

Company number: 10499584

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

Of

CROSLAND HOLDINGS LIMITED (the Company)

Circulation date: 30 January 2018

Passed date: 30 January 2018

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

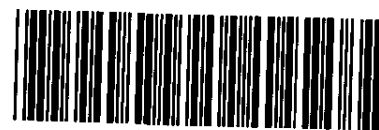
#### **ORDINARY RESOLUTION**

- 1 **THAT**, subject to the passing of Resolution 3 below, in accordance with section 551 of the Act, the directors of the Company be generally and unconditionally authorised to allot and grant rights to subscribe for up to 350,000 ordinary shares of £1.00 each in the Company each having the respective rights and subject to the respective restrictions set out in the New Articles (as adopted and defined below) and provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date on which this Resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require such shares to be allotted and the directors may allot such shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

#### **SPECIAL RESOLUTIONS**

- 2 **THAT**, subject to the passing of Resolution 1 and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment.
- 3 **THAT** the draft articles of association attached to these Resolutions at appendix 1 (**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.

WEDNESDAY

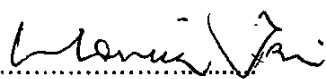


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COMPANIES HOUSE

## AGREEMENT

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

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

Name	Signature	Date
Fung Properties Limited		30 January 2018

## NOTES

1. If you agree to the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company's registered office address.
2. 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.
3. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
4. Unless sufficient agreement has been received for the Resolutions to pass by the date falling 28 days after the Circulation Date, it will lapse. If you agree to the Resolutions, please indicate your agreement and notify us as soon as possible.
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.

Company number 10499584

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CROSLAND HOLDINGS LIMITED

(Adopted by special resolution passed on 30 January 2018)

Introduction

## 1 INTERPRETATION

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

**Act:** means the Companies Act 2006.

**Adoption Date:** the date of adoption of these Articles.

**Appointor:** has the meaning given in *article 12.1*.

**Articles:** means the company's articles of association for the time being in force.

**Available Profits:** means profits available for distribution within the meaning of part 23 of the Act.

**Business Day:** means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

**Conflict:** has the meaning given in *article 8.1*.

**Deemed Transfer Notice:** means a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

**Directors:** the Directors of the Company from time to time.

**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).

**Fair Value** has the meaning given in *article 22.2*.

**Group:** the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company** shall be construed accordingly.

**Member of the Same Group:** means as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.

**Minimum Transfer Condition:** has the meaning given in *article 21.2.4*

**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.

**Original Shareholder:** has the meaning given in *article 20.1*.

**Ordinary Shares:** means the ordinary shares of £1.00 each in the capital of the Company.

**Permitted Transfer:** means a transfer of Shares made in accordance with *article 20*.

**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), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor).

**Relevant Securities:** means any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date.

**Shareholder:** means a holder for the time being of any Share or Shares.

**Shareholder Majority:** the holder(s) of 75% by nominal value of the Ordinary Shares in issue for the time being.

**Shares:** means shares (of any class) in the capital of the Company and **Share** shall be construed accordingly.

**Subsidiary:** has the meaning given in section 1159 of the Act.

**Transfer Notice:** has the meaning given in *article 21.2*.

**Transfer Price:** has the meaning given in *article 22*.

- 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 amended, extended or re-enacted from time to time.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.7 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.

## **2 ADOPTION OF THE MODEL ARTICLES**

- 2.1 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 2.2 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.
- 2.3 Article 7 of the Model Articles shall be amended by:
  - 2.3.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and

- 2.3.2 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".
- 2.4 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".
- 2.5 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".
- 2.6 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 2.7 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".
- 2.8 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"

## **Directors**

### **3 UNANIMOUS DECISIONS**

- 3.1 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.
- 3.2 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.
- 3.3 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.

#### **4 CALLING A DIRECTORS' MEETING**

- 4.1 Any Director may call a Directors' meeting by giving not less than 5 Business Days' notice of the meeting (or such lesser notice as all the Directors may agree) to the Directors or by authorising the company secretary (if any) to give such notice.
- 4.2 Notice of a Directors' meeting shall be given to each Director in writing.

#### **5 QUORUM FOR DIRECTORS' MEETINGS**

- 5.1 Subject to *article 5.2*, the quorum for the transaction of business at a meeting of Directors is any two Eligible Directors.
- 5.2 For the purposes of any meeting (or part of a meeting) held pursuant to *article 8* 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.
- 5.3 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:
- 5.3.1 to appoint further Directors; or
- 5.3.2 to call a general meeting so as to enable the shareholders to appoint further Directors.

#### **6 CASTING VOTE**

If the numbers of votes for and against a proposal at a meeting of Directors are equal, the chairman or other Director chairing the meeting shall not have a casting vote.

#### **7 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 7.1 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 Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:
- 7.1.1 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;

- 7.1.2 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;
- 7.1.3 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;
- 7.1.4 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;
- 7.1.5 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
- 7.1.6 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.

## **8 DIRECTORS' CONFLICTS OF INTEREST**

- 8.1 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**).
- 8.2 Any authorisation under this *article 8* will be effective only if:
  - 8.2.1 to the extent permitted by the Act, 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;

- 8.2.2 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
  - 8.2.3 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.
- 8.3 Any authorisation of a Conflict under this *article 8* may (whether at the time of giving the authorisation or subsequently):
  - 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 8.3.2 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;
  - 8.3.3 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;
  - 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - 8.3.5 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
  - 8.3.6 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.
- 8.4 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.

8.5 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.

8.6 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.

## **9 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.

## **10 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.

## **11 APPOINTMENT OF DIRECTORS**

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.

## **12 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

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

12.1.1 exercise that Director's powers; and

12.1.2 carry out that Director's responsibilities,

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

12.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the Appointor, or in any other manner approved by the Directors.

12.3 The notice must:

12.3.1 identify the proposed alternate; and

12.3.2 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.

### **13 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

13.1 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.

13.2 Except as the Articles specify otherwise, alternate Directors:

13.2.1 are deemed for all purposes to be Directors;

13.2.2 are liable for their own acts and omissions;

13.2.3 are subject to the same restrictions as their Appointors; and

13.2.4 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.

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

13.3.1 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);

13.3.2 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

13.3.3 shall not be counted as more than one Director for the purposes of *article 13.3*.

13.4 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), but shall not count as more than one Director for the purposes of determining whether a quorum is present.

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

#### **14 TERMINATION OF ALTERNATE DIRECTORSHIP**

- 14.1 An alternate Director's appointment as an alternate terminates:
- 14.1.1 when the alternate's Appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
  - 14.1.2 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;
  - 14.1.3 on the death of the alternate's Appointor; or
  - 14.1.4 when the alternate's Appointor's appointment as a Director terminates.

### **Shares**

#### **15 DIVIDENDS**

- 15.1 Subject to *article 15.3*, any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Ordinary Shares *pro rata* to their respective holdings of Ordinary Shares.
- 15.2 Subject to the Act, the Directors may pay interim dividends.
- 15.3 Each dividend shall be distributed to the appropriate Shareholders *pro rata* according to the number of Ordinary Shares held by them respectively.

## **16 RETURN OF CAPITAL**

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) amongst the holders of Shares pro rata to the number of Ordinary Shares held.

## **17 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.

## **18 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

18.1 Save to the extent authorised by these Articles, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

18.2 Subject to the remaining provisions of this article 18, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

18.2.1 offer or allot;

18.2.2 grant rights to subscribe for or to convert any security into; and

18.2.3 otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

18.3 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.

18.4 If the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Ordinary Shares (each an **Offeree**) and in the respective proportions that the number of Ordinary Shares held by each such holder

bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

18.5 An offer made under *article 18.4* shall:

18.5.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;

18.5.2 remain open for a period of at least 10 Business Days from the date of service of the offer; and

18.5.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *article 18.4* shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.

18.6 If, on the expiry of an offer made in accordance with *article 18.4*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.

18.7 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *article 18.4* shall be used to satisfy any requests for Excess Securities made pursuant to *article 18.5.3*. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him).

18.8 If, after completion of the allotments referred to in *article 18.6* and *article 18.7*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to the holders (on the date of this offer) of the Ordinary Shares on a *pari passu* basis and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person. Such offer shall be made in accordance with *article 18.5* and the

provisions of *article 18.6* and *article 18.7* shall, with necessary modifications, apply to such offer.

- 18.9 If, after completion of the allotments referred to in *article 18.6*, *article 18.7* and *article 18.8*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

## **19 TRANSFERS OF SHARES: GENERAL**

- 19.1 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.

- 19.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless:

19.2.1 it is made with the prior written consent of a Shareholder Majority; or

19.2.2 it is otherwise made in accordance with these Articles.

- 19.3 The Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

- 19.4 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, the Directors may, by notice in writing to the relevant Shareholder, 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).

- 19.5 Any transfer of a Share by way of sale which is required to be made under *article 23*, or *article 24* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

- 19.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:

19.6.1 any holder (or the legal representatives of a deceased holder); or

19.6.2 any person named as a transferee in a transfer lodged for registration; or

19.6.3 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.

19.7 If any such information or evidence referred to in *article 19.6* 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:

19.7.1 the relevant Shares shall cease to confer on the holder of them any rights:

19.7.1.1 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;

19.7.1.2 to receive dividends or other distributions otherwise attaching to those Shares; or

19.7.1.3 to participate in any future issue of Shares; and

19.7.2 the Directors may, by notice in writing to the relevant Shareholder, 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 19.7.1* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 19.7.2* on completion of such transfer.

19.8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

19.8.1 it does not contain a Minimum Transfer Condition; and

19.8.2 the Seller (as defined in *article 21.2*) 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).

19.9 Any Transfer Notice (but not a Drag Along Notice (as defined in *article 24*)) 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.

## **20 PERMITTED TRANSFERS OF SHARES**

20.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Member of the Same Group with the prior written consent of the Directors (such consent not to be unreasonably withheld or delayed) (**Permitted Transfer**).

20.2 Where a Permitted Transfer has been made the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

20.2.1 the Original Shareholder; or

20.2.2 with the prior written consent of the Directors (such consent not to be unreasonably withheld or delayed), a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this *clause 20.2*, the Directors may, by notice in writing to the relevant Shareholder, 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)..

## **21 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

21.1 Except where the provisions of *article 20* or *article 24* apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *article 21*.

21.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

- 21.2.1 subject to *article 19.8.2*, the number of Shares he wishes to transfer (**Sale Shares**);
  - 21.2.2 the name of the proposed transferee, if any;
  - 21.2.3 subject to *article 22.1*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
  - 21.2.4 subject to *article 19.8.1*, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
- 21.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within 10 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with the consent of the Directors.
- 21.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 21.5 As soon as practicable following the later of:
- 21.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
  - 21.5.2 the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 21.3*) offer the Sale Shares for sale in the manner set out in the remaining provisions of this *article 20* at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.
- 21.6 The Company shall offer the Sale Shares to the holders of the Ordinary Shares (other than the Seller) inviting them to apply for the maximum number of Sale Shares they wish to buy.
- 21.7 An offer of Sale Shares made in accordance with *article 21.6* shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (**Initial Offer Period**).

21.8 If:

21.8.1 at the end of the Initial Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all Shareholders (other than the Seller). 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 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; and

21.8.2 not all Sale Shares are allocated following allocations in accordance with *article 21.8.1*, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *article 21.8.1*. The procedure set out in *article 21.8.1* 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.

21.9 Where the Transfer Notice contains a Minimum Transfer Condition:

21.9.1 any allocation made under *article 21.7* to *article 21.8* shall be conditional on the fulfilment of the Minimum Transfer Condition; and

21.9.2 if the total number of Sale Shares applied for under *article 21.7* to *article 21.8* is less than the number of Sale Shares, the Directors shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

21.10 Where either:

21.10.1 the Transfer Notice does not contain a Minimum Transfer Condition; or

21.10.2 allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under *article 21.7* to *article 21.8* (inclusive), give notice in writing of the allocations of Sale

Shares (an **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 5 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

21.11 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.

21.12 If the Seller fails to comply with *article 21.11*:

21.12.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:

21.12.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

21.12.1.2 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); and

21.12.1.3 (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

21.12.2 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.

21.13 Where a Transfer Notice lapses pursuant to *article 21.9.2* or an Allocation Notice does not relate to all the Sale Shares, then, subject to the transfer being first approved in writing by a Shareholder Majority, the Seller may, at any time during the 10 Business Days following the date of lapse of the Transfer Notice pursuant to clause 21.9.2, or the date of service of the Allocation Notice (as the case may be) transfer all of the Sale

Shares (in the case of a lapsed offer) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this *article 21.13* shall continue to be subject to any Minimum Transfer Condition.

## **22 VALUATION**

22.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.

22.2 The **Fair Value** shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:

22.2.1 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);

22.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

22.2.3 that the Sale Shares are capable of being transferred without restriction;

22.2.4 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

22.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

22.3 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.

- 22.4 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.
- 22.5 The parties are entitled to make submissions to the Independent Expert including oral submissions 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.
- 22.6 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).
- 22.7 The Independent Expert shall be requested to determine the Fair Value within 15 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.
- 22.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
- 22.8.1 the Seller withdraws the relevant Transfer Notice in accordance with *article* 21.3; or
- 22.8.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,
- in which case the Seller shall bear the cost.

## **23 COMPULSORY TRANSFERS**

- 23.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 23.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.

23.3 Forthwith upon a Transfer Notice being deemed to be served under *article 23* the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:

23.3.1 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;

23.3.2 to receive dividends or other distributions otherwise attaching to those Shares; or

23.3.3 to participate in any future issue of Shares.

The Directors may reinstate the rights referred to in *article 23.3* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 23* on completion of such transfer.

## 24 **DRAG ALONG**

24.1 If a Shareholder Majority, being (the **Selling Shareholders**), wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this *article 24*.

24.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

24.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this *article 24*;

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

24.2.3 the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per Share offered by the Proposed Buyer for the Sellers' Shares;

- 24.2.4 the proposed date of completion of transfer of the Called Shares.
- 24.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 10 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 24.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *article 24*.
- 24.5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- 24.5.1 all of the Called Shareholders and the Selling Shareholders otherwise agree;  
or
- 24.5.2 that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place within 10 Business Days after the date of service of the Drag Along Notice.
- 24.6 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to *article 24.2.3* to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to *article 24.2.3* shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *article 24.2.3* in trust for the Called Shareholders without any obligation to pay interest.
- 24.7 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due pursuant to *article 24.6*,

the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares.

- 24.8 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. 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 24*.
- 24.9 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 (a **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 24* shall apply mutatis mutandis to the New Shareholder. References in this *article 24.9* to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.
- 24.10 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*.
- 24.11 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.

#### **Decision making by shareholders**

## **25 POLL VOTES**

- 25.1 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.
- 25.2 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.

## **26 PROXIES**

- 26.1 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".
- 26.2 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.

## **Administrative arrangements**

### **27 MEANS OF COMMUNICATION TO BE USED**

- 27.1 Subject to *article 27.2*, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 27.1.1 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
- 27.1.2 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

- 27.1.3 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
- 27.1.4 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt; or
- 27.1.5 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- 27.1.6 if deemed receipt under the previous paragraphs of this *article 27.1* 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.

27.2 To prove service, it is sufficient to prove that:

- 27.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- 27.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 27.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 27.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

## **28 INDEMNITY**

28.1 Subject to *article 28.2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

28.1.1 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:

- 28.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

28.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

28.1.2 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 28.1.1* and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure.

28.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

28.3 In this article companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

## **29 INSURANCE**

29.1 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.

29.2 In this article:

29.2.1 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

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