shareholders' behalf the necessary instrument of transfer and to do any acts and/or execute any other deeds and documents on the seller's behalf required to effect the transfer of shares on the terms of the offer;
- (b) the company shall receive the purchase money on trust for the relevant shareholder and the receipt by the company of the purchase money shall be a good discharge for the purchaser, who shall not be bound to see the application of the purchase money;
- (c) the company shall, subject to the instrument of transfer being duly stamped, cause the purchaser to be registered as holder of the relevant shares; and

once registration has taken place in purported exercise of the power contained in this article, the validity of the proceedings shall not be questioned by any person.

13.31 Following receipt of an Achievement Notice, subject to article 13.36, a holder of D Shares shall be entitled to exercise an option to sell that proportion of their D Shares as will enable the holder of D Shares to receive a cash distribution amount equal to that which would be paid following a distribution under article 13.13 ("**Vested D Shares**") on the other shareholders (the "**Other Shareholders**") pro rata to their shareholding (calculated using the aggregate number of shares) as follows:

- (a) 40% of the Vested D Shares at any time following the date of the Achievement Notice until the Long Stop Date;
- (b) 35% of the Vested D Shares at any time following the first anniversary of the date of the Achievement Notice until the Long Stop Date; and
- (c) the remaining 25% of the Vested D Shares at any time following the second anniversary of the date of the Achievement Notice until the Long Stop Date.

by issuing a written notice to the company (which shall be deemed to have been communicated to the Other Shareholders) which notice (a '**Put Exercise Notice**') shall be irrevocable.

- 13.32 The company shall be entitled, on its behalf or as agent for the holders of the Other Shareholders, to exercise an option to purchase Vested D Shares to the extent that the option in article 13.31 is not exercised at any time by issuing a written notice to the holders of the D Shares which notice shall be irrevocable (a '**Call Exercise Notice**').
- 13.33 The Other Shareholders shall, within 28 days of the Put Exercise Notice or Call Exercise Notice (as the case may be), purchase their proportionate share of the Vested D Shares and completion of the sale of the Vested D Shares shall take place at the registered office of the company (the date of completion being the '**Transfer Date**').
- 13.34 On or before the Transfer Date, the Employee Shareholder shall execute and deliver to the Other Shareholders stock transfer forms for the relevant Vested D Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) and shall enter into such agreements and/or execute such deeds and do such other acts or things required by the company to facilitate the sale of the relevant Vested D Shares. On the Transfer Date, the Other Shareholders shall pay their share of the price determined in article 13.32 to the Employee Shareholder.
- 13.35 If an Employee Shareholder does not, on or before the Transfer Date, execute and deliver transfer(s) in respect of all of the relevant Vested D Shares then the Employee Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Other Shareholder to be its agent to execute all necessary transfer(s) on its behalf and to deliver such transfer(s) to the Other Shareholders as the holder thereof. After the Other Shareholders have been registered as the holder of the relevant shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 13.
- 13.36 If an Employee Shareholder becomes a Leaver then:
- 13.36.1 If he or she is a Bad Leaver, each of the Hurdle Shares held by the Bad Leaver and his or her Privileged Relations shall, on the Leaving Date, automatically convert into a Deferred Share;
 - 13.36.2 If he or she is a Good Leaver or a Retirement Leaver, he or she and his or her Privileged Relations shall be deemed to have served a Transfer Notice on the Leaving Date in respect of each of the Vested D Shares that he or

she holds and all remaining Hurdle Shares shall each automatically convert into a Deferred Share.

14. SHARE TRANSFERS: GENERAL

- 14.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal 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.
- 14.2 No shareholder shall transfer any share except:
- (a) with the prior written consent of at least one shareholder of each class of shares; or
 - (b) a shareholder may transfer shares in the Company by a sale to a bona fide third party for a consideration that represents full open market value (for such shares) payable in cash and not on deferred terms in accordance with and subject to the procedure set out in articles 15 and/or 17; or
 - (c) by an Employee Shareholder to a Privileged Relation within 20 days of the receipt of an Achievement Notice; or
 - (d) in accordance with article 16.
- 14.3 Subject to article 14.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 14.4 As a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) the transferee shall execute and deliver to the Company a deed, enforceable by any shareholder, under which the transferee agrees to be bound by the terms of the Shareholders' Agreement (or similar document) in force between the shareholders in such form as the Shareholders Agreement (or if not, the Board) requires. The transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 14.5 To enable the directors to determine whether or not a transfer or a proposed transfer has been or is to be made in accordance with these Articles and/or whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose and refuse to register a transfer until the directors (acting reasonably) are satisfied that a transfer is in accordance with these Articles.

15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 15.1 Except where the provisions of article 16 apply, an A Shareholder or B Shareholder ("the **Seller**") wishing to transfer some or all of its A and/or B shares pursuant to and in accordance with article 14.2(b) ("the **Sale Shares**") must give a Transfer Notice to the other shareholders holding A Shares and/or B Shares ("the **Continuing Shareholders**") giving the following details of the proposed transfer :

- (a) the name of the proposed buyer (“the **Proposed Buyer**”) and
 - (b) the bona fide terms and price (in cash) (“the **Proposed Sale Price**”) at which it wishes to sell the Sale Shares (save where there is a deemed Transfer Notice under article 13.36.2 in which case the Proposed Sale Price shall be that price equal to the fair market value as determined by the auditors (acting as experts and not as arbitrators) acting reasonably and based on the valuation methodology in Part VIII of the Taxation of Chargeable Gains Act 1992; and
 - (c) such other information as any of the Continuing Shareholders may reasonably require.
- 15.2 Within 20 Business Days of service of a Transfer Notice (in accordance with article 23), each of the Continuing Shareholders shall be entitled (but not obliged) to give notice in writing to the Seller stating that they wish to purchase all or some of the Sale Shares at the Proposed Sale Price (“the **Purchase Notice**”), in which case the Continuing Shareholders that serve a Purchase Notice shall be bound to buy all or some of the Sale Shares set out in the Purchase Notice at the Proposed Sale Price, in accordance with the following provisions.
- 15.3 If at the expiry of the period in article 15.2 any Purchase Notices given will not result in the purchase of all the Share Sales the Continuing Shareholders shall be entitled within 10 Business Days of the expiry of the period in article 15.2 to give notice in writing to the Seller stating that they wish to purchase all or some of the balance of Sale Shares at the Proposed Sale Price (the “**Second Purchase Notice**”), in which case the Continuing Shareholders that serve a Second Purchase Notice shall be bound to buy all or some of the balance of Sale Shares set out in the Second Purchase Notice at the Proposed Sale Price in accordance with the following provisions.
- 15.4 If the Purchase Notices and/or Second Purchase Notices served by Continuing Shareholders in accordance with articles 15.2 and 15.3 result in competition for the Sale Shares, the Sale Shares shall be sold to members in proportion to their existing holdings of A Shares and B Shares (excluding the Seller’s A Shares and B Shares) as nearly as may be possible without fractions. If the Purchase Notices and/or Second Purchase Notices served do not result in competition for Sale Shares, the Sale Shares shall be sold so as to satisfy the Purchase Notices and/or Second Purchase Notices in full. For the avoidance of doubt no shareholder shall be obliged to accept a transfer of more shares than he has specified in his Purchase Notice and/or Second Purchase Notice.
- 15.5 If, at the expiry of the periods specified in articles 15.2 and 15.3, no Continuing Shareholder has given a Purchase Notice or a Second Purchase Notice or if any Purchase Notices or Second Purchase Notices given will not result in the purchase of all of the Sale Shares (as the case may be), the Seller may, subject to the terms of this clause and other applicable articles, transfer the Sale Shares that are not the subject of a Purchase Notice or a Second Purchase Notice (“the **Available Shares**”) to the Proposed Buyer identified in the Transfer Notice on the terms notified pursuant to article 15.1(b) (“the **Notified Terms**”) at a price not less than the Proposed Sale Price, provided that it does so within three months of the expiry of the period specified in article 15.3.

- 15.5.1 After first giving a Transfer Notice to the Continuing Shareholders and going through the procedure set out in articles 15.1 to 15.3 the provisions of articles 15.5.2 to 15.5.7 shall apply if the Seller proposes (by one or more transactions) to transfer any Sale Shares to the Proposed Buyer (**Proposed Transfer**).
- 15.5.2 Before making a Proposed Transfer, the Seller shall procure that the Proposed Buyer makes an offer (**Offer**) to all of the holders of A and B shares in issue for the time being (including the Seiler but excluding any Continuing Shareholder that has purchased or is bound to purchase Sale Shares pursuant to articles 15.2 to 15.4) (**Relevant Shareholders**) to purchase a Relevant Number of shares from each Relevant Shareholder for a consideration in cash per share ("the **Specified Price**") that is at least equal to the price per share offered or agreed by the Buyer in respect of the Proposed Transfer and otherwise on terms which are at least equal to or better than the Notified Terms.
- 15.5.3 The Relevant Number (referred to in article 15.5.2) in respect of each Relevant Shareholder pursuant to article 15.5.2 shall be calculated as follows:

$$\frac{A}{B - C} \times D$$

Where:

A = the total number of A and B shares held by the Relevant Shareholder

B = the total number of issued A and B shares in the Company

C = the total number of A and B shares held by shareholders that have purchased or are bound to purchase Sale Shares under a Purchase Notice or Second Purchase Notice pursuant to articles 15.2 to 15.4.

D = Available Shares.

- 15.5.4 The Offer shall be given by written notice (**Offer Notice**), at least twenty Business Days (**Offer Period**) before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the purchase price and other terms and conditions;
 - (c) the Transfer Date; and
 - (d) the number of Shares proposed to be purchased by the Buyer from each Relevant Shareholder (**Offer Shares**).
- 15.5.5 If the Buyer fails to make the Offer in accordance with articles 15.5.2 to 15.5.4 the Seller shall not be entitled to complete the Proposed Transfer (or

any part) and the Company shall not register any transfer of Shares effected in relation to the Proposed Transfer.

- 15.5.6 If the Offer is accepted by any Relevant Shareholders in writing within the Offer Period, the completion of any sale of shares in relation to the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholders.
- 15.5.7 If the Offer is not taken up by all Relevant Shareholders the balance of the number of Offer Shares may be transferred to the Proposed Buyer by the Seller.
- 15.5.8 The Proposed Transfer is subject to the rights of pre-emption set out in article 15 but the purchase of the Offer Shares shall not be subject to those provisions.
- 15.5.9 If any calculation in relation to a transfer or proposed transfer of shares or any allocation of shares pursuant to this article 15 results in a fraction of a share the relevant number shall be rounded up or down (as the case may be) to the nearest whole number.
- 15.5.10 The Board shall give written notice of any allocation of Sale Shares pursuant to articles 15.2 to 15.4 (**Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (**Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (Consideration) and the place and time for completion of the transfer of the Sale Shares (which shall be at least ten Business Days and not more than twenty Business Days after the date of the Allocation Notice).
- 15.5.11 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice.
- 15.5.12 If the Seller fails to comply with the requirements of the Allocation Notice:
 - (a) the Chairman of the Company (or, failing him, one of the Directors) shall, 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 each Applicant;
 - (ii) receive the Consideration and give a good discharge for it; and
 - (iii) (subject to the transfers 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 Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Sale Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

16. PERMITTED TRANSFERS

- 16.1 An Original Shareholder may subject to the other requirements in these articles at any time transfer all or some of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in article 15.
- 16.2 An Original Shareholder may only transfer shares to the trustees of a Family Trust if the holder(s) of the majority of the other classes of shares are satisfied (acting reasonably):
 - (a) that the terms of the Family Trust and the powers of the Trustees comply with these Articles; and
 - (b) of the identity of the Trustees; and
 - (c) that no costs in connection with the Family Trust (including any liability to tax) will be paid or payable by the Company
- 16.3 A shareholder holding shares in the Company as a result of a Permitted Transfer made after the date of adoption of these Articles by an Original Shareholder under the provisions of this article 16 may at any time transfer all or some of its shares back to the Original Shareholder (provided that the original Shareholder is or becomes bound by the terms of the Shareholders' Agreement or similar document then in force between shareholders) from whom it received those shares or (subject to the requirements of article 14 and this article) to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in article 15.
- 16.4 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall if a company within ten Business Days of it ceasing to be a member of the Permitted Group or if a Family Trust of it ceasing to be wholly for the benefit of the Original Shareholder and/or their Privileged Relations transfer all of the shares in the Company held by it to:
 - 16.4.1 the Original Shareholder from whom it received those shares; or
 - 16.4.2 another Permitted Transferee of that Original Shareholder,(which in either case is not in liquidation, bankrupt or otherwise insolvent), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 16.4, the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the Original Shareholder as the holder of such shares.

17. DRAG ALONG

- 17.1 If a Shareholder or Shareholders who hold seventy five per cent or more of the aggregate nominal value of all classes of shares in issue in the capital of the Company (**Seller**) wish to sell all of their shares (**Sale Shares**) to a bona fide third party for a consideration that represents full open market value (for such shares) payable in cash and not on deferred terms (as referred to in article 14.2(b)) (**Proposed Buyer**), the Seller may require the holders of the remaining shares (**Called Shareholders**) to sell and transfer all of his or their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 17.2 The Seller may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Sale Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 17.2.1 that the Called Shareholder is required to transfer all of his Called Shares pursuant to this article 17;
 - 17.2.2 the person to whom the Called Shares are to be transferred;
 - 17.2.3 the purchase price payable for the Called Shares which shall, for each Called Share (subject to article 13.8), be an amount at least equal to the price per share and on the same terms offered and payable by the Proposed Buyer for the Sale Shares; and
 - 17.2.4 the proposed date of the transfer.
- 17.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Seller has not sold the Sale Shares to the Proposed Buyer within sixty Business Days of serving the Drag Along Notice. The Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 17.4 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 17.
- 17.5 Completion of the sale of the Called Shares shall take place on the Completion Date. **Completion Date** means the proposed date of transfer stipulated in the Drag Along Notice unless:
- 17.5.1 the Seller and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
 - 17.5.2 that date is less than twenty Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be twenty Business Day after service of the Drag Along Notice.
- 17.6 The sale of the Sale Shares by the Seller and the Called Shares by the Called Shareholder pursuant to and in accordance with this article 17 shall not be subject to the provisions in article 15 or to article 14.4.
- 17.7 Within fifteen Business Days of the Seller serving a Drag Along Notice on the Called Shareholder, the Called Shareholder shall deliver a stock transfer form for the Called

Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the Completion Date the Company shall pay the Called Shareholder, on behalf of the Proposed Buyer, the amounts due pursuant to article 17.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholder in trust for the Called Shareholder without any obligation to pay interest.

- 17.8 If the Proposed Buyer has not, within twenty Business Days of the Completion Date put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholder shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares.
- 17.9 If the Called Shareholder has not by the Completion Date, executed transfer(s) in respect of all of the Called Shares held by it, the Called Shareholder shall be deemed to have irrevocably appointed any director or other person nominated for the purpose by the Company to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 17.

DECISION MAKING BY SHAREHOLDERS

18. QUORUM FOR GENERAL MEETINGS

- 18.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom one shall be a holder of A Shares or a duly authorised representative of such holder and one shall be a holder of B Shares or a duly authorised representative of such holder.
- 18.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

19. CHAIRING GENERAL MEETINGS

The chairman of the board of directors at the last board meeting before the general meeting shall chair general meeting. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

20. VOTING

At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote for each Share of which he is the holder; on a poll every shareholder holding A Shares or B Shares present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written

resolution every shareholder holding A Shares or B Shares has one vote for each share of which he is the holder except that:

- 20.1 no shares of one class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of the other class under a right to appoint which is a class right; and
- 20.2 subject to article 20.1, in the case of any resolution proposed, any holder of A Shares or of B Shares voting against such resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat the resolution.

21. POLL VOTES

- 21.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 21.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words “A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made” as a new paragraph at the end of that article.

22. PROXIES

- 22.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate”.
- 22.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words “and a proxy notice which is not delivered in such manner shall be invalid” as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

23. MEANS OF COMMUNICATION TO BE USED

- 23.1 Subject to the article 23.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
 - 23.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 23.1.2 if sent by fax, at the time of transmission; or
 - 23.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9,00 am on the second Business Day after posting; or
 - 23.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9,00 am on the fifth Business Day after posting; or

- 23.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - 23.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
 - 23.1.7 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; and
 - 23.1.8 if deemed receipt under the previous paragraphs of this article 23 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 23.2 To prove service, it is sufficient to prove that:
- 23.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 23.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 23.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
 - 23.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 23.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 15, may not be served or delivered in electronic form (other than by fax), or by means of a website.
- 23.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

24. INDEMNITY AND INSURANCE

- 24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
- 24.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is

acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

- 24.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any, proceedings or application referred to in article 24.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 24.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 24.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 24.4 In this article:
 - 24.4.1 a "relevant officer " means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
 - 24.4.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund of the Company.