

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

PROMENADE HOLDINGS LIMITED

("Company")

28 MAY 2018

("Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as ordinary resolutions and/or special resolutions (as indicated) (**Resolutions**).

SPECIAL RESOLUTION

1. **THAT** the articles of association of the Company attached to this resolution (**New Articles**) be and are hereby adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

ORDINARY RESOLUTIONS

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We hereby certify that this is a true and complete copy of the original document

Signed _____

Date 14/06/2018

Brabners

Horton House, Exchange Flags, Liverpool L2 3YL

Company Number: 09647506

2. **THAT** the 12 ordinary shares of £1.00 each in the capital of the Company (**Ordinary Shares**) held by Peter Hynd be and are hereby redesignated as 12 'Y' ordinary shares of £1.00 each in the capital of the Company (**Y Ordinary Shares**), such Y Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
3. **THAT** the 12 Ordinary Shares held by Jennifer Hynd be and are hereby redesignated as 12 'X' ordinary shares of £1.00 each in the capital of the Company (**X Ordinary Shares**), such X Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
4. **THAT** the 12 Ordinary Shares held by Peter Hynd be and are hereby redesignated as 12 'A' ordinary shares of £1.00 each in the capital of the Company (**A Ordinary Shares**), such A Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
5. **THAT** the 12 Ordinary Shares held by Jennifer Hynd be and are hereby redesignated as 12 A Ordinary Shares, such A Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
6. **THAT** the 12 Ordinary Shares held by Peter Hynd be and are hereby redesignated as 12 'B' ordinary shares of £1.00 each in the capital of the Company (**B Ordinary Shares**), such B Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
7. **THAT** the 12 Ordinary Shares held by Jennifer Hynd be and are hereby redesignated as 12 B Ordinary Shares, such B Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
8. **THAT** the 12 Ordinary Shares held by Peter Hynd be and are hereby redesignated as 12 'C' ordinary shares of £1.00 each in the capital of the Company (**C Ordinary Shares**), such C Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
9. **THAT** the 12 Ordinary Shares held by Jennifer Hynd be and are hereby redesignated as 12 C Ordinary Shares, such C Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
10. **THAT** the 12 Ordinary Shares held by Peter Hynd be and are hereby redesignated as 12 'D' ordinary shares of £1.00 each in the capital of the Company, such D Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.
11. **THAT** the 12 Ordinary Shares held by Jennifer Hynd be and are hereby redesignated as 12 D Ordinary Shares, such D Ordinary Shares having the rights and being subject to the obligations set out in the New Articles.

AGREEMENT

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

The undersigned, being the persons entitled to vote on the above Resolutions on the Circulation Date hereby irrevocably agree to the Resolutions:


.....
Peter Hynd

Date:

28 MAY 2018


.....
Jennifer Hynd

Date:

28 MAY 2018

NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:
 - **By hand:** delivering the signed version to 3rd Floor, Horton House, Exchange Flags, Liverpool L2 3YL;
 - **Post:** returning the signed version to 3rd Floor, Horton House, Exchange Flags, Liverpool L2 3YL;
 - **Fax:** faxing the signed version to 0151 600 3009 marked "For the attention of Alexander Thow"; or
 - **Email:** by attaching a scanned copy of the signed version to an email and sending it to Alexander.Thow@brabners.com. Please enter "Written Resolution" in the email subject box.

You may not return the Resolutions to the Company by any other method. **If you do not agree to the Resolutions**, you do not need to do anything: you will not be deemed to agree if you fail to reply.
2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
3. Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the Resolutions to pass, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

Company Number: 09647506

5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES


**ARTICLES OF ASSOCIATION OF
PROMENADE HOLDINGS LIMITED
COMPANY NUMBER: 09647506**

Adopted by Special Resolution passed on **28 MAY** 2018

Brabners
Horton House, Exchange Flags
Liverpool, L2 3YL

Ref: MER/ATH/83018.2
Tel: 0151 600 3000
Web: www.brabners.com

We hereby certify that this is a true and complete copy of the original document

Signed 14/06/2018
Date 

Brabners
Horton House, Exchange Flags, Liverpool L2 3YL

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Part 1 Introduction

1. Interpretation

1.1 The following definitions and rules of interpretation apply in these Articles:

A Ordinary Shares	means the A Ordinary Shares of £1.00 each in the capital of the Company having rights as set out in these Articles;
Act:	means the Companies Act 2006;
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);
Adoption Date:	the date of adoption of these Articles;
appointer	has the meaning given in article 11.1;
Articles:	means the company's articles of association for the time being in force;
Board:	the board of Directors of the Company from time to time;
B Ordinary Shares	means the B Ordinary Shares of £1.00 each in the capital of the Company having rights as set out in these Articles;
Business Day:	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
Civil Partner	in relation to an individual Shareholder, a civil partner as defined in the Civil Partnerships Act 2004;
Compulsory Transfer Price	has the meaning given at Article 24.2;
Conflict:	has the meaning given in article 7.1;
Continuing Shareholders	means, in the context of a transfer of shares by a Shareholder, those Shareholders who shall continue to own shares in the Company following completion of such transfer;
C Ordinary Shares	means the C Ordinary Shares of £1.00 each in the capital of the Company having rights as set out in these Articles;
Deemed Transfer Notice:	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;
Descendant	means, in relation to a Shareholder, any of their children, grand-children, great-grandchildren or any of their remoter issue, including by adoption;

D Ordinary Shares	means the D Ordinary Shares of £1.00 each in the capital of the Company having rights as set out in these Articles;
Directors	the Directors for the time being of the Company as a body or a quorum of the Directors present at a meeting of the Directors and Director shall mean any one of such persons;
eligible Director:	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter); and
Encumbrance	any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement;
Fair Value:	has the meaning given in article 24.3;
Family Trust	means a trust, or a regulated structure used and recognised for use as a personal pension scheme, under which all of the property subject to the trust (or held within the regulated structure) and the income therefrom (and all interest in such property and/or income) is held and/or applied for the benefit of the Original Shareholder who settled such property in the trust (or regulated structure and is its member) or a Privileged Relation of such Original Shareholder and under which no power of control is capable of being exercised over the votes of any shares in the Company which are held subject to the trust or are held in such regulated structure by any person other than the trustee(s) or regulated administrator(s) of the trust (or regulated structure) or that Original Shareholder and trust includes a trust arising under a settlement, or declaration of trust, bare trust, inter vivos, testamentary disposition or a trust arising on an intestacy;
Group:	the Company and its subsidiaries (if any) from time to time and Group Company shall be construed accordingly;
Independent Expert:	an independent firm of accountants appointed by the Company (acting as an expert and not as an arbitrator);
Issue Price:	in respect of any share, the subscription price paid in respect of that share, including any share premium;
Model Articles:	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;
Ordinary Shares	means the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares, the X Ordinary Shares and the Y Ordinary Shares;
Original Shareholder	means a holder of Shares in the capital of the Company at the date of adoption of these Articles and all persons who subsequently hold Shares in the capital of the Company as a result of a transfer that is a

Permitted Transfer and in respect of which the transferee remains a Permitted Transferee or such transfer has otherwise properly been made in accordance with the provisions of these Articles;

Permitted Transferee	has the meaning given in Articles 19.1 and 19.2 (as applicable);
Privileged Relation	means the spouse, widow or widower of an Original Shareholder, the Original Shareholder's children and grandchildren (including step and adopted children and grandchildren) and remoter issue, the Original Shareholder's siblings, and the children and grandchildren of the Original Shareholder's siblings (including step and adopted children and grandchildren) and remoter issue Provided always that such Privileged Relation is a direct relative (including a step or adopted child of such a direct relative) of Mr Peter Hynd or the spouse of such a person;
Proposed Buyer:	has the meaning given in Article 22.1.2 or Article 23.1 (as applicable);
Real Estate Investment	means the investment by the Company or any member of the Group in any real estate (whether directly or through another corporate vehicle)
Restricted Shares:	has the meaning given in Article 21.3.
Sale Shares:	has the meaning given in Article 20.4;
Seller:	a Shareholder who transfers, proposes to transfer or is required to transfer title to his shares;
Shareholder	means a person holding A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, X Ordinary Shares and/or Y Ordinary Shares (and collectively any such persons shall be referred to as Shareholders);
Shareholder Consent	means the consent in writing of every shareholder;
transfer:	has the meaning given in Article 18.1;
Transfer Notice	has the meaning given in Article 21.1.
Transfer Price:	the price at which a share or shares are to be transferred pursuant to Articles 20 and 21;
Voluntary Transfer Price	has the meaning given at Article 24.1;
X Ordinary Shares	means the X Ordinary Shares of £1.00 each in the capital of the Company having rights as set out in these Articles;

Y Ordinary Shares means the Y Ordinary Shares of £1.00 each in the capital of the Company having rights as set out in these Articles;

Y Director has the meaning given in Article 15.4;

Y Shareholder Consent: the prior written consent of the holder(s) for the time being of not less than 50% by nominal value of all Y Ordinary Shares held by Shareholders;

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the Company.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - 1.11.1 deleting the words "article 8" at the end of article 7(1) and replacing them with the words "Article 2 of the Company's Articles";
 - 1.11.2 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 1.11.3 the insertion in article 7(2) of the words "(for so long as he remains the sole Director)" after the words "and the Director may".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate Directors) and the secretary" before the words "properly incur".

- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the Directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the Directors decide"

Part 2 Directors

2. Unanimous Decisions

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

3. Calling a Directors' Meeting

- 3.1 Any Director may call a Directors' meeting by giving reasonable notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.

4. Quorum for Directors' Meetings

- 4.1 Subject to Article 4.2, the quorum for the transaction of business at a meeting of Directors is:
 - 4.1.1 for so long as a Y Director is appointed, the Y Director and (if there is more than one Director) one other eligible Director;
 - 4.1.2 for so long as no Y Director is appointed, two eligible Directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a Director's conflict, if there is only one eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one eligible Director.
- 4.3 If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
 - 4.3.1 to appoint further Directors; or
 - 4.3.2 to call a general meeting so as to enable the shareholders to appoint further Directors.

5. **Casting Vote**

- 5.1 For so long as a Y Director is appointed, such Y Director shall chair all meetings of the Directors.
- 5.2 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the chair has a casting vote.
- 5.3 Article 5.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Y Director is not an eligible Director for the purposes of that meeting (or part of a meeting).

6. **Transactions or Other Arrangements With the Company**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

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

7. **Directors' Conflicts of Interest**

- 7.1 The Directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**), provided that any actual or potential conflict of interest which may reasonably be expected to arise out of a Director being a trustee of a Family Trust is hereby authorised and shall not be considered a Conflict requiring separate authorisation under this article or otherwise.

- 7.2 Any authorisation under this article 7 will be effective only if:
- 7.2.1 the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met *without counting the Interested Director or any other interested Director; and*
 - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested Director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
- 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - 7.3.3 provide that the Interested Director shall or shall not be an eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
 - 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 7.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 7.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8. Records of Decisions to be Kept

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

9. Number of Directors

At any time while there is a Y Director, the number of Directors shall not be less than one and at all other times, unless otherwise determined by ordinary resolution (with Y Shareholder Consent), the number of Directors (other than alternate Directors) shall not be less than two.

10. Appointment and Removal of Directors and Term in Office

10.1 Save where Article 10.3 applies and for so long as there are Y Ordinary Shares in issue, no Director shall be appointed without Y Shareholder Consent.

10.2 The provisions of Article 15.4 shall apply.

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

10.4 Save for a Y Director, each Director of the Company shall be deemed to retire at the meeting of the Board next following the second anniversary of their appointment (or re-appointment), but each such Director may put themselves forward for re-election at such meeting of the Board at which they shall be deemed to have retired and a decision of the Directors, with Y Shareholder Consent, at such meeting of the Board, to re-appoint such Director for a further two years shall have effect accordingly.

11. Appointment and Removal of Alternate Directors

11.1 Any Director (**appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

11.1.1 exercise that Director's powers; and

11.1.2 carry out that Director's responsibilities,

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

11.2 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.

11.3 The notice must:

11.3.1 identify the proposed alternate; and

11.3.2 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.

12. Rights and Responsibilities of Alternate Directors

12.1 An alternate Director may act as alternate Director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

12.2 Except as the Articles specify otherwise, alternate Directors:

12.2.1 are deemed for all purposes to be Directors;

12.2.2 are liable for their own acts and omissions;

12.2.3 are subject to the same restrictions as their appointors; and

12.2.4 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.

12.3 A person who is an alternate Director but not a Director:

12.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

12.3.2 *may participate in a unanimous decision of the Directors (but only if his appointor is an eligible Director in relation to that decision, but does not participate); and*

12.3.3 shall not be counted as more than one Director for the purposes of articles article 12.3.

12.4 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his 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).

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

13. Termination of Alternate Directorship

An alternate Director's appointment as an alternate terminates:

13.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

13.1.2 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;

13.1.3 on the death of the alternate's appointor; or

13.1.4 when the alternate's appointor's appointment as a Director terminates.

14. Secretary

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

Part 3 Shares

15. Share Capital

Except as expressly provided otherwise in these Articles, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares, the X Ordinary Shares and the Y Ordinary Shares shall rank *pari passu* in all respects. The rights attaching to the respective classes of Shares shall be as follows:

15.1 Income

In respect of any dividend, the Directors shall be permitted to declare:

15.1.1 that a dividend be payable in respect of one or more particular class of the Ordinary Shares and not in respect of another class or classes of the Ordinary Shares; and

15.1.2 that different dividends are payable in respect of each class of the Ordinary Shares

so that each class of Ordinary Share shall rank separately for dividends and the Directors shall not be obliged to assign any reason for any decision to declare any dividend in a manner that does not treat each class of share equally.

15.2 Capital

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed amongst the holders of the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares, the X Ordinary Shares and the Y Ordinary Shares *pari passu* as if the same constituted one class of share.

15.3 Voting

As regards voting, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares, the X Ordinary Shares and the Y Ordinary Shares shall respectively confer on each holder thereof the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to vote on written resolutions and on a poll to exercise one vote per Ordinary Share.

15.4 Appointment of Directors

The holder(s) of the Y Ordinary Shares shall have the right at any time and from time to time by notice in writing to the Company to appoint one Director (**Y Director**) and to remove such Director and to appoint a replacement.

15.5 Quorum

As regards quorum:

15.5.1 no meeting of Shareholders shall be quorate unless those Shareholders present include (whether in person or by a duly authorised representative or a proxy) the holders of not less than 50% of the Y Ordinary Shares for the time being in issue; and

- 15.5.2 save with Y Shareholder Consent, no meeting of the Directors held at any time when a Y Director holds office as a Director shall be quorate unless such Y Director (or a duly appointed alternate Director of such person) is present at such meeting.

15.6 **Y Shareholder Reserved Matters**

- 15.6.1 In the case of any resolution proposed at any General Meeting of the Company or by way of written resolution or at any meeting of the Board or any Committee of the Board in relation to any of the matters listed below (**Y Shareholder Reserved Matters**), any holder of Y Ordinary Shares (or where such resolution is proposed at a meeting of the Directors or a committee of the Directors, the Y Director) shall be entitled to cast such number of votes as is necessary to defeat the resolution should they not support it:

- 15.6.1.1 altering in any respect the Articles or the rights attaching to any of the shares in the Company;
- 15.6.1.2 permitting the registration of any person as a member of the Company other than the Shareholders and any Permitted Transferees;
- 15.6.1.3 increasing or reducing the amount of the Company's issued share capital except as provided in this agreement, granting any option or other interest (in the form of convertible securities or in any other form) over or in its share capital, redeeming or purchasing any of its own shares or effecting any other reorganisation of its share capital;
- 15.6.1.4 issuing any loan capital in the Company or entering into any commitment with any person with respect to the issue of any loan capital;
- 15.6.1.5 making any borrowing other than from its bankers in the ordinary and usual course of business;
- 15.6.1.6 applying for the listing or trading of any shares or debt securities on any stock exchange or market;
- 15.6.1.7 passing any resolution for the Company's winding up or presenting any petition for its administration (unless it has become insolvent);
- 15.6.1.8 changing the nature of the Company's business or commencing any new business by the Company which is not ancillary or incidental to the Company's business as at the Adoption Date;
- 15.6.1.9 forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not);
- 15.6.1.10 amalgamating or merging with any other company or business undertaking;
- 15.6.1.11 making any acquisition or disposal by the JVC of any material asset(s) otherwise than in the ordinary course of business;
- 15.6.1.12 creating or granting any Encumbrance over the whole or any part of the business, undertaking or assets of the Company or over any shares in the Company or agreeing to do so;
- 15.6.1.13 making any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits or in the ordinary course of business) or granting any credit (other than in the normal course of trading) or giving any guarantee (other than in the normal course of trading) or indemnity;

- 15.6.1.14 entering into any arrangement, contract or transaction outside the normal course of the Company's business or otherwise than on arm's length terms;
- 15.6.1.15 giving notice of termination of any arrangements, contracts or transactions which are material in the nature of the Company's business, or materially varying any such arrangements, contracts or transactions;
- 15.6.1.16 establishing or amending any profit-sharing, share option, bonus or other incentive scheme of any nature for directors or employees;
- 15.6.1.17 instituting any material legal proceedings, or settling or compromising any material legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the Company, or submitting to arbitration or alternative dispute resolution any dispute involving the Company.

[We need to look in detail at this list of restrictions/vetos. They need to be broad enough to provide appropriate protection to Peter, but not to the extent that they make doing business cumbersome.]

- 15.6.2 Any resolution proposed as a written resolution in relation to any of the matters listed in clause 15.6.1 shall be proposed in a form that provides shareholders with the ability to cast their votes against as well as in favour of such resolution.

- 15.7 The Company is not authorised to undertake any of the matters set out in Article 15.6.1 save with authority of a resolution of the Board of Directors or the Shareholders passed in accordance with the provisions of this Article 15.

16. Issue of Shares

- 16.1 The Company shall not issue any new shares without Y Shareholder Consent.
- 16.2 Subject to the Articles, but without prejudice to the rights attached to any existing Ordinary Shares, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution, but always subject to Y Shareholder Consent.
- 16.3 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder. The terms, conditions and manner of redemption of any such shares may be determined by the Directors (with Y Shareholder Consent) or otherwise shall be set out in the Articles.

17. Pre-emption rights on the issue of further shares

- 17.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 17.2 Unless otherwise agreed by special resolution with Y Shareholder Consent, all shares which the Company propose to allot shall first be offered to the existing shareholders in the proportion (as nearly as possible without involving fractions) that the aggregate nominal value of such shares for the time being held respectively by each such holder bears to the total number of such shares in issue.
- 17.3 Unless otherwise agreed by special resolution, Shares shall only be allotted to a Shareholder of the same class of Share as is already held by them, and if they are the holders of more than one class of Share, they may apply for the allotment and issue of Shares to them of the classes of Share already held by them and so that after such allotment and issue they shall hold shares of different classes in the same proportion as they held them prior to such allotment and issue.
- 17.4 Each New Issue Offer:

- 17.4.1 shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant shares; and
- 17.4.2 may stipulate that any shareholder who wishes to subscribe for a number of shares in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess shares (**Excess Securities**) for which he wishes to subscribe.
- 17.5 Any shares not accepted by shareholders pursuant to the offer made to them in accordance with Article 17.4.1 shall be used for satisfying any requests for Excess Securities made pursuant to Article 17.4.2 provided that the class of share allotted following a request for Excess Securities shall be the same class already held by the respective shareholder (and where such holder holds more than one class of share, Excess Securities shall be allotted in the same proportion as that shareholder's existing shareholding).
- 17.6 If there are insufficient Excess Securities to satisfy the requests for Excess Securities, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him).
- 18. Share Transfers – General**
- 18.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or Encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 18.2 Unless otherwise permitted by these Articles, no share shall be transferred without Y Shareholder Consent.
- 18.3 If a Shareholder transfers (or purports to transfer) a share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all shares held by him (**Deemed Transfer Notice**), which shall include all Shares that he has transferred or purported to transfer as aforesaid, and the provisions of Article 21 (Compulsory Share Transfers) shall apply.
- 18.4 Unless expressly provided otherwise in these Articles or agreed otherwise by the Directors (with Y Shareholder Consent), if a Deemed Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the shares held by him (including any shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of shares pursuant to the relevant Transfer Notice).
- 18.5 No share shall be transferred, and the Directors shall refuse to register a transfer of any share, unless it is made in accordance with these Articles. Subject to this Article 18 the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 18.6 If it is proposed that any shares be transferred (**Transferring Shares**) from one existing shareholder (**Transferor**) to another existing shareholder (**Transferee**) in circumstances where the Transferee does not hold any shares of the same class as the Transferring Shares:
- 18.6.1 where the Transferring Shares are A Ordinary Shares, B Ordinary Shares, C Ordinary Shares or D Ordinary Shares or X Ordinary Shares, the Company and the Shareholders shall procure that the Transferring Shares shall, as soon as is reasonably practicable following the registration of such Transferring Shares in the name of the Transferee, be automatically reclassified as the same class of shares as are already held by the Transferee;

- 18.6.2 where the Transferring Shares are Y Ordinary Shares and the Transferee is a holder of X Ordinary Shares, the Company shall register the Transferee as owner of the Transferring Shares without the need for any reclassification of the Transferring Shares to be undertaken, but all X Ordinary Shares of the Transferee shall, as soon as is reasonably practicable, be automatically reclassified as Y Ordinary Shares.;
- 18.6.3 where the Transferring Shares are Y Ordinary Shares and the Transferee is the holder of A Ordinary Shares, B Ordinary Shares, C Ordinary Shares or D Ordinary Shares, the Company and the Shareholders shall procure that the Transferring Shares shall, as soon as is reasonably practicable following the registration of such Transferring Shares in the name of the Transferee, be automatically reclassified as the same class of shares as are already held by the Transferee;
- 18.7 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of shares the Directors may require:
- 18.7.1 any holder (or the legal representatives of a deceased holder); or
- 18.7.2 any person named as a transferee in a transfer lodged for registration; or
- 18.7.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 18.8 If any such information or evidence referred to in Article 18.7 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 business days of receipt of such written notice, then:
- 18.8.1 the relevant shares shall cease to confer on the holder of them any rights:
- 18.8.1.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares; or
- 18.8.1.2 to receive dividends or other distributions otherwise attaching to those shares;
- 18.8.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).
- The Directors may reinstate the rights referred to in Article 18.8.1 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to Article 18.8.2.
- 18.9 Any Transfer Notice (other than a Tag Along Notice (as defined in Article 22) or a Drag Along Notice (as defined in Article 23) served in respect of the transfer of any share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.
19. **Permitted Transfers of Shares**
- 19.1 A Shareholder may transfer any of their A Ordinary Shares, B Ordinary Shares, C Ordinary Shares or D Ordinary Shares without the need for prior Shareholder Consent:

- 19.1.1 where the transferee is a Privileged Relation of the transferor;
- 19.1.2 where the transferee is a company of which the transferor or a Privileged Relation or Family Trust of (or with respect to) the Transferor is the sole shareholder and has control (as defined by section 1124 of the Corporation Tax Act 2010);
- 19.1.3 where the transferee is a Family Trust;
- 19.1.4 when required by, and in accordance with, Article 21 (Compulsory Transfers); or
- 19.1.5 where the transferee is a Proposed Buyer in acceptance of an offer pursuant to Article 22 (Tag Along Rights) or Article 23 (Drag Along Rights); and
- 19.1.6 where the transferor of such shares is also a holder of X Ordinary Shares and/or Y Ordinary Shares, in which event the transferee shall (without retrospective effect) be deemed to be an Original Shareholder as if they had in fact been the original holder of such transferred shares.

(each a **Permitted Transferee** as the context permits).

- 19.2 A Shareholder may transfer any of their X Ordinary Shares or Y Ordinary Shares without the need for prior Shareholder Consent:
 - 19.2.1 where the transferee is their spouse; or
 - 19.2.2 where the transferee is a Descendant; or
 - 19.2.3 when required by, and in accordance with, Article 21 (Compulsory Transfers); or
 - 19.2.4 where the transferee is a Proposed Buyer in acceptance of an offer pursuant to Article 22 (Tag Along Rights) or Article 23 (Drag Along Rights).

(each a **Permitted Transferee** as the context permits).

- 19.3 Where shares are held by a Privileged Relation under Article 19.1.1 and such person ceases to be a Privileged Relation as a result of divorce such person will on or before the cessation of their being a Privileged Relation transfer such Shares back to the Original Shareholder in respect of whom they were the Privileged Relation.
- 19.4 Where shares are held by a spouse, Civil Partner or Descendant under Articles 19.2.1 or 19.2.2 and such person ceases to be a spouse, Civil Partner or Descendant as a result of divorce such person will on or before the cessation of their being a spouse, Civil Partner or Descendant transfer such Shares back to the Original Shareholder in respect of whom they were the spouse, Civil Partner or Descendant.
- 19.5 Where shares are held by a Company of which the Original Shareholder (or its Privileged Relation or a Family Trust of or in respect of that Original Shareholder) is the sole shareholder, and has control under article 19.1.2 and such Original Shareholder (or Privileged Relation or Family Trust (save in circumstances where such Family Trust has distributed such shares to a privileged Relation of the Original Shareholder)) ceases to be the sole shareholder of such Company and/or ceases to have control of such Company for whatsoever reason (or such Privileged Relation ceases to be a Privileged Relation as a result of divorce), such company shall, as the holder of such shares, be deemed to have served a Compulsory Transfer Notice.
- 19.6 If a shareholder or his Permitted Transferee fails or refuses to execute and deliver any transfer in respect of any shares pursuant to his obligations under this Article 19 any Director may execute and deliver the necessary transfer(s) on the defaulting shareholders or Permitted Transferee's behalf. The Directors will authorise registration of the transfer, and of the transferee as the holder of the shares so transferred, once appropriate stamp duty (if any) has

been paid. After registration, the title of the transferee as registered holder of such shares will not be affected by any irregularity in or invalidity of such proceedings, which will not be questioned by any person.

- 19.7 Notwithstanding any other provision of these Articles, a shareholder may transfer their shares to any person (without reference to the rights of pre-emption set out in Article 20) with prior Y Shareholder Consent (for so long as any person holds any Y Shares) and thereafter with prior Shareholder Consent.

20. Voluntary Share Transfers - Transfer notices and Pre-Emption rights

- 20.1 Except where the provisions of Article 19 (Permitted Transfers) apply, or in circumstances where the transferor has procured that a Drag Along Notice be properly served on all Continuing Shareholders in accordance with Article 23, any transfer of shares by a Shareholder shall be subject to the pre-emption rights in this Article 20.
- 20.2 Except as permitted by Article 19 (Permitted Transfers), no Shareholder shall be permitted to, and the Company shall procure that no Shareholder shall, transfer to a third-party any A Ordinary Shares, B Ordinary Shares, C Ordinary Shares or D Ordinary Shares.
- 20.3 Except as permitted by Article 19 (Permitted Transfers), or in circumstances where the transferor has first properly complied with the provisions of Article 22 (Tag Along), no Shareholder shall be permitted to, and the Company shall procure that no Shareholder shall, transfer to a third-party any X Ordinary Shares or Y Ordinary Shares.
- 20.4 A Shareholder who wishes to transfer shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (**Transfer Notice**) to the Company specifying the number of Shares he wishes to transfer (**Sale Shares**).
- 20.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company as agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 20.6 The Transfer Price for each Sale Share which is the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be calculated in accordance with Article 24.
- 20.7 As soon as practicable following the determination of the Transfer Price, the Board shall offer the Sale Shares for sale to the other Shareholders (excluding any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice) (**Offerees**) inviting them to apply to the Company in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 20.8 At the end of the Offer Period, the Sale Shares shall be allocated to the Offerees who have applied for Sale Shares in the following order of priority:

Share Class	Offered first to:	Offered second to:	Offered third to:	Offered fourth to:
A Ordinary	A Ordinary	B Ordinary, C Ordinary, and D Ordinary	The Company	X Ordinary Y Ordinary
B Ordinary	B Ordinary	A Ordinary,	The Company	X Ordinary

		C Ordinary, and D Ordinary		Y Ordinary
C Ordinary	C Ordinary	A Ordinary, B Ordinary, and D Ordinary	The Company	X Ordinary Y Ordinary
D Ordinary	D Ordinary	A Ordinary, B Ordinary, and C Ordinary	The Company	X Ordinary Y Ordinary
X Ordinary	X Ordinary	Y Ordinary	A Ordinary, B Ordinary, C Ordinary; and D Ordinary	The Company
Y Ordinary	Y Ordinary	X Ordinary	A Ordinary, B Ordinary, C Ordinary; and D Ordinary	The Company

and in the event of competition between the holders of a particular class of shares, the number of Sale Shares available for allocation shall be allocated to the Offerees in the proportion which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares (excluding those held either by the Seller or by any Shareholder whose Ordinary Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Offerees shall be determined by the Directors). 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.

20.9 At the end of the Offer Period:

20.9.1 if the total 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 Offeree who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares (excluding those held either by the Seller or by any Shareholder whose Shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Offerees shall be determined by the Directors). 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;

- 20.9.2 if not all of the Sale Shares are allocated following allocations in accordance with article 20.9.1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 20.9.1. The procedure set out in this article 20.9.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- 20.9.3 if the Company has not received applications in respect of all the Sale Shares, the Board shall allocate the Sale Shares to the Offerees in accordance with their applications. The Directors may resolve that the Company shall (if it is able to) purchase the balance of the Sale Shares (the **Surplus Shares**) pursuant to Article 25.
- 20.10 On the expiry of the Offer Period, the Directors shall give notice in writing of the allocations of Sale Shares (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least five business days, but not more than 20 business days, after the date of the Allocation Notice).
- 20.11 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice and the Seller shall deliver to the Company:
- 20.11.1 duly executed stock transfer forms for his shares in favour of each Applicant; and
- 20.11.2 the share certificate(s) in respect of their shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Directors may reasonably require to prove good title to those shares);
- and the Seller shall provide such further assistance as may be reasonably required to complete the transfer of the shares.
- 20.12 If the Seller fails to deliver to the Company the documents required pursuant to article 20.4 the Company may, as agent and attorney on behalf of the Seller:
- 20.12.1 complete, execute and deliver in his name all documents (including those referred to in article 20.4) necessary to give effect to the transfer of the relevant shares to the Applicants;
- 20.12.2 receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price);
- 20.12.3 enter the Applicants in the register of shareholders as the holders of the shares transferred to them; and
- 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 his certificate(s) for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Directors may reasonably require to prove good title to those shares) to the Company.
- 20.13 After an Applicant has been registered as the holder of any such shares under this Article 20 the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of shares under this Article 20.
- 21. Compulsory Transfers of Shares**
- 21.1 In the event that a Deemed Transfer Notice is served by a Shareholder pursuant to Articles 18.3 or 19.5, the procedure outlined at Articles 20.5 to 20.13 (inclusive) shall apply thereafter

in respect of all of his shares (**Sale Shares**) save that the Transfer Price shall be calculated in accordance with article 24.2.

- 21.2 Notwithstanding any other provisions of this Article 21 or Article 24.2, the Directors (with Y Shareholder Consent) may, by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which are included on the Deemed Transfer Notice which would otherwise be subject to Article 24.2.
- 21.3 Forthwith upon a Deemed Transfer Notice being deemed to be served under Article 21.1 the Sale Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:
- 21.3.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of shares; or
 - 21.3.2 to receive dividends or other distributions otherwise attaching to those shares; or
 - 21.3.3 to participate in any future issue of shares.
- 21.4 The Directors may (with Y Shareholder Consent) reinstate the rights referred to in Article 21.3 at any time and, in any event, such rights shall be reinstated in respect of any shares transferred pursuant to Article 21.1 on completion of such transfer.

22. Tag Along

- 22.1 Subject to Article 22.2, no transfer by one or more shareholder (**Selling Shareholders**) (whether in one or a series of related transactions) of any shares in the Company may be made or validly registered if as a result of such transfer (**Proposed Transfer**):
- 22.1.1 75% in nominal value of the entire issued share capital in the Company (**Majority Holding**) will be obtained by any person or persons acting in concert (**Proposed Buyer**); or
 - 22.1.2 the entirety of the Y Ordinary Shares in the Company would be obtained by any person or persons acting in concert (**Proposed Buyer**) save the X Shareholder or (subject to reclassification in accordance with these Articles) any other then existing Original Shareholder.
- 22.2 Notwithstanding Article 22.1, any of the circumstances constituting Proposed Transfers under Articles 22.1.1 and 22.1.2 may be permitted provided that:
- 22.2.1 the Proposed Buyer is a bona fide purchaser dealing on arm's length terms;
 - 22.2.2 save in relation to a sale of the Y Ordinary Shares, the pre-emption provisions set out in Article 20 have first been exhausted and no purchaser or purchasers among the Continuing Shareholders of the Company have been found for all of the shares proposed to be sold by the Selling Shareholders; and
 - 22.2.3 the provisions of this Article 22 are first complied with.
- 22.3 After first giving a Transfer Notice to the shareholders of the Company and (where required by these Articles) going through the procedure set out in Article 20, the Seller shall procure that the Proposed Buyer makes an offer (**Offer**) to the Continuing Shareholders to purchase all of the shares held by them for a consideration in cash per share that is at least equal to the price per share offered by the Proposed Buyer in the Proposed Transfer (**Specified Price**).

22.4 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

22.4.1 the identity of the Proposed Buyer;

22.4.2 the Specified Price and other terms and conditions of payment;

22.4.3 the Transfer Date; and

22.4.4 the number of Shares proposed to be purchased by the Proposed Buyer (**Offer Shares**).

22.5 If the Proposed Buyer fails to make the Offer at the Specified Price in accordance with this Article 22, the Selling Shareholders shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

22.6 If the Offer is accepted by the Continuing Shareholders in writing within 10 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such shareholder.

22.7 Save in respect of any transfer of Y Ordinary Shares, the Proposed Transfer is subject to the rights of pre-emption set out in Article 20, but the purchase of the Offer Shares shall not be subject to those provisions.

23. **Drag Along**

23.1 If:

23.1.1 the holders of the Y Ordinary Shares (**Selling Y Shareholders**) wish to transfer their shares (**Sellers' Y Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Y Shareholders shall have the option; and

23.1.2 where there are no Y Shares, the holders of two thirds of the Ordinary Shares (**Selling Ordinary Shareholders**) wish to transfer their shares (**Sellers' Ordinary Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Ordinary Shareholders shall have the option

(**Drag Along Option**) to require all the other shareholders (**Called Shareholders**) to sell and transfer all their interest in all of their shares in the Company with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 23.

23.2 The Selling Y Shareholders or Selling Ordinary Shareholders (as the case may be) may exercise the Drag Along Option by giving notice in writing to that effect (**Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Y Shares or Seller's Ordinary Shares (as the case may be), to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

23.2.1 that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to this Article 23;

23.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

23.2.3 the consideration payable for the Called Shares, taking account of any rights attaching to shares of a particular class (in respect of shares of the same class, being not less

than the price per share payable by the third party buyer in respect of the shares held by the Selling Y Shareholders or Selling Ordinary Shareholders (as the case may be));

- 23.2.4 any other terms and conditions (including warranties, indemnitees and restrictive covenants) agreed between the Selling Y Shareholders or Selling Ordinary Shareholders (as the case may be) and the Proposed Buyer in connection with the transfer; and
 - 23.2.5 the proposed date of completion of transfer of the Called Shares.
- 23.3 A Drag Along Notice shall be irrevocable unless the Proposed Buyer refuses to acquire the Called Shares on the terms of this Article 23.
- 23.4 The Called Shareholders shall be obliged to sell the Called Shares at the price (**Transfer Price**) and on the terms specified in the Drag Along Notice and completion of this sale and purchase of the Called Shares shall take place on receipt by the Company of the consideration payable for the relevant shares and on the same date as the date proposed for completion of the sale of the Selling Y Shareholders' (or Selling Ordinary Shareholders' (as the case may be)) shares, unless:
- 23.4.1 all of the Called Shareholders and the Selling Y Shareholders (or Selling Ordinary Shareholders (as the case may be)) agree otherwise; or
 - 23.4.2 the date is less than 10 Business Days after the Drag Along Notice, in which case completion shall take place on the tenth Business Day after the Drag Along Notice.
- 23.5 Within 10 business days of the Selling Y Shareholders or Selling Ordinary Shareholders (as the case may be) serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver to the Company:
- 23.5.1 duly executed stock transfer forms for their shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct);
 - 23.5.2 the share certificate(s) in respect of their shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Directors may reasonably require to prove good title to those Shares); and
 - 23.5.3 any other documents required to transfer legal and beneficial title to the Called Shares on the terms set out in the Drag Along Notice,
- and the Called Shareholders shall provide such further assistance as may be reasonable required to complete the sale and purchase of the Called Shares.
- 23.6 If any Called Shareholder fails to deliver to the Company the documents required pursuant to article 23.5 the Company may, as agent and/or attorney on behalf of the Called Shareholder:
- 23.6.1 complete, execute and deliver in his name all documents (including those referred to in Article 23.5) necessary to give effect to the transfer of the relevant Called Shares to the Proposed Buyer;
 - 23.6.2 receive the Transfer Price and give a good discharge for it (and no Proposed Buyer shall be obliged to see to the distribution of the Transfer Price);
 - 23.6.3 enter the Proposed Buyer in the register of shareholders as the holders of the shares purchased by them; and

the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Called Shareholder until he has delivered his certificate(s)

for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Directors may reasonably require to prove good title to those shares) to the Company.

- 23.7 After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of shares under this Article 23.
- 23.8 Upon any person, following the issue of a Drag Along Notice, becoming a shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, shares, whether or not pursuant to a share option scheme (**New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 23 shall apply mutatis mutandis to the New Shareholder.
- 23.9 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 20.
- 23.10 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

24. Transfer Price

- 24.1 The Transfer Price for each Sale Share which is the subject of a Transfer Notice served pursuant to Article 20 shall be equal to 80% of the Fair Value of the Sale Shares as at the date of the Transfer Notice (**Voluntary Transfer Price**) (such Fair Value to be calculated in accordance with Article 24.3).
- 24.2 Subject to Article 21.2, the Transfer Price for each Sale Share which is the subject of a Deemed Transfer Notice served pursuant to Article 18.3 and sold in accordance with Article 21 shall be equal to 50% of the Fair Value of the Sale Shares as at the date of the Transfer Notice (**Compulsory Transfer Price**) (such Fair Value to be calculated in accordance with Article 24.3).
- 24.3 The Fair Value shall:
- 24.3.1 where the Real Estate Investment had not commenced on the date of the Transfer Notice (or Deemed Transfer Notice), be determined by the person acting as the finance director of the Company from time to time; or
- 24.3.2 where a Real Estate Investment has occurred prior to the date of the Transfer Notice (or Deemed Transfer Notice), be determined by the Independent Expert on the following bases and assumptions:
- 24.3.2.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
- 24.3.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 24.3.2.3 that the Sale Shares are capable of being transferred without restriction;
- 24.3.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to

the percentage of the issued share capital of the Company which they represent; and

24.3.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account; and

24.3.2.6 including a value of any real estate provided by an appropriate expert in valuation of real estate appointed by the Independent Expert.

24.4 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.

24.5 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.

24.6 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.

24.7 The Independent Expert shall act as expert and not as arbitrator and its determination shall be *final and binding on the parties (in the absence of fraud or manifest error)*.

24.8 The Independent Expert shall be requested to determine the Fair Value within 20 business days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.

24.9 The cost of obtaining the Independent Expert's certificate shall be borne by the Company or in such proportions between the Shareholders as the Independent Expert directs.

25. Repayment of Loans on Transfer of Shares

In the event that a Shareholder ceases to own any shares in the Company pursuant to Article 20 (Voluntary Transfer), Article 21 (Compulsory Transfer), Article 22 (Tag Along) or Article 23 (Drag Along) (**Exiting Shareholder**), the Company and the Continuing Shareholders shall procure that any and all sums which are owed by the Company to the Exiting Shareholder shall be repaid in full not later than 12 months from the date on which the Exiting Shareholder ceased to be legally or beneficially entitled to any shares in the Company (along with any interest which has accrued as at the date of such repayment).

26. Purchase of Own Shares

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in any financial year.

Part 4 Decision making by shareholders

27. Written Resolution

A resolution of the shareholders (or a class of shareholders) may be passed as a written resolution in accordance with Chapter 2 of Part 13 of the Act.

28. Class Resolutions

28.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going

concern or during or in contemplation of a winding up with the consent in writing of the holders of more than 75% of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of that class, but not otherwise.

- 28.2 To every separate meeting of holders of a class of shares all the provisions of these articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons who together hold or represent by proxy at least one-third in nominal value of the issued shares of the class unless all the shares of any class are registered in the name of a single shareholder in which case the quorum shall be that person his proxy or his duly authorised representative (but so that if, at any adjourned meeting of such holders, the necessary quorum referred to above is not present those members who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

29. Poll Votes

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

30. Proxies

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

Part 5 Administrative arrangements

31. Means of Communication to be Used

- 31.1 Subject to Article 31.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 31.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- 31.1.2 if sent by fax, at the time of transmission; or
- 31.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- 31.1.4 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

- 31.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
 - 31.1.6 if deemed receipt under the previous paragraphs of this article 31.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 31.2 To prove service, it is sufficient to prove that:
 - 31.2.1 if delivered by hand the notice was delivered to the correct address; or
 - 31.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 31.2.3 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
 - 31.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 32. **Indemnity**
 - 32.1 Subject to article 32.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 32.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or an associated company's) affairs; and
 - 32.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 32.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
 - 32.2 This Article does not authorise any indemnity which would be prohibited or rendered void by *any provision of the Companies Acts or by any other provision of law.*
 - 32.3 In this Article:
 - 32.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - 32.3.2 a "relevant officer" means any Director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act).

33. Insurance

33.1 The Directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

33.2 In this article:

33.2.1 a "relevant officer" means any Director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act);

33.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and

33.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.