

SPECIAL RESOLUTIONS OF

PEPKOR EUROPE LIMITED (Company Number: 09127609) (the Company)

Passed on 4 May 2016

The following resolutions were duly passed as special resolutions by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006

Special Resolution 1

- 1 **THAT** the draft articles of association attached to this resolution (the **New Articles**) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association

Special Resolution 2

- 2 **THAT** the one issued ordinary share of £1 in the capital of the Company be sub-divided into 1,000 ordinary shares of £0.001 each (the **Ordinary Shares**) and the Ordinary Shares be re-designated as A ordinary shares of £0.001 each in the capital of the Company having the rights and being subject to the restrictions set out in the New Articles (**A Ordinary Shares**)

Special Resolution 3

- 3 **THAT** in accordance with section 551 of the Act, the directors be unconditionally authorised to allot up to 50,000 B ordinary shares of £0.001 each in the capital of the Company having the rights and being subject to the restrictions set out in the New Articles (the **New Shares**), provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is five years from the date this resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the directors may allot shares in pursuance of that 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 Act

Special Resolution 4

- 4 **THAT** in accordance with section 570 of the Act, the directors be empowered to allot the New Shares pursuant to the authority conferred by Special Resolution 3, as if section 561 of the Act did not apply to any such allotment, provided that this power shall



- 4 1 be limited to the allotment of the New Shares in accordance with the authority conferred by Special Resolution 3 (exclusive of the equity securities in issue at the date this resolution is passed), and
- 4 2 expire on the date which is five years from the date this resolution is passed (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

Special Resolution 5

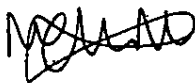
- 5 **THAT** in accordance with section 551 of the Act, the directors be unconditionally authorised to allot up to 949,000 A Ordinary Shares (the **Consideration Shares**), provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is five years from the date this resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the directors may allot shares in pursuance of that 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 Act, excluding as provided by Special Resolution 3

Special Resolution 6

- 6 **THAT** in accordance with section 570 of the Act, the directors be empowered to allot the Consideration Shares pursuant to the authority conferred by Special Resolution 5, as if section 561 of the Act did not apply to any such allotment, provided that this power shall
- 6 1 be limited to the allotment of the Consideration Shares in accordance with the authority conferred by Special Resolution 5 (exclusive of the equity securities in issue at the date this resolution is passed), and
- 6 2 expire on the date which is five years from the date this resolution is passed (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



Director

Company Number 09127609



PEPKOR EUROPE LIMITED

ARTICLES OF ASSOCIATION
(Adopted by a special resolution passed on 4 May 2016)

DWF LLP
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CONTENTS

1	Introduction	1
2	Definitions	1
3	Share capital	15
4	Dividends	17
5	Liquidation priority	18
6	Exit provisions	19
7	Votes in general meeting	19
8	Variation of rights and Minority Consent	20
9	Allotment of new shares or other securities, pre-emption	20
10	Re-designation of shares	22
11	Transfers of Shares – general	22
12	Permitted Transfers	25
13	Transfers of Shares subject to pre-emption rights	25
14	Valuation of Shares	29
15	Compulsory transfers – general	34
16	Compulsory transfer – employees	35
17	Tag Along	36
18	Drag Along	37
19	Put and call rights	38
20	General meetings	46
21	Proxies	47
22	Directors' borrowing powers	48
23	Alternate Directors	48
24	Number of Directors	49
25	Appointment of Directors	49
26	Disqualification of Directors	50
27	Proceedings of Directors	50
28	Directors' interests	51
29	Notices	54
30	Indemnities and insurance	56
31	Data Protection	57
32	Secretary	58
33	Lien	58
34	Call Notices	59
35	Forfeiture of Shares	61
36	Surrender of Shares	63

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
PEPKOR EUROPE LIMITED

(Adopted by a special resolution passed on 4 May 2016)

1 Introduction

- 1 1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Date of Adoption (the **Model Articles**) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1 2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force
- 1 3 In these Articles
- (a) references to a "company" include any company, corporation or other body corporate (wherever and however incorporated or established),
 - (b) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles,
 - (c) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa,
 - (d) any reference to an English legal term for any action, remedy, method of judicial proceeding, legal document, tax election, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to that which most nearly approximates to the English legal term in that jurisdiction, and
 - (e) articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company

2 Definitions

In these Articles the following words and expressions shall have the following meanings

A Ordinary Shareholders means the holders, from time to time, of the A Ordinary Shares,

A Ordinary Shares	means the A ordinary shares of £0 001 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,
A Share Basis Amount	has the meaning given in Article 3 7,
Accounts	means the audited accounts of the Company, prepared in accordance with the Act,
Act	means the Companies Act 2006 (as amended from time to time),
Acting in Concert	has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),
Annual Results	means <ul style="list-style-type: none"> (a) financial statements of the Group for the relevant Financial Year prepared by the Company by aggregating the preliminary audited annual accounts of the Group Companies (or their operating divisions) for the relevant Financial Year which have been approved by the auditors and finally submitted to the Investor Group for the purposes of preparing Steinhoff's preliminary results for such Financial Year, or, if (and only if) such preliminary audited annual accounts are no longer produced, (b) the Relevant Management Accounts for the relevant Financial Year,
Asset Sale	means the disposal by the Company of all or substantially all of its undertaking and assets,
Associate	in relation to any person means <ul style="list-style-type: none"> (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined), and (b) any Member of the same Group,
Auditors	means the auditors of the Company from time to time,

Available Profits	means profits available for distribution within the meaning of part 23 of the Act,
Average Benchmark EBITDA Multiple	has the meaning given in Article 14 10,
Average EBITDA Multiple	has the meaning given in Article 14 7,
Average Steinhoff EBITDA Multiple	has the meaning given in Article 14 8,
B Ordinary Shareholders	means the holders, from time to time, of the B Ordinary Shares,
B Ordinary Shares	means the B ordinary shares of £0 001 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,
Bad Leaver	means a person who <ul style="list-style-type: none"> (a) ceases to be an Employee at any time and who is not an Early Leaver or a Good Leaver, or (b) having been a Good Leaver or an Early Leaver, is in breach of any restrictive covenants set out in the Investment Agreement,
Base FMP	has the meaning given in Article 14 3(g),
Benchmarking Group	means such group of not less than five comparable companies to the Group operating retail businesses as the Board shall determine from time to time acting reasonably (and in the absence of any such determination, such comparable companies as are set out or agreed from time to time as forming part of the Benchmarking Group in or pursuant to the Investment Agreement),
Board	means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles,
Business Day	means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday),
Called Shareholder	has the meaning given in Article 19 5,
Called Shares	has the meaning given in Article 18 2,
Call Option	has the meaning given in Article 19 5,

Call Option Notice	has the meaning given in Article 19 7,
Call Option Shares	has the meaning given in Article 19 5,
Call Price	has the meaning given in Article 19 5,
Cash	means the aggregate amount of cash (including but without limitation all amounts entered into any cash book or the like (by whatever name called)) and cash equivalents held by a relevant company and its Subsidiary Undertakings (including cash balances in favour of such company and its Subsidiary Undertakings),
Civil Partner	means in relation to an Employee, a civil partner (as defined in the Civil Partnership Act 2004) of the Employee,
Closing Period	has the meaning given in Article 19 21(a),
Company	means Pepkor Europe Limited (company number 09127609),
Company's Lien	has the meaning given in Article 33 1,
CTA 2010	means the Corporation Tax Act 2010,
Date of Adoption	means the date on which these Articles were adopted,
Debt	means the aggregate amount of any borrowing or indebtedness in the nature of borrowing of a relevant company and its Subsidiary Undertakings and the aggregate amount of the indebtedness of such company and its Subsidiary Undertakings for finance leases (or similar arrangements where such company or its Subsidiary Undertakings do not receive good title to goods until such goods have been paid for in full), including in each case accrued interest and penalties thereon, and including the aggregate amount of any outstanding corporation tax, shareholder loans, preference shares and debenture stock,
Director(s)	means a director or directors of the Company from time to time,
Drag Called Shareholder	has the meaning given in Article 18 1,
Early Leaver	means a person who ceases to be an Employee at any time prior to 1 July 2018 in circumstances where either (a) such person would otherwise fall to be treated as a Good Leaver or (b) the Board (with Investor Director Consent) determines, notwithstanding he would otherwise be a Bad Leaver, is an Early Leaver,

EBITDA	means earnings before interest, taxation, depreciation and amortisation,
EBITDA Multiple	has the meaning given in Article 14.9 or 14.11 (as applicable),
Effective Termination Date	means the date on which the Employee's employment terminates,
Electronic Address	has the same meaning as in section 333 of the Act,
Electronic Form and Electronic Means	have the same meaning as in section 1168 of the Act,
Eligible Director	means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors,
Emergency Issue	<p>means an issue of New Securities to the Investor at a price which is determined by the Board, acting reasonably with Investor Director Consent, to be fair and reasonable to all Shareholders and made in circumstances where the Board resolves, acting reasonably with Investor Director Consent, that an immediate equity capital injection is required in order to prevent or remedy</p> <ul style="list-style-type: none"> (a) the Company or any Group Company being in breach of, or an event of default occurring or subsisting under, any covenant, undertaking or other provision of any agreement between it and any bank or other provider of financial facilities, or (b) any mortgage, charge, lien, pledge or other security interest granted by the Company or any Group Company over any of its assets and/or undertaking becoming or having become enforceable, or (c) the Company or any Group Company becoming or having become unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986,
Employee	means an individual who is employed by any Group Company,
Employee Benefit Trust	means a trust, the terms of which are approved by the Board (with Investor Director Consent), whose beneficiaries are Employees,
Employee Shares	in relation to an Employee means all Shares in the

Company held by

- (a) the Employee in question, and
- (b) any Related Person of that Employee (in their capacity as such) other than any Shares held by such persons which the Investor declares itself satisfied (in writing to the Company) were not acquired directly or indirectly from the Employee or by reason of such person's relationship with the Employee,

Encumbrance	means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law),
Equity Share Reference Amount	means such amount as is the result of dividing the aggregate amount of the Remaining Surplus Assets by the total number of issued Equity Shares,
Equity Shareholders	means the holders, from time to time, of the Equity Shares,
Equity Shares	means the A Ordinary Shares and the B Ordinary Shares,
Equity Value	has the meaning given in Article 14 4,
Exchange	means the FSE or (failing the FSE) any other stock exchange upon which Steinhoff Shares have a primary listing from time to time,
Exercising Shareholder	has the meaning given in Article 19 2,
Exit Event	means a Share Sale or an Asset Sale,
Expert Valuer	is as determined in accordance with Article 14 2,
Fair Market Price	is as determined in accordance with Article 14 3,
Family Trusts	means as regards any particular individual Employee or deceased or former individual Employee, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other

than the individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons,

Financial Year and Financial Period	means an accounting reference period (as defined by the Act) of the Company,
First Option Period	has the meaning given in the definition of "Option Period",
FSE	means the Frankfurt Stock Exchange,
Good Leaver	means a person who ceases to be an Employee at any time following 30 June 2018 by reason of <ul style="list-style-type: none"> (a) death, (b) permanent incapacity, (c) a Group Company terminating his contract of employment by serving notice or treating notice of termination as having been given by the Employee (in each case in accordance with the terms of such contract) in circumstances where the Employee <ul style="list-style-type: none"> (i) is not in breach, nor has been in breach, of his contract, and (ii) has not resigned as a director of any Group Company in circumstances which would entitle the Group Company (in accordance with the terms of such contract) to give notice to terminate such contract or treat notice to terminate such contract as having been given by the Employee, or (d) dismissal by a Group Company which is determined to be unfair or wrongful (or the closest equivalent legal concept in the relevant jurisdiction if the Employee is not employed or engaged in England) by an independent employment law specialist barrister of not less than 10 years' call (or an equivalent legal expert in any jurisdiction other

than England) appointed by agreement between such person and the Company or, failing such agreement, by the President for the time being of the Bar Council in England and Wales (or the closest equivalent body in any jurisdiction other than England),

or otherwise is a person who ceases to be an Employee at any time and whom the Board, with the prior written approval of the Investor, determines, notwithstanding he would otherwise be a Bad Leaver or an Early Leaver, is a Good Leaver,

Group	means the Company and its Subsidiary Undertaking(s) (if any) from time to time,
Group Company	means a member of the Group,
hard copy form	has the same meaning as in section 1168 of the Act,
Holding Company	means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company immediately prior to the transfer of the issued share capital of the Company to such holding company,
Interest Period	means the period from and including the Date of Adoption until and including 30 June 2016 and each consecutive Quarter thereafter,
Intra-Group Borrowing	means borrowing or other indebtedness in the nature of borrowing between Group Companies and members of the Investor Group from time to time,
Invested Amount	has the meaning given in Article 3.5,
Investment Agreement	means the subscription and shareholders' agreement dated on or around the Date of Adoption between, amongst others, the Company, the Investor and the Managers,
Investor	means Retail Holdings SARL and its Permitted Transferees,
Investor Director Consent	means the prior written consent of at least one Investor Director or the consent of at least one Investor Director given at a meeting of the Board or the prior written consent of the Investor,
Investor Directors	means such directors of the Company nominated by the

	Investor under Article 25 1,
Investor Group	means the Investor, any Parent Undertaking of the Investor and any Subsidiary Undertaking of the Investor or any such Parent Undertaking, in each case from time to time but excluding the Company and each Group Company,
Investor Group Company	means a member of the Investor Group,
ITEPA	means Income Tax (Earnings and Pensions) Act 2003,
Issue Price	means the price at which the relevant Share is issued, including any premium and whether satisfied in cash or otherwise,
Leaver	has the meaning given in Article 16 1,
Lender	the "Lender" as defined in a Subscription Loan Agreement,
LIBOR	means in relation to a particular Interest Period, the applicable Screen Rate as of the Specified Time for Sterling and for a period equal in length to the Interest Period and if that rate is less than zero, LIBOR shall be deemed to be zero,
Lien Enforcement Notice	has the meaning given in Article 33 3,
Manager Allocation	means <ul style="list-style-type: none"> (a) in respect of a B Ordinary Shareholder which is a Nominee, those B Ordinary Shares which are held from time to time by that B Ordinary Shareholder as nominee for an individual Employee and/or the Privileged Relations and/or Trustees of that Employee (but excluding any B Ordinary Shares held by that Nominee as nominee of any other Employee and/or the Privileged Relations and/or Trustees of any other Employee or in any other capacity), and (b) in respect of a B Ordinary Shareholder which is the trustee of an Employee Benefit Trust, those B Ordinary Shares which are held from time to time by that B Ordinary Shareholder in its capacity as trustee of a particular Employee Benefit Trust (but excluding any B Ordinary Shares held by that trustee in any other capacity), (c) in respect of a Manager, the Manager Allocation of

	such Manager's Nominee
Manager Majority	means <ul style="list-style-type: none"> (a) a majority of such Managers each of whose Manager Allocation amounts to more than five per cent (5%) in number of the B Ordinary Shares in issue (excluding any B Ordinary Shares held by the trustees of any Employee Benefit Trust) or if there is only one such Manager, such Manager, and (b) whose Manager Allocations together (or if there is only one such Manager, whose Manager Allocation alone) amount to more than 50 per cent (50%) in number of the B Ordinary Shares in issue (excluding any B Ordinary Shares held by the trustees of any Employee Benefit Trust), in each case from time to time (excluding in each case, if applicable, the Investor and its Permitted Transferees),
Managers	has the meaning given in the Investment Agreement,
Minority Consent	means the prior written consent of the Manager Majority,
a Member of the same Group	means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking,
Net Debt	means such amount as is equal to Debt less Cash (expressed as a positive number where Debt exceeds Cash or as a negative number where Cash exceeds Debt),
New Securities	means any Equity Shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 9 6),
Nominated Purchaser	means the Investor or such Nominee, Employee Benefit Trust or Permitted Transferee of the Investor (other than a Group Company) as the Company shall nominate in accordance with Article 19 16,
Nominee	means a person holding Shares as nominee for an Employee and/or a Privileged Relation or Trustee of an Employee on terms approved by the Board (with Investor

	Director Consent),
Option Period	means a period of eight (8) weeks commencing on the Option Period Commencement Date in each of the following Financial Years <ul style="list-style-type: none"> (a) the first Financial Year which commences after the third anniversary of the Date of Adoption (the First Option Period) (being, subject to any alteration to the end date of the Company's Financial Year(s) occurring after the Date of Adoption, the Financial Year commencing on 1 July 2018), and (b) every second Financial Year commencing thereafter (the first of which being, subject to any alteration to the end date of the Company's Financial Year(s) occurring after the Date of Adoption, the Financial Year commencing on 1 July 2020) (the first two such Option Periods being the Second Option Period and the Third Option Period respectively and each subsequent Option Period thereafter being a Subsequent Option Period), subject, in each case, to any suspension in accordance with Article 19 14 or Article 19 17,
Option Period Commencement Date	means, in any relevant Financial Year, the first Business Day after <ul style="list-style-type: none"> (a) the first three calendar months of that Financial Year have elapsed, or, if later, (b) the date on which the Annual Results (and, if applicable, Steinhoff's preliminary results) for the immediately preceding Financial Year have been finalised (and, if applicable, published),
Option Price Notice	has the meaning given in Article 19 1,
Ordinary Shares	means the A Ordinary Shares and the B Ordinary Shares,
Permitted Transfer	means a transfer of Shares in accordance with Article 12,
Permitted Transferee	means in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group,
Priority Rights	means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in

	Article 13 6,
Privileged Relation	in relation to an individual Employee or deceased or former Employee means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue),
Proceeds of Sale	means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale,
Proposed Purchaser	means a proposed purchaser who at the relevant time has made an offer on arm's length terms and is not (and is not Acting in Concert with) the Investor or any of its Permitted Transferees,
Proposed Seller	means any person proposing to transfer any shares in the capital of the Company,
Put Option	has the meaning given in Article 19 2,
Put Option Notice	has the meaning given in Article 19 4,
Put Option Shares	has the meaning given in Article 19 2,
Qualifying Person	has the meaning given in section 318(3) of the Act,
Quarter	means a period of three calendar months ending on 31 March, 30 June, 30 September or 31 December,
Related Person	<p>means in respect of any Employee</p> <ul style="list-style-type: none"> (a) any Nominee of that Employee (acting in its capacity as nominee of that Employee), (b) any Privileged Relation or Trustee of that Employee, (c) any Nominee of any such Privileged Relation or Trustee (acting in its capacity as nominee of that Privileged Relation or Trustee), <p>with each such person also being a Related Person of each other such person,</p>
Relevant Date	<p>means (as applicable) the date upon which</p> <ul style="list-style-type: none"> (a) a Transfer Notice is served or deemed to have been served, (b) the Company gives an offer notice pursuant to

	Article 9 3, or
	(c) the Board issues an Option Price Notice in accordance with Article 19 1,
	(d) the Investor issues a Reorganisation Call Option Notice in accordance with clause 19 10
Relevant Interest	has the meaning set out in Article 28 4,
Relevant Management Accounts	has the meaning given in Article 14 5,
Relevant Quarter	means the last Quarter ended prior to the Relevant Date,
Remaining Surplus Assets	has the meaning given in Article 5(b),
Reorganisation Call Option	has the meaning given in Article 19 8,
Reorganisation Call Option Notice	has the meaning given in Article 19 10,
Reorganisation Call Option Shares	has the meaning given in Article 19 8,
Reorganisation Called Shareholder	has the meaning given in Article 19 8,
Sale Shares	has the meaning set out in Article 13 2(a),
Screen Rate	means the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period, displayed on page LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Board may specify another page or service displaying the relevant rate,
Second Option Period	has the meaning given in the definition of "Option Period",
Secured Institution	has the meaning given in Article 11 10(a),
Seller	has the meaning set out in Article 13 2,
Shareholder	means any holder of any Shares,
Shares	means the A Ordinary Shares and the B Ordinary Shares

from time to time,

Share Sale

means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him (not being the Investor or its Permitted Transferees) together acquiring all of the issued A Ordinary Shares except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale,

Specified Time

means 10 00 am on the first Business Day of the relevant Interest Period,

Steinhoff

means Steinhoff International Holdings N V ,

Steinhoff Group

means Steinhoff and its Subsidiary Undertakings from time to time,

Steinhoff Shares

ordinary shares, with a nominal value of €0 50 each, in the capital of Steinhoff, or any class of shares in the capital of Steinhoff which are admitted to trading on the Exchange from time to time in place of (and to the exclusion of) such ordinary shares,

**Subscription
Agreement**

Loan

means a loan agreement entered into between the Lender and a Shareholder or any Related Person of a Shareholder for the purpose of funding all or part of the Issue Price of B Ordinary Shares,

Subscription Loan Amount

means the aggregate amount outstanding from time to time and owed by a Shareholder and/or any Related Person of a Shareholder to the Lender pursuant to a Subscription Loan Agreement including all accrued and unpaid interest and any other amounts payable pursuant to such Subscription Loan Agreement,

**Subscription Loan Interest
Amount**

has the meaning given in Article 3 6,

Subsequent Option Period

has the meaning given in the definition of "Option Period",

**Subsidiary,
Undertaking
and Parent
Undertaking**

have the respective meanings set out in sections 1159 and 1162 of the Act,

Surplus Assets	has the meaning given in Article 5,
Third Option Period	has the meaning given in the definition of "Option Period",
Total Share Amount	means in respect of each Manager Allocation of B Ordinary Shares held by a B Ordinary Shareholder, the aggregate number of B Ordinary Shares of such Manager Allocation issued to or otherwise acquired by such Shareholder at any time on or after the Date of Adoption (disregarding any subsequent disposal of any such shares whether pursuant to Article 19 or otherwise),
Transfer Notice	has the meaning given in Article 13 2,
Transfer Price	has the meaning given in Article 13 2(c),
Trustees	in relation to an Employee means the trustee or the trustees of a Family Trust,
Unpaid Amount	means any amount (whether representing the nominal value or any premium) which is payable from time to time by a Shareholder to the Company in respect of a Share and has not yet been paid, and
Valuation Shares	has the meaning given in Article 14 1(a)

3 Share capital

- 3 1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue
- 3 2 Except as otherwise provided in these Articles, the A Ordinary Shares and the B Ordinary Shares shall rank *pari passu* in all respects but shall each constitute separate classes of shares
- 3 3 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale
- 3 4 When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution determine that, as between the

Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others

3 5 The **Invested Amount** in respect of any B Ordinary Share shall be

- (a) the Issue Price of the relevant B Ordinary Share, plus
- (b) the Subscription Loan Interest Amount calculated in accordance with Article 3 6

3 6 The **Subscription Loan Interest Amount** in respect of any B Ordinary Share shall be the product of the following calculation

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

where

A is the aggregate Subscription Loan Amount (if any) applicable to the holder of that B Ordinary Share and its Related Persons (on the date of transfer of such B Ordinary Share),

B is the aggregate principal amount outstanding under all Subscription Loan Agreements (if any) applicable to the holder of that B Ordinary Share and its Related Persons (on the date of transfer of such B Ordinary Share), excluding

- (i) all accrued and unpaid interest, costs, charges, penalties or other similar amounts payable pursuant to such Subscription Loan Agreements, and
- (ii) any advances made under any such Subscription Loan Agreements for the purpose of satisfying obligations to pay interest accrued thereunder, and

C is the aggregate number of B Ordinary Shares held by the holder of such B Ordinary Share and its Related Persons (immediately prior to the transfer of such B Ordinary Share)

3 7 The **A Share Basis Amount** on each date upon which the A Share Basis Amount falls to be calculated in accordance with these Articles shall be

- (a) £183,166,354 (the **Principal Amount**), less
- (b) the aggregate amount of all dividends or other distributions paid to the A Ordinary Shareholders from time to time after the Date of Adoption (which amounts shall be deemed to have been deducted from and to reduce the Principal Amount on the date on which they are paid), plus
- (c) an amount equivalent to interest accruing on the Principal Amount (as reduced from time to time in accordance with (b) above) from time to time for each Interest Period (on the basis of the number of days elapsed and a 365 day year) at a rate of LIBOR plus 3 25 per cent per annum, which interest shall be compounded with and added to the Principal Amount at midnight on the last day of each Interest Period

- 3 8 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles
- 3 9 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid, and" with the words "the amount paid up on them, and"
- 3 10 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine"
- 4 **Dividends**
- 4 1 Every dividend shall be distributed to the appropriate shareholders pro rata according to the numbers of shares of such class held by them respectively and shall accrue on a daily basis assuming a 365 day year All dividends are expressed net and shall (unless otherwise determined by the Board with Investor Director Consent) be paid in cash
- 4 2 Article 31(1) of the Model Articles shall be amended by
- (a) the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing", and
 - (b) the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing"
- 4 3 Subject to the Act and these Articles, the Board may, provided Investor Director Consent is given, pay interim dividends if justified by the Available Profits in respect of the relevant period
- 4 4 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed
- (a) until such time as the A Share Basis Amount is reduced to zero, among the holders of the A Ordinary Shares pro rata to their respective holdings of A Ordinary Shares, and
 - (b) thereafter, among the holders of the Equity Shares pro rata to their respective holdings of Equity Shares
- 4 5 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any sums unpaid on existing Shares held by the persons entitled to such capitalised sum
- 4 6 If
- (a) a Share is subject to the Company's Lien, and
 - (b) the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share (whether pursuant to this Article 4, Article 5, Article 6 or otherwise) any sum of money which is payable to the Company in respect of that Share to the extent that they would be entitled to require payment under a Lien Enforcement Notice (including any Unpaid Amount) Money so deducted shall be used to pay any of the sums payable in respect of that Share (including any Unpaid Amount) The Company shall notify the distribution recipient in writing of

- (i) the fact and sum of any such deduction,
- (ii) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction, and
- (iii) how the money deducted has been applied

5 Liquidation priority

On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities (the **Surplus Assets**) shall be applied (to the extent that the Company is lawfully permitted to do so)

- (a) first, in paying an amount equal to the A Share Basis Amount (or if the amount of the Surplus Assets is less than the A Share Basis Amount, such lesser amount) to the A Ordinary Shareholders pro rata to the number of A Ordinary Shares held, and
- (b) second, in distributing the balance of the Surplus Assets (the **Remaining Surplus Assets**) amongst the Equity Shareholders as follows

- (i) first, each B Ordinary Shareholder shall be entitled to receive such amount as is the product of the following calculation

$$((X - Y) \times 1.15) + Y$$

where

X is the result of multiplying the Equity Share Reference Amount by the total number of B Ordinary Shares held by the B Ordinary Shareholder, and

Y is the aggregate Issue Price of all of the B Ordinary Shares held by the B Ordinary Shareholder,

unless X is less than or equal to Y in which case the amount receivable shall be X, and

- (ii) second, the balance of the Remaining Surplus Assets (if any) shall be distributed to the A Ordinary Shareholders pro rata to the number of A Ordinary Shares held

6 Exit provisions

6 1 On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale

(a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 5, and

(b) the Shareholders shall take any action required by the Investor to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5

6 2 Following an Asset Sale, unless the Board shall otherwise determine (with Investor Director Consent and Minority Consent), the Company shall be wound up and the Surplus Assets shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 5, provided always that if it is not lawful for the Company to distribute its Surplus Assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Investor (including, but without prejudice to the generality of this Article 6 2, actions that may be necessary to put the Company into voluntary liquidation) so that Article 5 applies

6 3 In the event of an Exit Event approved by the Board and the Investor in accordance with the terms of these Articles and the Investment Agreement (the **Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit (**Actions**) The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders

7 Votes in general meeting

7 1 Each Ordinary Share shall entitle the holder thereof to receive notice of and to attend, speak and vote at any general meeting of the Company and to vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company

7 2 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him

8 Variation of rights and Minority Consent

8 1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with

- (a) the consent in writing of the holders of more than seventy-five per cent (75%) in nominal value of the issued shares of that class, and
- (b) with Investor Director Consent

8 2 Without prejudice to the generality of Article 8 1, the following matters shall not be carried out without Minority Consent unless expressly provided for in these Articles, if in each case such matter would materially and adversely affect the rights and/or value of any B Ordinary Shares from time to time

- (a) the amendment or repeal of any provision of, or addition of any provision to the Articles,
- (b) any alteration of the rights attaching to any Shares,
- (c) any conversion, subdivision or consolidation of issued share capital of the Company or the creation of any new class of Shares,
- (d) the reduction of the amount standing to the credit of the share premium account or capital redemption reserve,
- (e) the purchase by the Company of any Shares (other than in accordance with Article 13 6(d) or Article 19),
- (f) the making of any bonus issue of Shares or debenture stock

8 3 No voting rights attached to a share which is nil paid may be exercised

- (a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it, or
- (b) on any proposed written resolution,

unless all or some of the amounts payable to the Company in respect of that share have been paid

9 Allotment of new shares or other securities, pre-emption

9 1 Save with Investor Director Consent and Minority Consent

- (a) no A Ordinary Shares shall be allotted to any person who is not the Investor or a Permitted Transferee of the Investor, and
- (b) no B Ordinary Shares shall be allotted to any person who is not a Nominee or a trustee of an Employee Benefit Trust

- 9 2 In accordance with sections 567(1) and/or 570 of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of equity securities made by the Company
- 9 3 Subject to Article 9 6, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares on the same terms and at the same price as those New Securities are being offered to other persons on a par passu and pro rata basis to the number of Equity Shares held by those holders (as nearly as may be without involving fractions) The offer
- (a) shall be in writing and give details of the number of the New Securities,
 - (b) shall specify a price per Equity Share equal to Fair Market Price,
 - (c) shall specify that A Ordinary Shareholders shall be entitled to subscribe for A Ordinary Shares and the B Ordinary Shareholders shall be entitled to subscribe for B Ordinary Shares, in each case on the same terms (subject to Article 14 3(f)), and
 - (d) may stipulate that any Shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities (**Excess Securities**) for which they wish to subscribe
- 9 4 Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 9 3 shall be used for satisfying any requests for Excess Securities made pursuant to Article 9 3 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Equity Shares held by the applicants immediately prior to the offer made to Shareholders in accordance with Article 9 3 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) and 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
- 9 5 Subject to Articles 9 3 and 9 4 and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment or grant to that person must be approved with Investor Director Consent
- 9 6 The provisions of Articles 9 3 to 9 5 shall not apply to
- (a) New Securities issued or granted in order for the Company to comply with its obligations under these Articles,
 - (b) New Securities issued with Minority Consent and Investor Director Consent without complying with the procedure set out in this Article 9, or
 - (c) an Emergency Issue, or

- (d) New Securities issued at Fair Market Price in order to capitalise any Intra-Group Borrowing,
 - (e) Shares issued or granted to the Investor, any Nominee and/or any Employee Benefit Trust on or about the Date of Adoption in accordance with the terms of the Investment Agreement
- 9 7 No Shares shall be allotted to any employee, director, prospective employee or prospective director of the Company or any Member of the same Group unless such person has entered into a joint section 431(1) ITEPA election with the Company or the relevant Member of the same Group (as appropriate)
- 9 8 For the purposes of Article 9 3(b), Fair Market Price shall be the Fair Market Price as determined by the Board (with Investor Director Consent) in accordance with Article 14 3, provided that, if there is any dispute in relation to such determination, Fair Market Price shall be determined in accordance with Article 14 1
- 10 Re-designation of shares**
- Save with Investor Director Consent and Minority Consent, immediately before
- (a) any Nominee or trustee of any Employee Benefit Trust becomes the holder of any A Ordinary Shares, those Shares shall be automatically re-designated as B Ordinary Shares, and
 - (b) the Investor becomes the holder of any B Ordinary Shares, those Shares shall be automatically re-designated as A Ordinary Shares
- 11 Transfers of Shares – general**
- 11 1 In Articles 11 to 19 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 11 2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 11 3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him
- 11 4 Any transfer of a Share by way of sale which is required to be made under Articles 11 7 to 19 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee
- 11 5 Unless express provision is made in these Articles to the contrary
- (a) no A Ordinary Shares shall be transferred without Minority Consent, unless such transfer constitutes a Permitted Transfer or is included in a Share Sale, and
 - (b) no B Ordinary Shares shall be transferred without Investor Director Consent

11 6 The Directors may refuse to register a transfer if

- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind,
- (b) the transfer is to an employee, director or prospective employee or prospective director of the Company or any Member of the same Group and such person has not entered in a joint section 431(1) ITEPA election with the Company or the relevant Member of the same Group,
- (c) the transfer is in breach of any provision of the Investment Agreement,
- (d) it is a transfer of a Share which is not fully paid
 - (i) to a person of whom the Directors do not approve, or
 - (ii) on which Share the Company has a lien,
- (e) the transfer is not lodged at the registered office or at such other place as the Directors may appoint,
- (f) the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
- (g) the transfer is in respect of more than one class of Shares, or
- (h) the transfer is in favour of more than four transferees

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

11 7 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles or to determine any Manager Allocation from time to time, the Directors may, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur

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

- (i) (if any) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question) provided that such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of the Investor, or
 - (ii) to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares, and
- (b) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder

The rights referred to in (a) above may be reinstated by the Board with Investor Director Consent and shall in any event be reinstated upon the completion of any transfer referred to in (b) above

11 8 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that

- (a) the Transfer Price for each Sale Share will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will (unless otherwise specified in these Articles or the Investment Agreement) be the higher of
 - (i) the Fair Market Price of each Sale Share, and
 - (ii) the Invested Amount of such Sale Share,
- (b) it does not include a Minimum Transfer Condition (as defined in Article 13 2(d)), and
- (c) the Seller wishes to transfer all of the Shares held by it

11 9 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of

- (a) the transferor, and
- (b) (if any of the shares is partly or nil paid) the transferee

11 10 Notwithstanding anything contained in these Articles, the Board shall not decline to register any transfer of Shares, nor may it suspend registration of any transfer of Shares where such transfer

- (a) is to any bank or institution or other person to which such Shares have been charged or mortgaged in accordance with these Articles and the Investment Agreement, or to any nominee of such a bank or institution or other person (a **Secured Institution**), or
- (b) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over such Shares, or
- (c) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under its security over such Shares,

and the Board shall register any such transfer of Shares forthwith following receipt

- 11 11 Notwithstanding anything to the contrary contained in these Articles, no transferor or proposed transferor of any Shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to offer the Shares which are or are to be the subject of any transfer to the Shareholders or any of them, and no such Shareholder shall have any right under these Articles or under any agreement or otherwise to require those Shares to be offered to or transferred to it whether for consideration or not. The Company shall have no lien over Shares in it which are charged or mortgaged in favour of a Secured Institution in accordance with these Articles

12 Permitted Transfers

- 12 1 An A Ordinary Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise
- 12 2 A transfer of any Shares approved by the Investor with Minority Consent may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors
- 12 3 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board (with Investor Director Consent)
- 12 4 B Ordinary Shares may be transferred by the trustees of any Employee Benefit Trust to any Nominee on terms approved by the Board (with Investor Director Consent)

13 Transfers of Shares subject to pre-emption rights

- 13 1 Save where the provisions of any of Articles 12, 13 10, 17, 18 and 19 apply, any transfer of B Ordinary Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 13
- 13 2 A Shareholder who wishes to transfer B Ordinary Shares (a **Seller**) shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a **Transfer Notice**) to the Company specifying
- (a) the number of B Ordinary Shares which he wishes to transfer (the **Sale Shares**),
 - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,

- (c) the price (in cash) per Sale Share at which he wishes to transfer the Sale Shares, which will be deemed to be the higher of
 - (i) the Fair Market Price of each Sale Share, and
 - (ii) the Invested Amount of each Sale Share,
 if no cash price is agreed between the Seller and the Board (with Investor Director Consent) or is otherwise specified in these Articles or the Investment Agreement (the **Transfer Price**), and
 - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a **Minimum Transfer Condition**)
- 13 3 Except with Investor Director Consent, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn
- 13 4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 13 5 As soon as practicable following the later of
- (a) receipt of a Transfer Notice, and
 - (b) in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 14,
- the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 13 6 to 13 8 Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered
- 13 6 The Company shall offer the Sale Shares in the following priority
- (a) first, at the discretion of the Board (and with Investor Director Consent) to any Nominee of an Employee in respect of whom there are no Employee Shares at the relevant time or to any Employee Benefit Trust, and
 - (b) secondly, at the discretion of the Board (and with Investor Director Consent) to the other B Ordinary Shareholders in proportion to their holdings of B Ordinary Shares,
 - (c) thirdly, to the Investor, and
 - (d) fourthly, (subject to the Act and these Articles) to the Company,
- in each case on the basis as set out in Article 13 7
- 13 7 Transfers First Offer
- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders specified in the offer other than the Seller (the **Continuing Shareholders**) inviting them to apply in writing within the period from the date of the

offer to the date 15 Business Days after the offer (inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy

- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 13 7 and 13 8 will be conditional on the fulfilment of the Minimum Transfer Condition
- (c) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy
- (d) If not all Sale Shares are allocated in accordance with Article 13 7(c) but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in Article 13 7(c)
- (e) If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the **Initial Surplus Shares**) will be dealt with in accordance with Article 13 8

13 8 Transfers Second Offer

- (a) At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the **Second Offer Period**) for the maximum number of the Initial Surplus Shares they wish to buy
- (b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy
- (c) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the **Second Surplus Shares**) will be offered to any other person in accordance with Article 13 9(e)

13 9 Completion of transfer of Sale Shares

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 13 7 and 13 8 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect
- (b) If
 - (i) the Transfer Notice does not include a Minimum Transfer Condition, and
 - (ii) allocations have been made in respect of all the Sale Shares,the Board shall, when no further offers are required to be made under Articles 13 7 and 13 8, give written notice of allocation (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (an **Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares
- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it
- (d) If the Seller fails to comply with the provisions of Article 13 9(c)
 - (i) the chairman of the Company or, failing him, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller
 - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
 - (B) receive the Transfer Price and give a good discharge for it, and
 - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
 - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate), provided that the Company shall be entitled to deduct any Subscription Loan Amount owed by the Seller or its Related Persons from the Transfer Price and pay such amount to the relevant Lender on their behalf

- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 13 9(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Conditions
- (f) The right of the Seller to transfer Shares under Article 13 9(e) does not apply if the Board is of the opinion on reasonable grounds that
 - (i) the transferee is a person (or a nominee for a person) who the Investor Directors determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company,
 - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
 - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above

13 10 Waiver of restrictions

The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with Investor Director Consent and Minority Consent or in accordance with the Investment Agreement

14 Valuation of Shares

14 1 If

- (a) it is necessary for the purposes of Articles 9 8 or 19 13 to determine the Fair Market Price of any Shares (**Valuation Shares**), and/or
- (b) for the purposes of Article 13 2(c), the Transfer Price is deemed to be Fair Market Price of the Sale Shares or, subject to Article 11 8, if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service,

then the Board shall either

- (i) appoint expert valuers in accordance with Article 14 2 (the **Expert Valuers**) to certify the Fair Market Price of the Valuation Shares or Sale Shares (as the case may be), or
- (ii) if the Fair Market Price of Shares of the same class as the Valuation Shares or Sale Shares (as the case may be) has been certified by Expert Valuers within the preceding 12 weeks, specify that the Fair Market Price of the Sale Shares or Valuation Shares in question will be calculated by dividing any Fair

Market Price so certified for such class of Shares by the number of Shares to which it related and multiplying such Fair Market Price by the number of the relevant Sale Shares or Valuation Shares

14 2 The Expert Valuers will be an independent firm of Chartered Accountants of international standing (which may include the Auditors if applicable)

- (a) in the case of a valuation required pursuant to Article 14 1(b), to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party, or
- (b) in any other case, to be appointed by the Board,

and in any event, unless each such firm shall have declined to act, be one of BDO LLP, Deloitte LLP, Ernst & Young LLP, Grant Thornton UK LLP, KPMG LLP or PricewaterhouseCoopers LLP (or an appropriate affiliate or successor of any such firm)

14 3 The **Fair Market Price** of the Sale Shares or Valuation Shares (as the case may be) shall be determined on the following assumptions and bases

- (a) (subject always to Article 14 3(f) taking precedence) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- (c) that the Sale Shares or Valuation Shares are capable of being transferred without restriction,
- (d) valuing the Sale Shares or Valuation Shares as a rateable proportion of the total value of all the issued Shares of the relevant class without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent,
- (e) taking into account any Unpaid Amount,
- (f) on the basis that the total value of all of the issued Equity Shares is equal to the Equity Value as calculated pursuant to Article 14 4 (provided that a further amount equal to the A Share Basis Amount shall then be added to the aggregate value of all of the A Ordinary Shares (including any A Ordinary Shares proposed to be issued) for the purposes of valuing any A Ordinary Shares),
- (g) in valuing any B Ordinary Shares (other than for the purposes of Article 9 8 or in determining the Fair Market Price applicable to the Employee Shares relating to a Bad Leaver), if after the application of all relevant valuation provisions set out in these Articles other than this Article 14 3(g), the Fair Market Price of a B Ordinary Share (the **Base FMP**) exceeds its Issue Price, then the Fair Market Price of such B

Ordinary Share shall be the Base FMP plus an amount equal to 15% of such excess, and

- (h) reflecting any other factors which the Board (with Investor Director Consent) reasonably believes should be taken into account (having regard to, but without being bound by, any reasonable recommendations made by any Shareholder) including any reasonable adjustment which may be required to take account of the acquisition of any company or business during the period to which the relevant Annual Results or Relevant Management Accounts relate which is funded (in whole or in part) by the Investor Group

14 4 Unless Article 14 5 shall apply, the **Equity Value** shall be calculated as follows

$$\text{Equity Value} = ((A \times B) - C) - D$$

Where

- A is the aggregated EBITDA of the Group, as derived from the Annual Results for the last completed Financial Year prior to the Relevant Date and adjusted in accordance with Article 14 6,
- B is the Average EBITDA Multiple determined in accordance with Article 14 7,
- C is the aggregated Net Debt of the Group, as derived from the Annual Results for the last completed Financial Year prior to the Relevant Date and adjusted in accordance with Article 14 6, and
- D is the A Share Basis Amount calculated as at the Relevant Date

14 5 For the purposes of determining

- (a) the Transfer Price applicable to the Employee Shares relating to a Leaver pursuant to Article 16 1,
- (b) the Fair Market Price upon the exercise of a Reorganisation Call Option, and
- (c) the Fair Market Price of any New Securities in accordance with Article 9 8,

the formula in Article 14 4 shall be adjusted as follows

- A shall be the aggregated EBITDA of the Group for the period of 12 months ended on the date to which the latest aggregated quarterly management accounts of the Group to have been approved by the Board (with Investor Director Consent) prior to the Relevant Date are made up, as derived from the Group's quarterly management accounts approved by the Board (with Investor Director Consent) for the relevant 12 month period (the **Relevant Management Accounts**) and adjusted in accordance with Article 14 6, and
- C shall be the aggregated Net Debt of the Group on the date to which the latest aggregated quarterly management accounts of the Group to have been approved by the Board (with Investor Director Consent) prior to the Relevant Date are made up, as

derived from the Relevant Management Accounts and adjusted in accordance with Article 14 6,

PROVIDED THAT if aggregated quarterly management accounts of the Group are not available in respect of any period prior to the Date of Adoption, the aggregated EBITDA and aggregated Net Debt of the Group shall be derived from such management accounts or other financial records of the Group Companies as are available and enable a reasonable assessment of such matters to be made

14 6 In calculating the EBITDA and Net Debt of the Group, reasonable adjustments shall be made in respect of any costs, Debt or other balance sheet items incurred by a Group Company outside the ordinary course of its business at the instigation of any member of the Investor Group

14 7 The **Average EBITDA Multiple** shall be

- (a) for so long as Steinhoff is the ultimate Parent Undertaking of the Group and its shares are admitted to trading on an Exchange, the Average Steinhoff EBITDA Multiple determined in accordance with Articles 14 8 and 14 9, or
- (b) in any other case, the Average Benchmark EBITDA Multiple determined in accordance with Articles 14 10 and 14 11

14 8 The **Average Steinhoff EBITDA Multiple** shall be the EBITDA Multiple applicable to Steinhoff for the Relevant Quarter, calculated in accordance with Article 14 9

14 9 The EBITDA Multiple applicable to Steinhoff for the Relevant Quarter shall be calculated as follows

$$\text{EBITDA Multiple} = \frac{(X + Y)}{Z}$$

Where

- X is the average market capitalisation of Steinhoff for the last 30 trading days of the Relevant Quarter, calculated in respect of each such trading day by multiplying the total number of Steinhoff Shares in issue and admitted to trading on the Exchange on such trading day by the volume weighted average market price of a Steinhoff Share on the Exchange over such 30 trading days,
- Y is the consolidated Net Debt of the Steinhoff Group on the last day of the Relevant Quarter, as derived from its most recently published audited financial statements or unaudited interim results (whichever is the later) covering the Relevant Quarter, and
- Z is the consolidated EBITDA of the Steinhoff Group for the period of 12 months ended on the last day of the Relevant Quarter, as derived from its most recently published audited financial statements or unaudited interim results (whichever is the later) for the relevant 12 month period

14 10 The **Average Benchmark EBITDA Multiple** shall be the average of the EBITDA Multiples applicable to each member of the Benchmarking Group (such average to be calculated after

disregarding both the highest and lowest such EBITDA Multiples), calculated in each case in accordance with Article 14 11

- 14 11 The EBITDA Multiple applicable to each member of the Benchmarking Group shall be calculated as follows

$$\text{EBITDA Multiple} = \frac{(X + Y)}{Z}$$

Where

- X is the average market capitalisation of the relevant member of the Benchmarking Group for the 30 trading days preceding the Relevant Date, calculated in respect of each such trading day by multiplying the total number of shares of the relevant member of the Benchmarking Group in issue and admitted to trading on the relevant stock market on each such trading day by the volume weighted average price of such a share on the relevant stock market upon which such shares are traded over such 30 trading days,
- Y is the consolidated Net Debt of the relevant member of the Benchmarking Group, as derived from its most recent audited financial statements or interim results (whichever is the later) published prior to the Relevant Date, and
- Z is the consolidated EBITDA of each such member of the Benchmarking Group, as derived from its most recent audited financial statements or interim results (whichever is the later) published prior to the Relevant Date

- 14 12 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit
- 14 13 The Expert Valuers shall be requested to determine the Fair Market Price within 20 Business Days of their appointment and to notify the Board of their determination
- 14 14 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 14 15 The Company will give the Expert Valuers access to all accounting records or other relevant documents of the Group subject to them agreeing such confidentiality provisions as the Board may reasonably impose and shall provide the Expert Valuers with details of any recommendation made by any Shareholder to the Board in accordance with Article 14 3(h)
- 14 16 The Expert Valuers shall deliver their certificate to the Company As soon as the Company receives the certificate it shall deliver a copy of it to the Seller or relevant Shareholder(s) (as the case may be) Unless the valuation has been carried out pursuant to Article 14 1(b) and relates to Sale Shares which are to be sold under a Transfer Notice which is deemed to have been served, a Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the relevant Sale Shares

14 17 The cost of obtaining the certificate shall be paid by the Company unless

- (a) the Seller cancels the Company's authority to sell, or
- (b) the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuers were instructed, or
- (c) the valuation is carried out pursuant to Article 9 8 or 19 13 and the Fair Market Price certified by the Expert Valuers amounts to 90 per cent or less of the price determined by the Board before the Expert Valuers were instructed,

in which case the Seller or the relevant Shareholder(s) who required that the valuation be carried out (as the case may be) shall bear the cost

15 Compulsory transfers – general

15 1 A person (other than the Investor) entitled to a Share in consequence of the bankruptcy of a Shareholder or an Employee shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors

15 2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either

- (a) to effect a transfer of such Shares to such person and on such terms as shall be approved by the Board (with Investor Director Consent), or
- (b) to show to the satisfaction of the Directors that such a transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder

If either requirement in this Article 15 2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share, unless the Directors may otherwise determine (with Investor Director Consent)

15 3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder save to the extent that, and at a time, the Directors may determine, provided that, if such Shareholder is a Nominee, the Directors shall first have given the Related Persons of such Nominee a reasonable opportunity to procure that such Shares are transferred to another Nominee

15 4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of a Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received its Shares or to

any other Permitted Transferee before being required to serve a Transfer Notice. This Article 15.4 shall not apply to the Investor, any Nominee or the trustees of any Employee Benefit Trust.

- 15.5 If any Nominee ceases to be a Nominee, it shall be bound at any time, if and when required in writing by the Directors to do so, to give a Transfer Notice in respect of all the Shares registered in its name, provided that the Directors shall first have given the Related Persons of such Nominee a reasonable opportunity to procure that such Shares are transferred to another Nominee.
- 15.6 If any trustee of an Employee Benefit Trust ceases to be a trustee of the relevant Employee Benefit Trust, it shall be bound at any time, if and when required in writing by the Directors to do so, to give a Transfer Notice in respect of all the Shares registered in its name, provided that the Directors shall first have given such trustee a reasonable opportunity to procure that such Shares are transferred to another trustee of that or another Employee Benefit Trust.
- 15.7 If a Transfer Notice is deemed to have been given in accordance with this Article 15, the Transfer Price shall be deemed to be the Fair Market Price per Sale Share.

16 Compulsory transfer – employees

- 16.1 If any Employee ceases for any reason to be an Employee (a **Leaver**), then, unless the Board shall otherwise determine (with Investor Director Consent), the Leaver and its Related Persons shall be deemed to have given a Transfer Notice in respect of all the Employee Shares on the Effective Termination Date. In such circumstances the Transfer Price shall be as follows:
- (a) where the Leaver is a **Bad Leaver**, the lower of Fair Market Price and the Invested Amount of the Employee Shares,
 - (b) where the Leaver is an **Early Leaver**
 - (i) 25% of the Employee Shares at the higher of Fair Market Price and the Invested Amount of the Employee Shares, and
 - (ii) the remaining 75% of the Employee Shares at the lower of Fair Market Price and the Invested Amount of the Employee Shares,
 - (c) where the Leaver is a **Good Leaver**, the higher of the Fair Market Price and the Invested Amount of the Employee Shares.
- 16.2 All voting rights attached to Employee Shares held by a Leaver and his Related Persons (the **Restricted Member**), if any, shall at the time the Leaver ceases to be an Employee be suspended unless the Board notify him otherwise.
- 16.3 Any Employee Shares whose voting rights are suspended pursuant to Article 16.2 (**Restricted Shares**) shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. If a Restricted Member transfers any Restricted Shares in the Company in accordance with these Articles all voting

rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored

- 16 4 If it becomes necessary to appoint an independent employment law specialist barrister (or an equivalent legal expert in any jurisdiction other than England) for the purposes of determining whether a Leaver is a Good Leaver, the costs of such barrister (or equivalent legal expert) shall be borne by Company unless such barrister (or equivalent legal expert) determines (in his or her absolute discretion) in writing that the making of the reference to them was required by the Leaver for reasons which were frivolous or vexatious, in which case such costs shall be borne by the Leaver

17 Tag Along

- 17 1 No transfer (other than a Permitted Transfer) of any of the Shares held by the Investor may be made or validly registered pursuant to a Share Sale unless the Investor shall have observed the following procedures of this Article

- 17 2 In respect of a Share Sale, the Investor shall give to each other Shareholder (a **Tag Holder**) not less than 20 Business Days' notice in advance of the proposed Share Sale (a **Tag-Along Notice**) The Tag-Along Notice shall specify

- (a) the identity of the proposed purchaser (the **Buyer**),
- (b) the price(s) per share which the Buyer is proposing to pay,
- (c) the manner in which the consideration is to be paid,
- (d) the number and class(es) of Shares which the Investor proposes to sell, and
- (e) the address where the counter-notice should be sent

- 17 3 Each Tag Holder shall be entitled within ten Business Days after receipt of the Tag-Along Notice, to notify the Investor that they wish to sell some or all of the Shares held by them at the proposed sale price(s), by sending a counter-notice which shall specify the number and class of Shares which such Tag Holder wishes to sell Any Tag Holder who does not send a counter-notice within such ten Business Day period shall be deemed to have specified that they wish to sell no shares

- 17 4 Following the expiry of ten Business Days from the date the Tag Holders receive the Tag-Along Notice, the Investor shall be entitled to sell to the Buyer on the terms notified to the Tag Holders a number of shares not exceeding the number specified in the Tag-Along Notice, provided that at the same time the Buyer (or another person) purchases from the Tag Holders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Investor from the Buyer

- 17 5 No sale by the Investor shall be made pursuant to any Tag-Along Notice more than three months after service of that Tag-Along Notice unless the sale to which the Tag-Along Notice relates is subject to receipt of any mandatory and suspensory anti-trust or other regulatory clearances, in which case such three month period may be extended for as long as may be

reasonably required by the Investor to obtain such clearances (such period not to exceed six months from the date from the execution of the agreement to effect the sale)

17 6 Sales made in accordance with this Article 17 shall not be subject to Article 13

18 Drag Along

18 1 If the Investor wishes to transfer such of its interest in Shares as would constitute a Share Sale (the **Sellers' Shares**) to a Proposed Purchaser, the Investor shall have the option (the **Drag Along Option**) to require all the other holders of Shares (the **Drag Called Shareholders**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 18

18 2 The Investor may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Company (which the Company shall forthwith copy to the Drag Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Drag Called Shareholders are required to transfer all their Shares (the **Called Shares**) under this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer

18 3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Investor to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Investor shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice

18 4 The consideration (in cash or otherwise) for which the Drag Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5

18 5 A Drag Along Notice may not require a Drag Called Shareholder to agree to any terms except those specifically provided for in this Article

18 6 Within five Business Days of the Proposed Purchaser serving a Drag Along Notice on the Drag Called Shareholders, the Drag Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Drag Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 18 4 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 18 4 shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Drag Called Shareholders pursuant to Article 18 4 in trust for the Drag Called Shareholders without any obligation to pay interest

18 7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 18 4, the

Drag Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Drag Called Shareholders shall have no further rights or obligations under this Article 18 in respect of their Shares

- 18 8 If a Drag Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Drag Called Shareholder's Shares on the Drag Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 18 4 for the Drag Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Drag Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 18 4.
- 18 9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 13.
- 18 10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

19 Put and call rights

- 19 1 On or before the first Business Day of each Option Period, the Board shall issue a notice to each Shareholder setting out its determination of the Fair Market Price per Share of each class of Equity Shares together with a copy of the Annual Results for the immediately preceding Financial Year (an **Option Price Notice**).

Put Option

- 19 2 At any time during an Option Period, each B Ordinary Shareholder (other than the Investor) (an **Exercising Shareholder**) shall have the right, but not the obligation, to exercise a put option (a **Put Option**) on the Company, by serving a Put Option Notice on the Company, requiring the Company or its Nominated Purchaser to purchase from such Shareholder at Fair Market Price
- (a) during the First Option Period, such number of each Manager Allocation of B Ordinary Shares held by the Exercising Shareholder as is equal to up to three

sevenths of the Total Share Amount of each such Manager Allocation held by the Exercising Shareholder, and

- (b) during the Second Option Period, such number of each Manager Allocation of B Ordinary Shares held by the Exercising Shareholder as is equal to
 - (i) up to five sevenths of the Total Share Amount of each such Manager Allocation held by the Exercising Shareholder, less
 - (ii) any B Ordinary Shares of each such Manager Allocation already acquired by the Company or its Nominated Purchaser pursuant to the operation of this Article 19, and
- (c) during the Third Option Period and any Subsequent Option Period, some or all of the B Ordinary Shares of each Manager Allocation held by the Exercising Shareholder,

(the Put Option Shares)

19.3 Service of a Put Option Notice by an Exercising Shareholder shall oblige

- (a) the Exercising Shareholder to sell and the Company to purchase (or to procure that its Nominated Purchaser shall purchase) the Put Option Shares at Fair Market Price with full title guarantee, free from any Encumbrance and together with all rights attaching to the Put Option Shares as at the date of the Put Option Notice (including the right to receive all dividends or distributions declared, made or paid on or after the date of the Put Option Notice), and
- (b) on the date falling 10 clear Business Days after the date of the Put Option Notice (subject to Article 19.21)
 - (i) the Exercising Shareholder to deliver to the Company or its Nominated Purchaser
 - (A) a transfer or transfers in respect of the Put Option Shares duly completed in favour of the Company or its Nominated Purchaser, and
 - (B) share certificate(s) in respect of the Put Option Shares (or an indemnity in a form reasonably acceptable to the Company or its Nominated Purchaser in the case of any certificates found to be missing), and
 - (ii) subject to Article 19.19, the Company shall cause (or procure that its Nominated Purchaser shall cause)
 - (A) if the Company so elects and at such time Steinhoff Shares are admitted to trading on the Exchange and are not subject to any proposed cancellation of listing or trading on the Exchange, such number of Steinhoff Shares as shall have an aggregate value equal to the Fair Market Price of the Put Option Shares to be issued or

transferred to the Exercising Shareholder in accordance with Article 19 20, or

- (B) in any other case, an amount equal to the Fair Market Price of the Put Option Shares to be paid by electronic funds transfer to the bank account specified in the Put Option Notice

19 4 Any notice served by an Exercising Shareholder in respect of the Put Option (a **Put Option Notice**) shall

- (a) be in writing addressed to the Company at its registered office (marked for the attention of the Board) and copied to the Investor (marked for the attention of the directors of the Investor), and
- (b) specify
 - (i) the number of Put Option Shares in respect of which the Exercising Shareholder is exercising the Put Option,
 - (ii) the Fair Market Price of the Put Option Shares, and
 - (iii) the bank account details to which the consideration for the purchase of the Put Option Shares by the Company or its Nominated Purchaser is to be paid (if Article 19 3(b)(ii)(B) shall apply)

Call Option

19 5 Without prejudice to Article 19 2, at any time during an Option Period, the Company shall have the right, but not the obligation, to exercise a call option (a **Call Option**) on any B Ordinary Shareholder (other than the Investor) (a **Called Shareholder**), by serving a Call Option Notice on the Called Shareholder requiring it to sell to the Company or its Nominated Purchaser at the higher of Fair Market Price and the Invested Amount (the **Call Price**)

- (a) during the First Option Period, such number of each Manager Allocation of B Ordinary Shares held by the Called Shareholder as is equal to up to three sevenths of the Total Share Amount of each such Manager Allocation held by the Called Shareholder, and
- (b) during the Second Option Period, such number of each Manager Allocation of B Ordinary Shares held by the Called Shareholder as is equal to
 - (i) up to five sevenths of the Total Share Amount of each such Manager Allocation held the Called Shareholder, less
 - (ii) any B Ordinary Shares of each such Manager Allocation already acquired by the Company or its Nominated Purchaser pursuant to the operation of this Article 19, and
- (c) during the Third Option Period and any Subsequent Option Period, some or all of the B Ordinary Shares of each Manager Allocation held by the Called Shareholder,

(the **Call Option Shares**)

19 6 Service of a Call Option Notice by the Company shall oblige

- (a) the Called Shareholder to sell and the Company to purchase (or to procure that its Nominated Purchaser shall purchase) the Call Option Shares at the Call Price with full title guarantee, free from any Encumbrance and together with all rights attaching to the Call Option Shares as at the date of the Call Option Notice (including the right to receive all dividends or distributions declared, made or paid on or after the date of the Call Option Notice), and
- (b) on the date falling 10 clear Business Days after the date of the Call Option Notice (subject to Article 19 21)
 - (i) the Called Shareholder to deliver to the Company or its Nominated Purchaser
 - (A) a transfer or transfers in respect of the Call Option Shares duly completed in favour of the Company or its Nominated Purchaser, and
 - (B) share certificate(s) in respect of the Call Option Shares (or an indemnity in a form reasonably acceptable to the Company or its Nominated Purchaser in the case of any certificates found to be missing), and
 - (ii) subject to Article 19 19, the Company shall cause (or procure that its Nominated Purchaser shall cause)
 - (A) if the Company so elects and at such time Steinhoff Shares are admitted to trading on the Exchange and are not subject to any proposed cancellation of listing or trading on the Exchange, such number of Steinhoff Shares as shall have an aggregate value equal to the Call Price of the Call Option Shares to be issued or transferred to the Called Shareholder in accordance with Article 19 20, or
 - (B) in any other case, an amount equal to the Call Price of the Call Option Shares to be paid by electronic funds transfer to a bank account specified by the Called Shareholder (and in the event that no such bank account details are provided by the Called Shareholder, the consideration payable in respect of the Call Option Shares shall be paid by cheque made out in the name of the Called Shareholder specified in the register of members of the Company)

19 7 A notice served by the Company in respect of the Call Option (a **Call Option Notice**) shall

- (a) be in writing addressed to the Called Shareholder (at the address last notified to the Company), and
- (b) specify

- (i) the number of Call Option Shares in respect of which the Company is exercising the Call Option, and
- (ii) the Fair Market Price and the Call Price of the Call Option Shares and whether such price shall be satisfied by the issue or transfer of Steinhoff Shares (and if so, the relevant details)

Reorganisation Call Option

19.8 Without prejudice to Articles 19.2 and 19.5, if, at any time, Pepkor Holdings (Proprietary) Limited and Steinhoff or the Investor determine that a corporate restructuring of their Subsidiaries is to be carried out for bona fide commercial reasons (the **Restructuring**) and

- (a) the Restructuring requires changes to the B Ordinary Shareholders' holdings of Shares, and
- (b) the B Ordinary Shareholders have been offered an alternative arrangement conferring substantially equivalent economic and other rights to those set out in these Articles and the Investment Agreement and the Manager Majority has not, within 30 Business Days of the B Ordinary Shareholders being notified of such offer by the Company, agreed to accept such offer,

then the Company shall have the right, but not the obligation, to exercise a further call option (a **Reorganisation Call Option**) on all of the B Ordinary Shareholders (a **Reorganisation Called Shareholder**), by serving a Reorganisation Call Option Notice on the Reorganisation Called Shareholders requiring them to sell to the Company or its Nominated Purchaser all of their Shares (the **Reorganisation Call Option Shares**) at the Call Price

19.9 Service of a Reorganisation Call Option Notice by the Company shall oblige

- (a) each Reorganisation Called Shareholder to sell and the Company to purchase (or to procure that its Nominated Purchaser shall purchase) the Reorganisation Call Option Shares at the Call Price with full title guarantee, free from any Encumbrance and together with all rights attaching to the Reorganisation Call Option Shares as at the date of the Reorganisation Call Option Notice (including the right to receive all dividends or distributions declared, made or paid on or after the date of the Reorganisation Call Option Notice), and
- (b) on the date falling 10 clear Business Days after the date of the Reorganisation Call Option Notice (subject to Article 19.21)
 - (i) each Reorganisation Called Shareholder to deliver to the Company or its Nominated Purchaser
 - (A) a transfer or transfers in respect of the Reorganisation Call Option Shares duly completed in favour of the Company or its Nominated Purchaser, and
 - (B) share certificate(s) in respect of the Reorganisation Call Option Shares (or an indemnity in a form reasonably acceptable to the

Company or its Nominated Purchaser in the case of any certificates found to be missing), and

(ii) subject to Article 19 19, the Company shall cause (or procure that its Nominated Purchaser shall cause)

(A) if the Company so elects and at such time Steinhoff Shares are admitted to trading on the Exchange and are not subject to any proposed cancellation of listing or trading on the Exchange, such number of Steinhoff Shares as shall have an aggregate value equal to the Call Price of the Reorganisation Call Option Shares to be issued or transferred to the Called Shareholder in accordance with Article 19 20, or

(B) in any other case, an amount equal to the Call Price of the Reorganisation Call Option Shares to be paid by electronic funds transfer to a bank account specified by each Reorganisation Called Shareholder (and in the event that no such bank account details are provided by a Reorganisation Called Shareholder, the consideration payable in respect of the relevant Reorganisation Call Option Shares shall be paid by cheque made out in the name of such Reorganisation Called Shareholder specified in the register of members of the Company)

19 10 A notice served by the Company in respect of the Reorganisation Call Option (a **Reorganisation Call Option Notice**) shall

(a) be in writing addressed to the Reorganisation Called Shareholder (at the address last notified to the Company), and

(b) specify

(i) the number of Reorganisation Call Option Shares in respect of which the Company is exercising the Reorganisation Call Option, and

(ii) the Fair Market Price and the Call Price of the Reorganisation Call Option Shares and whether such price shall be satisfied by the issue or transfer of Steinhoff Shares (and if so, the relevant details)

19 11 Transfers of Shares made in accordance with this Article 19 shall not be subject to Article 13

19 12 Unless the Board shall otherwise determine with Investor Director Consent, this Article 19 shall not apply to B Ordinary Shares issued to or held by any trustee of any Employee Benefit Trust in its capacity as such (but, for the avoidance of doubt, shall apply where it is acting as a Nominee)

19 13 For the purposes of this Article 19, the Fair Market Price shall be the Fair Market Price as determined by the Board (with Investor Director Consent) in accordance with Article 14 3 and specified in the relevant Option Price Notice or Reorganisation Call Option Notice, and any Call Price shall be determined accordingly, provided that, if there is any dispute in relation to

any such determination, the Fair Market Price shall be determined in accordance with Article 14 1

19 14 If any Shareholder disputes any determination of Fair Market Price made by the Board pursuant to Article 19 13

- (a) such Shareholder shall notify the Company within 9 Business Days of the date of service of the relevant Option Price Notice or Reorganisation Call Option Notice that they dispute the Board's determination of Fair Market Price as set out in the relevant Option Price Notice or Reorganisation Call Option Notice and shall give reasonable details of the basis for such dispute (a **Dispute Notice**) (with any such notice given after the expiry of such 9 Business Day period being invalid),
- (b) the Company shall send to each Shareholder a copy of the Dispute Notice forthwith upon its receipt by the Company,
- (c) the relevant Option Period shall be suspended with effect from the date of service of a Dispute Notice and any Put Option Notice, Call Option Notice or Reorganisation Call Option Notice already given on or prior to such date shall be deemed cancelled and shall have no effect, and
- (d) on final determination of the Fair Market Price by the Expert Valuers pursuant to Article 14, the Board shall notify the Shareholders of such determination in accordance with Article 14 16 and
 - (i) the relevant Option Period shall be deemed to commence with effect from the date of service of such notice and shall continue for a period of eight (8) weeks from such date as if an Option Price Notice specifying the finally determined Fair Market Price has been served on such date, or
 - (ii) a revised Reorganisation Call Option Notice specifying the finally determined Fair Market Price and Call Price shall be deemed to have been served on such date

19 15 For the avoidance of doubt, each Put Option, each Call Option and each Reorganisation Call Option convey separate and independent rights for their respective holders and there is no inter-dependence between any Put Option, any Call Option and any Reorganisation Call Option in terms of when each right may be exercised or the number of Shares which are subject to such Put Option, Call Option or Reorganisation Call Option

19 16 The Company

- (a) may with Investor Director Consent, and
- (b) if it is prohibited by the Act from acquiring any Shares, shall,

nominate a Nominated Purchaser by notice given to the relevant Exercising Shareholder, Called Shareholder or Reorganisation Called Shareholder within 8 Business Days of the service of a Put Option Notice, a Call Option Notice or a Reorganisation Call Option Notice as being the person who shall acquire the relevant Put Option Shares, Call Option Shares or

Reorganisation Call Option Shares pursuant to such Put Option Notice, Call Option Notice or Reorganisation Call Option Notice (as the case may be)

- 19 17 Each Option Period shall be temporarily suspended during any close period during which trading in Steinhoff Shares by Employees is prohibited by law or applicable regulation and shall commence or re-commence (as the case may be) on the Business Day following the date on which such close period ends. The Company shall promptly notify the Shareholders of any relevant close period becoming effective and ending
- 19 18 The obligations of the Company to acquire and Shares on its own account under this Article 19 are subject always to the Act
- 19 19 The Company or its Nominated Purchaser shall be entitled to deduct any Subscription Loan Amount owed by a Shareholder or its Related Persons from any amounts payable to such Shareholder pursuant to this Article 19 and pay such amount to the relevant Lender on their behalf
- 19 20 If any payment pursuant to the exercise of any Put Option, Call Option or Reorganisation Call Option is to be satisfied by the issue or transfer of Steinhoff Shares in accordance with any of Articles 19 3(b)(ii)(A), 19 6(b)(ii)(A) or 19 9(b)(ii)(A), then for the purposes of such Articles
- (a) the value of a Steinhoff Share
 - (i) shall be the volume weighted average market price of a Steinhoff Share on the Exchange over the 10 trading days, and
 - (ii) shall be translated from Euro (or such other currency in which Steinhoff Shares are quoted on the Exchange) into Sterling by applying Barclays Bank plc's commercially available rate in the UK for the purchase of Euro (or such other applicable currency) with Sterling (or if such rate is not available, such commercially available rate in the UK of such other clearing bank as the Board may reasonably specify) on the Business Day,

immediately prior to the date of the relevant Put Option Notice, Call Option Notice or Reorganisation Call Option Notice (as applicable),
 - (b) such Steinhoff Shares shall be issued or transferred credited as fully paid and shall rank pari passu with all other existing Steinhoff Shares (including the right to receive all dividends declared, made or paid after the date of issue or transfer),
 - (c) such Steinhoff Shares shall with effect from their issue or transfer be admitted to trading and immediately and freely tradeable upon the Exchange without restriction (other than pursuant to any close period as referred to in Article 19 17),
 - (d) such Steinhoff Shares shall be issued or transferred free from all Encumbrances, and
 - (e) the number of Steinhoff Shares to be issued or transferred shall (in the case of any fractional entitlement) be rounded up to the nearest integer

19 21 For the purposes of Articles 19 3(b), 19 6(b) and 19 9(b), if the Company elects that any payment pursuant to the exercise of any Put Option, Call Option or Reorganisation Call Option is to be satisfied by the issue or transfer of Steinhoff Shares, then

(a) the references in Articles 19 3(b), 19 6(b) and 19 9(b) to 10 Business Days shall mean 10 days (other than Saturday or Sunday) on which both

(i) English clearing banks are ordinarily open for the transaction of normal banking business in the City of London, and

(ii) the Exchange is open for trading,

(the **Closing Period**),

(b) each of the Company, its Nominated Purchaser (if any) and the relevant Exercising Shareholder, Called Shareholder or Reorganisation Called Shareholder (as applicable) shall use its reasonable endeavours to procure that, if reasonably practicable, the relevant matters referred to in Articles 19 3, 19 6 and 19 9 (as applicable) are concluded as soon as reasonably practicable within the Closing Period and the relevant parties shall not be obliged to delay such matters until the end of the Closing Period, and

(c) each of the Company, its Nominated Purchaser (if any) and the relevant Exercising Shareholder, Called Shareholder or Reorganisation Called Shareholder (as applicable) may agree that the relevant matters referred to in Articles 19 3, 19 6 and 19 9 (as applicable) be concluded at any time after the end of the Closing Period

20 **General meetings**

20 1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act

20 2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least fifty per cent (50%) in nominal value of the A Ordinary Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held

20 3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman

20 4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made

20 5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.

20 6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

20 7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

21 Proxies

21 1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)"

21 2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may

(a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,

(b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director, or

(c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

22 Directors' borrowing powers

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party

23 Alternate Directors

23 1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the **Appointor**) may appoint any director or any other person as he thinks fit to be his alternate 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

The appointment of an alternate Director shall not require approval by a resolution of the Directors

23 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

23 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

23 4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor

23 5 Except as these 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

23 6 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 participating (but only if that person's Appointor is not participating), and
- (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate)

No alternate may be counted as more than one Director for such purposes

- 23 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, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision)
- 23 8 An alternate Director is not 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
- 23 9 An alternate Director's appointment as an alternate shall terminate
 - (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

24 **Number of Directors**

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than two

25 **Appointment of Directors**

- 25 1 In addition to the powers of appointment under article 17(1) of the Model Articles, the Investor for so long as it and its Permitted Transferees hold not less than twenty-five per cent (25%) of the A Ordinary Shares in issue shall be entitled to nominate up to five persons to act as Directors of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove those Directors from office. The Investor shall be entitled to remove its nominated Directors so appointed at any time by notice in writing to the Company served at its registered office and appoint other persons to act in their place
- 25 2 An appointment or removal of a Director under Article 25 1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company

- 25 3 Each Investor Director shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking

26 Disqualification of Directors

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated, or
- (b) in the case of Directors other than an Investor Director, if a majority of his co-Directors serve notice on him in writing, removing him from office

27 Proceedings of Directors

- 27 1 The quorum for Directors' meetings shall be two Directors who must include at least one Investor Director (save that where a Relevant Interest of an Investor Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Investor Director and any other interested Director shall not be included for the purpose of such authorisation but shall be included for the purpose of forming the quorum) If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting and the Investor Directors If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed
- 27 2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present
- 27 3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting
- 27 4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it
- 27 5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest) a Director may vote at a meeting of the Directors or of a committee of the

Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting

27 6 Questions arising at any meeting of the Directors shall be decided by a majority of votes cast **PROVIDED THAT** the Investor Director(s) present shall, individually or collectively (as the case may be), have fifty-one per cent (51%) of the votes of all Directors eligible to vote on all resolutions

27 7 If the chairman of the Board has not been appointed within three months of the Date of Adoption or within three months of the resignation of a chairman, the Investor shall be entitled to appoint a chairman by notice in writing addressed to the Company Article 12 of the Model Articles shall be modified accordingly

27 8 A decision of the Directors 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 (including confirmation given by electronic means) Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also

28 Directors' interests

Specific interests of a Director

28 1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company,
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,

- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

Interests of which a Director is not aware

- 28 2 For the purposes of this Article 28, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

Accountability of any benefit and validity of a contract

- 28 3 In any situation permitted by this Article 28 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

Terms and conditions of Board authorisation

- 28 4 Subject to Article 28 5, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director (**Interested Director**) who has proposed that the Directors authorise his interest (**Relevant Interest**) pursuant to that section may, for the avoidance of doubt

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or
 - (iii) restricting the application of the provisions in Articles 28 6 and 28 7, so far as is permitted by law, in respect of such Interested Director,
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time, and

subject to Article 28 5, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 28

Terms and conditions of Board authorisation for an Investor Director

- 28 5 Notwithstanding the other provisions of this Article 28, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 28 7

Director's duty of confidentiality to a person other than the Company

- 28 6 Subject to Article 28 7 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 28), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required

- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
- (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director

- 28 7 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 28 6 shall apply only if the conflict arises out of a matter which falls within Article 28 1 or Article 28 2 or has been authorised under section 175(5)(a) of the Act

Additional steps to be taken by a Director to manage a conflict of interest

- 28 8 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation

- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
- (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

Requirement of a Director is to declare an interest

- 28 9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 28 1 or Article 28 2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest
- (a) falling under Article 28 1(g),
 - (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
 - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles

Shareholder approval

- 28 10 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 28
- 28 11 For the purposes of this Article 28
- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
 - (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director,
 - (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified

29 Notices

- 29 1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied
- (a) in hard copy form,
 - (b) in electronic form, or
 - (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),
- or partly by one of these means and partly by another of these means

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 29

Notices in hard copy form

- 29 2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas)
- (a) to the Company or any other company at its registered office, or
 - (b) to the address notified to or by the Company for that purpose, or
 - (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or
 - (d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors, or
 - (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied, or
 - (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company
- 29 3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective
- (a) if delivered, at the time of delivery,
 - (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first

Notices in electronic form

- 29 4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may
- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
 - (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 29 2, or
 - (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify
 - (i) on its website from time to time, or

- (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time

29 5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
- (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
- (c) if delivered in an electronic form, at the time of delivery, and
- (d) if sent by any other electronic means as referred to in Article 29 4(c), at the time such delivery is deemed to occur under the Act

29 6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

Notice by means of a website

29 7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website

General

29 8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the **Primary Holder**) Notice so given shall constitute notice to all the joint holders

29 9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise)

30 Indemnities and insurance

30 1 Subject to the provisions of and so far as may be permitted by, the Act

- (a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties,

powers or office, provided that no director of the Company or any associated company is indemnified by the Company against

- (i) any liability incurred by the director to the Company or any associated company, or
- (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or
- (iii) any liability incurred by the director
 - (A) in defending any criminal proceedings in which he is convicted,
 - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him, or
 - (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 30 1(a)(i), 30 1(a)(iii)(B) and 30 1(a)(iii)(C) applying,

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

30 2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

31 Data Protection

Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a **Recipient**) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data

either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group (**Recipient Group Companies**) and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

32 Secretary

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.

33 Lien

33 1 The Company shall have a first and paramount lien (the **Company's Lien**) over every Share not fully paid for and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), including any Unpaid Amount, whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.

33 2 The Company's Lien over a Share

- (a) shall take priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

The Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part.

33 3 Subject to the provisions of this Article 33, if

- (a) a notice complying with Article 33 4 (a **Lien Enforcement Notice**) has been given by the Company in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

the Company shall be entitled to sell that Share in such manner as the Directors decide.

33 4 A Lien Enforcement Notice

- (a) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

- (b) must specify the Share concerned,
- (c) must require payment of the sum payable within 14 days of the notice,
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

33 5 Where any Share is sold pursuant to this Article 33

- (a) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser, and
- (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale

33 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice,
- (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice

33 7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share

34 Call Notices

34 1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a **Call Notice) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a **call**) which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice**

34 2 A Call Notice

- (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium),
 - (b) shall state when and how any call to which it relates it is to be paid, and
 - (c) may permit or require the call to be paid by instalments
- 34 3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent
- 34 4 Before the Company has received any call due under a Call Notice the Directors may
 - (a) revoke it wholly or in part, or
 - (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made
- 34 5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share
- 34 6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to
 - (a) pay calls which are not the same, or
 - (b) pay calls at different times
- 34 7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium)
 - (a) on allotment,
 - (b) on the occurrence of a particular event, or
 - (c) on a date fixed by or in accordance with the terms of issue
- 34 8 If the due date for payment of such a sum as referred to in Article 34 7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture
- 34 9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below)
 - (a) the Directors may issue a notice of intended forfeiture to that person, and
 - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the call payment date at the Relevant Rate (as defined below)
- 34 10 For the purposes of Article 34 9

- (a) the **Call Payment Date** shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the **Call Payment Date** is that later date,
- (b) the **Relevant Rate** shall be
 - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted,
 - (ii) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors, or
 - (iii) if no rate is fixed in either of these ways, five per cent a year,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a)

34 11 The Directors may waive any obligation to pay interest on a call wholly or in part

34 12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice

35 **Forfeiture of Shares**

35 1 A notice of intended forfeiture

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a Call Notice,
- (b) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (c) shall require payment of the call and any accrued interest by a date which is not fewer than 14 days after the date of the notice,
- (d) shall state how the payment is to be made, and
- (e) shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited

35 2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture

35 3 Subject to these Articles, the forfeiture of a Share extinguishes

- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and

- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company
- 35 4 Any Share which is forfeited in accordance with these Articles
 - (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited,
 - (b) shall be deemed to be the property of the Company, and
 - (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit
- 35 5 If a person's Shares have been forfeited then
 - (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members,
 - (b) that person shall cease to be a Shareholder in respect of those Shares,
 - (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation,
 - (d) that person shall remain liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture), and
 - (e) the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal
- 35 6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit
- 35 7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer
- 35 8 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date
 - (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share
- 35 9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share

35 10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which

(a) was, or would have become, payable, and

(b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds

36 Surrender of Shares

36 1 A Shareholder shall be entitled to surrender any Share

(a) in respect of which the Directors issue a notice of intended forfeiture,

(b) which the Directors forfeit, or

(c) which has been forfeited

The Directors shall be entitled to accept the surrender of any such Share

36 2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share

36 3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited