

Company number: 07844719

SPECIAL RESOLUTIONS

OF

SRE PROPERTIES (WESTBOURNE GROVE) LTD (the Company)

PASSED ON *29 September* **2014**

The following resolutions were duly passed as special resolutions on *29 September* 2014 by way of written resolutions under Chapter 2 of Part 13 of the Companies Act 2006

RESOLUTIONS

- 1 THAT the issued ordinary share of £1 in the capital of the Company be and is hereby re-designated as a Y share of £1 in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 2, and
- 2 THAT the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

Signed


Company Secretary
SRE Properties (Westbourne Grove) Ltd



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

SRE PROPERTIES (WESTBOURNE GROVE) LIMITED

(Adopted by special resolution passed on *29 September* 2014)

AGREED TERMS

1. INTERPRETATION

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

Act: the Companies Act 2006,

Articles: the Company's articles of association for the time being in force,

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

Conflict: a situation in which a director has, or can have, an interest that conflicts, or possibly may conflict, with the interests of the Company (and a "Conflict" includes a conflict of interest and duty and a conflict of duties),

Continuing Shareholder: has the meaning given in article 27 2(a),

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

Fair Value. in relation to Shares, as determined in accordance with article 28,

holding company: has the meaning given in article 1 5,

Interested Director: has the meaning given in article 10 1,

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,

Original Shareholders: means

- (a) SRE HOTELS HOLDING S À R L, a company incorporated under the laws of Luxembourg and whose registered office is at 25A, Boulevard Royal, L-2449, Luxembourg, and
- (b) ENSTAR CAPITAL LIMITED, a company incorporated under the laws of England and Wales and whose registered office is at Quadrant House, 4 Thomas More Square, London E1W 1YW,

and each is an "Original Shareholder",

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 in the Company made in accordance with article 26,

Permitted Transferee in relation to a shareholder, any member of the same Permitted Group as that shareholder,

Shares: the X Shares and Y Shares (and each a "Share"),

Shareholder Loans: means all loans made by or on behalf of the Original Shareholders to the Company from time to time including all accrued interest on such loans (and, for the avoidance of doubt and without limitation to the generality of the foregoing, including any loans made by Enstar Capital Limited or Strategic Investments Portfolio Limited to the Company)

subsidiary: has the meaning given in article 1 5,

Transfer Notice: has the meaning given to it in article 27 1,

Valuers: an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator),

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 24 and article 27, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax),

X Share: an ordinary share of £1 in the capital of the Company designated as an X Share,

Y Share: an ordinary share of £1 in the capital of the Company designated as a Y Share,

X Shareholder: the holder of X Shares from time to time, and

Y Shareholder the holder of Y Shares from time to time

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

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 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of

(a) another person (or its nominee), by way of security or in connection with the taking of security, or

(b) its nominee

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership, and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights

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 7, 8, 10 to 13 (inclusive), 14(1) to 14(4) (inclusive), 22, 26(5), 27 to 36 (inclusive), 38, 43, 44(2) and 50 to 53 (inclusive) shall not apply to the Company

2 3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur"

2 4 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 5 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 All decisions taken by the board of directors, whether at a meeting or by written resolution, require unanimous agreement

- 3 3 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

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

5. NUMBER OF DIRECTORS

The number of directors shall be 2 directors No shareholding qualification for directors shall be required

6. CALLING A DIRECTORS' MEETING

Any director may call a meeting of directors by giving notice of the meeting to each of the directors (including alternate directors) and Article 9(1) of the Model Articles shall be modified accordingly

7. QUORUM FOR DIRECTORS' MEETINGS

- 7 1 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum

- 7 2 Subject to Article 7 3, the quorum for a directors' meeting shall be all directors for the time being and Article 11 of the Model Articles shall be modified accordingly

- 7 3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 10 to authorise a director's conflict of interest, if there is only one non-conflicted director in office in addition to the conflicted directors, the quorum for such meeting (or part of a meeting) shall be one non-conflicted director

8. CHAIRING OF DIRECTORS' MEETINGS AND CASTING VOTE

- 8 1 The directors may appoint a director to chair their meetings

- 8 2 The person so appointed for the time being is known as the chairman

- 8 3 The directors may terminate the chairman's appointment at any time
- 8 4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it is to start, the participating directors must appoint one of themselves to chair it
- 8 5 The chairman shall not have a casting vote

9. PARTICIPATION IN DIRECTORS' MEETINGS

- 9 1 Directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with these Articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- 9 2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other
- 9 3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

10. DIRECTORS' INTERESTS

- 10 1 The directors may, in accordance with the requirements set out in this article, authorise 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 to avoid conflicts of interest
- 10 2 Any authorisation under this article will be effective only if
- (a) the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

- 10 3 Any authorisation 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 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
- 10 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 10 5 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
- 10 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, any shareholder of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 10 1 shall be necessary in respect of any such interest
- 10 7 Any director shall be entitled from time to time to disclose to any company of which that director is also a director or officer such information concerning the business and affairs of the Company as he shall at his discretion see fit
- 10 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 directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

10 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

10 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 10 9

10 11 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 10 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

11. 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

12. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

12 1 Any director ("**appointor**") may appoint as an alternate any person approved by resolution of the directors (other than a person who is also a director), to

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor

12 2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors

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 the proposed alternate is willing to act as the alternate of the director giving the notice

13. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

13 1 A director may not act as another director's alternate director

13 2 An alternate director has the same rights in relation to any decision of the directors as the alternate's appointor

13 3 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 appointor is a member

13 4 A person who is an alternate director but not a director

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating), and
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate)

13 5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company

14. TERMINATION OF ALTERNATE DIRECTORSHIP

14 1 An alternate director's appointment as an alternate terminates

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- (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,
- (c) on the death of the alternate's appointor, or
- (d) when the alternate's appointor's appointment as a director terminates

SHARES

15. SHARE CAPITAL

- 15 1 Except as otherwise provided in these Articles the X Shares and the Y Shares shall rank pari passu in all respects but shall constitute separate classes of shares
- 15 2 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
- 15 3 On the transfer of any 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

- 15 4 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
- 15 5 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, redenomination, 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, and
 - (c) any resolution to put the Company into liquidation

- 15 6 For the avoidance of doubt, and without limitation, the allotment of any shares in the Company shall not constitute a variation of the rights attached to each class of shares
- 15 7 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act
- 15 8 Subject to the Articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution
- 15 9 The company may not issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder

16 DIVIDEND RIGHTS

- 16 1 The rights attaching to each share in respect of any dividend declared or payable by the Company shall be calculated in accordance with this Article 16
- 16 2 For the purposes of this Article 16 the following definitions shall apply

"X Shareholder's Enhanced Percentage" means an amount expressed as a percentage and being equal to the aggregate total of 20% and the number of X Shares in issue expressed as a percentage of all issued shares

"Y Shareholder's Reduced Percentage" means an amount expressed as a percentage and being equal to 100% less the X Shareholder's Enhanced Percentage

- 16 3 The full amount of any dividend declared or payable by the Company shall be distributed between the shareholders as follows
- (a) the X Shareholder shall be entitled to an amount equal to the X Shareholder's Enhanced Percentage of the full amount of such dividend, and
 - (b) the Y Shareholder shall be entitled to an amount equal to the Y Shareholder's Reduced Percentage of the full amount of such dividend

DIVIDENDS AND OTHER DISTRIBUTIONS

17. PROCEDURE FOR DECLARING DIVIDENDS

- 17 1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

- 17.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 17.3 No dividend may be declared or paid unless
- (a) that dividend is in accordance with shareholders' respective rights, and
 - (b) all Shareholder Loans have been repaid in full in accordance with their respective terms.
- 17.4 Any dividend must be
- (a) paid to the shareholders of the Company by reference to the rights attaching to the X Shares and the Y Shares set out in Article 16, and
 - (b) must be paid to the X Shareholders and Y Shareholders as on the date of the relevant shareholders' resolution or directors' decision to declare or pay it and in respect of the number of X Shares or Y Shares (as the case may be) held by the shareholders on that date.
- 17.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 17.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 17.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

18. PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 18.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—
- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
 - (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,

- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide

18 2 In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share, or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

19. NO INTEREST ON DISTRIBUTIONS

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company

20. UNCLAIMED DISTRIBUTIONS

20 1 All dividends or other sums which are—

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed

20 2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it

20 3 If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

21. NON-CASH DISTRIBUTIONS

21 1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

21 2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets,
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
- (c) vesting any assets in trustees

22. WAIVER OF DISTRIBUTIONS

22 1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

23. FURTHER ISSUES OF SHARES. AUTHORITY

23 1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company

23 2 Subject to the remaining provisions of this Article 23 and to Article 24, the directors are generally and unconditionally authorised, for the purposes of section 551 of the 2006 Act and generally, to exercise any power of the Company to

- (a) offer or allot,
- (b) grant rights to subscribe for or to convert any security into,
- (c) otherwise deal in, or dispose of,

any X Shares and/ or Y Shares to any person, at any time and subject to any terms and conditions as the directors think proper

23 3 The authority referred to in Article 23 2

- (a) shall be limited to a maximum nominal amount of £999,
- (b) shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution, and
- (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired)

24. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS

24 1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company

24 2 Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as possible without involving fractions) The offer

- (a) shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and
- (b) may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities ("**Excess Securities**") for which he wishes to subscribe

24 3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 24 2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 24 2 If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the

applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 24 2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him) After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders

- 24 4 Subject to Articles 24 2 and 24 3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper

25. SHARE TRANSFERS: GENERAL

- 25 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

- 25 2 No shareholder shall transfer any share except

- (a) with the prior written consent of all shareholders for the time being, or
- (b) in accordance with article 26, or
- (c) in accordance with article 27

- 25 3 Subject to article 25 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

- 25 4 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) If any such condition is imposed in accordance with this article 25 4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

- 25 5 To enable the directors to determine 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 If

a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. Such directors may reinstate these rights at any time.

- 25 6 Any transfer of shares by way of a sale that is required to be made under article 26 or article 27 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

26. PERMITTED TRANSFERS

- 26 1 An Original Shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee.

- 26 2 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 26 may at any time transfer all (but not some only) of its shares back to the Original Shareholder from whom it received those shares or to another Permitted Transferee of such Original Shareholder.

- 26 3 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within five Business Days of ceasing to be a member of the Permitted Group transfer all of the shares in the Company held by it to

- (a) the Original Shareholder from whom it received those shares, or
- (b) another Permitted Transferee of that Original Shareholder,

(which in either case is not in liquidation). If the Permitted Transferee fails to make a transfer in accordance with this article 26 3, 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.

27. COMPULSORY TRANSFERS

- 27 1 A shareholder is deemed to have served a notice (a "**Transfer Notice**") on the other shareholder immediately before any of the following events

- (a) the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group (the structure of which has been

previously approved by the other shareholder in the Company in writing) in which a new company assumes (and is capable of assuming) all the obligations of the shareholder, or

- (b) the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within fourteen days of such presentation, or
- (c) the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder, or
- (d) any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder, or
- (e) the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986, or
- (f) the shareholder entering into a composition or arrangement with its creditors, or
- (g) any chargee taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager), or
- (h) a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors, or
- (i) the shareholder ceasing to carry on its business or substantially all of its business, or
- (j) in the case of the events set out in paragraphs (a) to (i) above, any competent person taking any analogous step in any jurisdiction in which the shareholder is incorporated or resident or carries on business

27.2 The effect of a Transfer Notice is as follows

- (a) the Shareholder being deemed to have served the Transfer Notice ("**Seller**") is deemed to have offered all (but not some only) of its shares (the "**Sale Shares**") in the Company to the other shareholder (the "**Continuing Shareholder**"),
- (b) the price for the Sale Shares shall be the aggregate Fair Value of those shares, as agreed between the Seller and the Continuing Shareholder or (if they have not so agreed within 20 Business Days of the Continuing Shareholder becoming aware of the circumstances giving rise to the deemed Transfer Notice) as determined by the Valuers in accordance with article 28,

- (c) the Seller does not have the right to withdraw the Transfer Notice either before or following a valuation,
- (d) the Continuing Shareholder shall serve notice in writing on the Seller stating whether or not it accepts the offer of shares comprised in the Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, and if any such notice is served accepting the offer the Seller is bound to sell and the Continuing Shareholder is bound to buy the Sale Shares at such price, with completion within ten Business Days of such agreement or determination, and
- (e) if the Continuing Shareholder does not accept the offer of shares comprised in the Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party and the Seller shall no longer have the right to vote or be counted as part of the quorum at general meetings nor shall its consent or approval thenceforth be required for any matter which otherwise requires the consent or approval of all Shareholders

27 3 If the Seller fails to complete a transfer of Sale Shares as required under this article 27, the Company

- (a) is irrevocably authorised to appoint any person nominated for the purpose by the Continuing Shareholder as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale, and
- (b) may receive the purchase price in trust for the Seller, giving a receipt that shall discharge the Continuing Shareholder

28. VALUATION

28 1 As soon as practicable after deemed service of a Transfer Notice under article 27, the shareholders shall (if no agreement on price has been reached between them) appoint the Valuers to determine the Fair Value of the Sale Shares

28 2 The Valuers shall be requested to determine the Fair Value within twenty Business Days of their appointment and to notify the shareholders in writing of their determination

28 3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions

- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares,

- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
 - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer,
 - (d) the Sale Shares are sold free of all encumbrances,
 - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value, and
 - (f) to take account of any other factors that the Valuers reasonably believe should be taken into account
- 28 4 The shareholders are entitled to make written submissions to the Valuers (which shall be made available at the same time to the other shareholder) and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require
- 28 5 To the extent not provided for by this article 28, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation
- 28 6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud)
- 28 7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders in proportion to their respective shareholdings

DECISION MAKING BY SHAREHOLDERS

29. QUORUM FOR GENERAL MEETINGS

- 29 1 Subject to Article 29 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
- 29 2 If as a result of the effect of Article 27 2 a shareholder does not have the right to be counted as part of the quorum at general meetings, then one qualifying person (such term as defined in section 318(3) of the Companies Act 2006) present at a meeting is a quorum

30. VOTING

At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote, on a poll every shareholder 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 has one vote for each share of which he is the holder

31. POLL VOTES

- 31 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
- 31 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

32. PROXIES

- 32 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"
- 32 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

33. MEANS OF COMMUNICATION TO BE USED

- 33 1 Subject to article 33 3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient
- (a) 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
 - (b) if sent by fax, at the time of transmission, or
 - (c) 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
 - (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 00 am on the second Business Day after posting, or

- (e) 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
- (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied, or
- (g) 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
- (h) if deemed receipt under the previous paragraphs of this article 33 1 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 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

33 2 To prove service, it is sufficient to prove that

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address, or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number, or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or
- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient

33 3 Any notice, document or other information served on, or delivered to, an intended recipient under article 24, article 26 or article 27 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website

33 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

34 INDEMNITY AND INSURANCE

34 1 Subject to article 34 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) 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

- (i) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

- (ii) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

- (b) 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 34 1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure

34 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

34 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

34 4 In this article

- (a) a "relevant officer " means any director or other officer or former 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

- (b) 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 or employees' share scheme of the Company

35. APPOINTMENT AND REMOVAL OF SECRETARY

35 1 The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit, any secretary so appointed may be removed by them