

Company Number: 12277950

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

AMALFI INVESTMENT PARTNERS LIMITED  
Name change 21 July 2022

Adopted by special resolution on 10 December 2019

\*Article 13.7 amended and Article 13.8 deleted by Special Resolution dated 19 September 2023

# THE COMPANIES ACT 2006

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## PRIVATE COMPANY LIMITED BY SHARES

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### ARTICLES OF ASSOCIATION

of

AMALFI INVESTMENT PARTNERS LIMITED  
(the "Company")

#### PRELIMINARY

- 1.1 The articles contained in the model articles for private companies limited by shares as set out in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended by any subsequent or future articles (the "Model Articles") shall apply to the Company so far as they relate to private companies limited by shares but save in so far as they are excluded or varied hereby and such articles (save as so excluded or varied) and the articles hereinafter contained shall be the articles of association of the Company.
- 1.2 In these articles, unless the context otherwise requires:

"the Act"	means the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force;
"Annual Running Costs"	means the annual running costs of the Company (not taking into account any running costs of any subsidiary companies of the Company), including tax, based on the audited accounts for the relevant Financial Year;
"these articles"	means these articles of association as originally adopted or as altered from time to time by special resolution;
"A Shareholder"	means a holder of A Shares from time to time;
"A Shares"	means A ordinary shares of Et.00 each in the capital of the Company;

<b>“Apportioned Hurdle Annual Running Costs”</b>	<b>Above</b>	means an amount which is a percentage of the estimated Annual Running Costs calculated as follows, where estimated Total Income exceeds the Hurdle:  ((estimated Total Income less the Hurdle) divided by estimated Total Income) multiplied by the estimated Annual Running Costs;
<b>“Apportioned Hurdle Annual Running Costs”</b>	<b>Below</b>	means an amount which is a percentage of the estimated Annual Running Costs calculated as follows:  (a) where estimated Total Income exceeds the Hurdle:  (the Hurdle divided by estimated Total Income) multiplied by the estimated Annual Running Costs; and  (b) where estimated Total Income is less than the Hurdle, 100%
<b>“Associated Company”</b>		has the meaning given to that term in section 256 of the Act;
<b>“Bad Leaver”</b>		a shareholder who ceases to be an employee of the Company and is not a Good Leaver;
<b>“B Shareholder”</b>		means a holder of B Shares from time to time;
<b>“B Shares”</b>		means B ordinary shares of £1.00 each in the capital of the Company;
<b>“Business Day”</b>		a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
<b>“C Shareholder”</b>		means a holder of the C Shares from time to time;
<b>“C Shares”</b>		means C ordinary shares of £1.00 each in the capital of the Company;
<b>“conflict of interest”</b>		any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties;
<b>“D Shareholder”</b>		means a holder of D Shares from time to time;
<b>“D Shares”</b>		means D ordinary shares of £1.00 each in the capital of the Company;
<b>“Departing Shareholder”</b>	<b>Founder</b>	has the meaning given to it in article 7;

<b>“Departing Shareholder”</b>	has the meaning given to it in article 8;
<b>“Determined Value”</b>	means the fair value of a SIR Share as determined by the holders of the A Shares, acting reasonably, and failing agreement between them, SIR’s brokers;
<b>“Disposal Consideration”</b>	means the consideration actually paid by a relevant purchaser(s) being the aggregate of the cash consideration and/or the cash equivalent of any non-cash assets actually paid for the sale, transfer or disposal of an interest in the Company which are the subject of the Sale, after deduction of any fees or other expenses incurred by the Company related to or triggered by the Sale;
<b>“Distribution Proceeds”</b>	means as defined in article 5.3.1;
<b>“E Shareholder”</b>	means a holder of E Shares from time to time;
<b>“E Shares”</b>	means E ordinary shares of £1.00 each in the capital of the Company;
<b>“electronic means”</b>	has the meaning given to that term in section 1168 of the Act;
<b>“Encumbered”</b>	means any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, and any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;
<b>“EPRA NAV per Share”</b>	means the net asset value per relevant share calculated in accordance with the methodology provided by the European Public Real Estate Association from time to time;
<b>“F Shareholder”</b>	means a holder of F Shares from time to time;
<b>“F Shares”</b>	means F ordinary shares of £1.00 each in the capital of the Company;
<b>“Financial Year”</b>	means each statutory accounting period in relation to the Company;
<b>“Founder Shares”</b>	means the A Shares, the B Shares, the C Shares, the D Shares, the E Shares and the F Shares;
<b>“Founder Shareholder”</b>	means the A Shareholder, the B Shareholder, the C Shareholder, the D Shareholder, the E Shareholder and/or the F Shareholder or any of them from time to time;

<b>“Founders”</b>	means Ben Walford, Nicholas Leslau, Nigel Wray, Philip Brown, Timothy Evans and Sandra Gumm;
<b>“Good Leaver”</b>	a shareholder who ceases to be an employee of the Company in the following circumstances: <ul style="list-style-type: none"> <li>(a) resignation by the employee or termination of his employment, which is a result of: <ul style="list-style-type: none"> <li>(i) dismissal by the Company where such dismissal is found by a tribunal or Court of Competent Jurisdiction to have been wrongful; or</li> <li>(ii) death; or</li> <li>(iii) the serious mental or physical ill health of an immediate family member or partner of such employee confirmed in writing by at least one (or two if so required by the board of directors) medical report(s) from an independent medical specialist or specialists;</li> </ul> </li> <li>(b) Incapacity; or</li> <li>(c) where the Founder Shareholders, excluding the Departing Shareholder, unanimously and in their absolute discretion so determine;</li> </ul>
<b>“G Shareholder”</b>	means a holder of the G Shares from time to time;
<b>“G Shares”</b>	means G ordinary shares of £1.00 each in the capital of the Company;
<b>“Hurdle”</b>	means £9,958,150;
<b>“Incapacity”</b>	means a shareholder becoming incapacitated by virtue of mental or physical illness and it being determined by at least one (or two if so required by any of the Founder Shareholders not so incapacitated) medical report(s) from (an) independent medical specialist(s) that he is unable to perform all or substantially all of his duties in his capacity as a director of the Company for a period of at least 12 months;
<b>“Incapacity Period”</b>	means the date from which the final independent medical report determines the Incapacity of the relevant shareholder to the date which is three calendar months from such determination;

<b>“Market Value”</b>		means the value as agreed between the Board and the holder(s) of the relevant shares taking into account the income and capital rights of the class of shares in question and, in the absence of agreement, as determined by an independent chartered accountant or firm of chartered accountants agreed between the Board and the holder(s) of the relevant shares or, failing agreement, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales as soon as reasonably practicable following notification of the disagreement and whose determination (in the absence of fraud or manifest error) shall be final and binding;
<b>“Net Above Hurdle Dividend Amount”</b>		means as defined in article 5.1.2(b);
<b>“Net Below Hurdle Dividend Amount”</b>		means as defined in article 5.1.2(a);
<b>“New Holding Company”</b>		means a company which obtains control of the Company where 51% or more of the New Holding Company’s ordinary shares are held in substantially the same proportions by substantially the same persons who previously held the Company’s Ordinary Shares and A Shares then in issue;
<b>“No Longer Incapacitated”</b>		means a shareholder who is a Departing Shareholder by reason of Incapacity no longer being so incapacitated and it being determined by at least one (or two if so required by any of Nicholas Leslau, Sandra Gumm, Timothy Evans or Michael Brown) medical report(s) from (an) independent medical specialist(s) that he is able to perform all or substantially all of his duties in his capacity or a director of the Company;
<b>“Profit Share Percentage”</b>		means in respect of a shareholder: <div style="text-align: center;"> <math display="block">\frac{X}{Y}</math> </div> expressed as a percentage where X is the number of Founder Shares then held by the shareholder and Y is the total number of Founder Shares then in issue;
<b>“Sale”</b>		means the disposal of any interest in any of the Founder Shares, G Shares and/or the Z Shares to a person or persons other than where:

	(a) the disposal is to a New Holding Company in which case such company shall be considered to be the Company for the purpose of this definition; or
	(b) the relevant transfer is to a person or persons connected with the transferring shareholder or to a company or trust owned by the Founders;
	and pursuant to which the Company, ceases (or will cease) following a sale of such shares to be controlled by the person who controlled it immediately prior to the date of adoption of these articles (control having the meaning given to it by section 1124 of the Corporation Tax Act 2010);
<b>“the secretary”</b>	means the secretary of the Company and includes any assistant or deputy secretary and a person appointed by the directors to perform any of the duties of the secretary;
<b>“shareholder”</b>	means a holder of any shares in the capital of the Company;
<b>“Signatory”</b>	means any one of an X Signatory or a Y Signatory;
<b>“SIR”</b>	means Secure Income REIT plc, a public limited company registered in England and Wales with company number 06064259;
<b>“SIR Shares”</b>	means the shares in SIR held by and registered in the name of the Company;
<b>“SIR Price”</b>	means the amount as determined by the Board and which shall be confirmed in writing for this purpose by the Company at the time of their issue to the holder(s) of such Z Shares in the respective share subscription agreement entered into between a holder of the Z Shares and the Company;
<b>“Super Majority”</b>	means a decision of the shareholders of the Company holding not less than 90% of the voting rights in the Company capable of being exercised from time to time;
<b>“Total Income”</b>	means the cash income of the Company including cash received by way of fees, dividend or otherwise, excluding any cash received from the sale of any SIR Shares;
<b>“X Signatory”</b>	means Timothy Evans, Ben Walford or such other person as designated by a decision of the shareholders of the Company

	holding not less than 90% of the voting rights in the Company;
<b>“Y Signatory”</b>	means either one of Sandra Gumm, Nicholas Leslau, Nigel Wray or Philip Brown;
<b>“Z Shareholder”</b>	means a holder of Z Shares from time to time;
<b>“Z Shares”</b>	means Z ordinary shares of £1.00 each in the capital of the Company; and
<b>“Z Share Value”</b>	in respect of each Z Share, means 1% of the Determined Value of the total SIR Shares held by the Company for the time being less 1% of the cumulative Annual Running Costs and 1% of the amount of any corporation tax paid or unpaid in relation to SIR Shares held by the Company.

1.3 In these articles:

- 1.3.1 where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose;
- 1.3.2 the headings in these articles do not affect the interpretation of these articles; and
- 1.3.3 words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

1.4 In these articles:

- 1.4.1 powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto;
- 1.4.2 the word ‘**directors**’ in the context of the exercise of any power contained in these articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional directors of the Company to which or, as the case may be, to whom the power in question has been delegated;
- 1.4.3 no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and
- 1.4.4 except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by another body or person who is for the time being authorised to exercise it under these articles or under another delegation of the power.

## 2 **LIABILITY OF MEMBERS**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.



### **3 ALTERING SHARE CAPITAL AND FURTHER ISSUE OF SHARES: AUTHORITY**

- 3.1 The directors shall be authorised to exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company up to the maximum nominal value of £10,000 to any person at any time and subject to any terms and conditions as directors think proper as if section 561 of the Act did not apply.
- 3.2 Any allotment or grant of rights to subscribe for, or to convert any security rights, any shares in the company above the maximum nominal value set up in article 3.1 above shall be subject always to the prior written consent of the A Shareholders, B Shareholders, C Shareholders, D Shareholders, E Shareholders and F Shareholders.
- 3.3 The authority referred to in article 3.1:
- 3.3.1 shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution; and
  - 3.3.2 may only be exercised for a period of five years commencing on the date on which these articles are adopted, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

### **4 PARTLY PAID SHARES**

#### **Company's lien over partly paid shares**

- 4.1 The Company has a lien (the "**Company's lien**") over every share which is partly paid for any part of:
- 4.1.1 that share's nominal value, and
  - 4.1.2 any premium at which it was issued, which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.
- 4.2 The Company's lien over a share:
- 4.2.1 takes priority over any third party's interest in that share, and
  - 4.2.2 extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share.
- 4.3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

#### **Enforcement of the Company's lien**

- 4.4 Subject to the provisions of this article, if:
- 4.4.1 a lien enforcement notice has been given in respect of a share, and

- 4.4.2 the person to whom the notice was given has failed to comply with it,
- 4.4.3 the Company may sell that share in such manner as the directors decide.
- 4.5 A lien enforcement notice:
  - 4.5.1 may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - 4.5.2 must specify the share concerned;
  - 4.5.3 must require payment of the sum payable within 14 days of the notice;
  - 4.5.4 must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
  - 4.5.5 must state the Company's intention to sell the share if the notice is not complied with.
- 4.6 Where shares are sold under this article:
  - 4.6.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
  - 4.6.2 the transferee is not bound to see to the application of the consideration, and
  - 4.6.3 the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 4.7 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
  - 4.7.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
  - 4.7.2 second, to the person entitled to the shares immediately prior to the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice.
- 4.8 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been sold to satisfy the Company's lien on a specified date:
  - 4.8.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
  - 4.8.2 subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the share.

### **Call notices**

- 4.9 Subject to these articles and the terms on which shares are allotted, the directors may send a notice (a “**call notice**”) to a member requiring the member to pay the Company a specified sum of money (a “**call**”) which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice.
- 4.10 A call notice:
- 4.10.1 may not require a member to pay a call which exceeds the total sum unpaid on that member’s shares (whether as to the share’s nominal value or any amount payable to the Company by way of premium);
  - 4.10.2 must state when and how any call to which it relates to is to be paid; and
  - 4.10.3 may permit or require the call to be paid by instalments.
- 4.11 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent.
- 4.12 Before the Company has received any call due under a call notice the directors may:
- 4.12.1 revoke it wholly or in part, or
  - 4.12.2 specify a later time for payment than is specified in the notice,
  - 4.12.3 by a further notice in writing to the member in respect of whose shares the call is made.

### **Liability to pay calls**

- 4.13 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
- 4.14 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 4.15 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:
- 4.15.1 to pay calls which are not the same, or
  - 4.15.2 to pay calls at different times.

### **When call notice need not be issued**

- 4.16 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium):
- 4.16.1 on allotment;
  - 4.16.2 on the occurrence of a particular event; or
  - 4.16.3 on a date fixed by or in accordance with the terms of issue.

- 4.17 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

**Failure to comply with call notice: automatic consequences**

- 4.18 If a person is liable to pay a call and fails to do so by the call payment date:
- 4.18.1 the directors may issue a notice of intended forfeiture to that person, and
  - 4.18.2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- 4.19 For the purposes of these articles:
- 4.19.1 the “**call payment date**” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “**call payment date**” is that later date;
  - 4.19.2 the “**relevant rate**” is:
    - (a) such rate as was fixed when the share in respect of which the call is due was allotted;
    - (b) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
    - (c) if no rate is fixed in either of these ways, 5 per cent per annum.
- 4.20 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.
- 4.21 The directors may waive any obligation to pay interest on a call wholly or in part.

**Notice of intended forfeiture**

- 4.22 A notice of intended forfeiture:
- 4.22.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;
  - 4.22.2 must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
  - 4.22.3 must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice;
  - 4.22.4 must state how the payment is to be made; and
  - 4.22.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

### **Directors' power to forfeit shares**

- 4.23 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

### **Effect of forfeiture**

- 4.24 Subject to these articles, the forfeiture of a share extinguishes:
- 4.24.1 all interests in that share, and all claims and demands against the Company in respect of it, and
  - 4.24.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company.
- 4.25 Any share which is forfeited in accordance with these articles:
- 4.25.1 is deemed to have been forfeited when the directors decide that it is forfeited;
  - 4.25.2 is deemed to be the property of the Company; and
  - 4.25.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 4.26 If a person's shares have been forfeited:
- 4.26.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
  - 4.26.2 that person ceases to be a member in respect of those shares;
  - 4.26.3 that person must surrender the certificate for the shares forfeited to the Company for cancellation;
  - 4.26.4 that person remains liable to the Company for all sums payable by that person under these articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
  - 4.26.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 4.27 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

### **Procedure following forfeiture**

- 4.28 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

- 4.29 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been forfeited on a specified date:
- 4.29.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
  - 4.29.2 subject to compliance with any other formalities of transfer required by these articles or by law, constitutes a good title to the share.
- 4.30 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- 4.31 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
- 4.31.1 was, or would have become, payable, and
  - 4.31.2 had not, when that share was forfeited, been paid by that person in respect of that share,
  - 4.31.3 but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

### **Surrender of shares**

- 4.32 A member may surrender any share:
- 4.32.1 in respect of which the directors may issue a notice of intended forfeiture;
  - 4.32.2 which the directors may forfeit; or
  - 4.32.3 which has been forfeited.
- 4.33 The directors may accept the surrender of any such share.
- 4.34 The effect of surrender on a share is the same as the effect of forfeiture on that share.
- 4.35 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.
- 4.36 Article 21 of the Model Articles shall not apply to the Company.

## **5 RIGHTS ATTACHING TO THE SHARES**

### **5.1 Dividends**

- 5.1.1 The holders of the Founder Shares may be paid a dividend in respect of each Financial Year of the Company out of profits available for distribution and from time to time as may be resolved by the board of directors. The holders of the G Shares and the Z Shares are not entitled to any dividends other than in accordance with article 5.1.5.

5.1.2 In relation to any dividends proposed to be declared or paid by the Company during any Financial Year, the amount of the dividend proposed to be distributed shall be calculated and apportioned between the Founder Shareholders as follows:

- (a) firstly, from any dividend amount proposed to be declared or paid, which is an amount which is less than or equal to the Hurdle, there shall be deducted the Apportioned Below Hurdle Annual Running Costs (the “**Net Below Hurdle Dividend Amount**”);
- (b) secondly, from any dividend amount proposed to be declared or paid, which is an amount which exceeds the Hurdle, there shall be deducted the Apportioned Above Hurdle Annual Running Costs (the “**Net Above Hurdle Dividend Amount**”);
- (c) thirdly, the Net Below Hurdle Dividend Amount shall be apportioned between the Founder Shareholders as follows:

<b>Class of shares</b>	<b>Dividend entitlement up to and including Hurdle</b>
A Shares	54.25%
B Shares	17.52%
C Shares	9.12%
D Shares	7.63%
E Shares	7.93%
F Shares	3.55%

- (d) fourthly, the Net Above Hurdle Dividend Amount shall be apportioned between the Founder Shareholders as follows:

<b>Class of Shares</b>	<b>Dividend entitlement above Hurdle</b>
A Shares	53%
B Shares	14%
C Shares	10%
D Shares	9%
E Shares	8%
F Shares	6%

5.1.3 Immediately after approval of the statutory accounts relating to any Financial Year of the Company, the directors shall consider:

- (a) the final Total Income of the Company for the preceding Financial Year;
- (b) the Annual Running Costs for the preceding Financial Year; and
- (c) the extent to which a reserve should be made for working capital or other commitments,

and carry out a calculation to determine the total amount of dividend which should have been paid to each of the Founder Shareholders in the preceding Financial Year (the “**Dividend Allocation**”). In the event that this is different to the amount of dividend which has actually been paid to the Founder Shareholders in that Financial Year to date, the directors shall, to the extent they are legally able to do so, declare and pay a further dividend to such of the Founder Shareholders, or adjust the amount of the next dividend paid to them in order to make the full Dividend Allocation as between the shareholders.

5.1.4 For the purposes of article 5.1.3 only, the directors may resolve to declare a dividend in any independent class of Founder Shares without declaring a dividend on the other classes of Founder Shares. The holders of any other class of Founder Shares shall not be entitled to any equivalent dividend or compensatory payment in respect of a dividend declared on one class of independent Founder Shares.

5.1.5 In the event that SIR Shares are sold by the Company for an amount net of all costs excluding tax which is higher than the SIR Price, to the extent possible any net proceeds of sale received from such sale of SIR Shares shall be distributed to the G Shareholders and the Z Shareholders (net of any disposal fees, taxes or other expenses related to or triggered by such sale of SIR Shares) by way of distribution as follows:

- (a) firstly, to the holders of each Z Share, 1% of the total dividend; and
- (b) secondly, to the holders of the G Shares, any balance of the total dividend pro rata to the number of G Shares then in issue.

5.1.6 In the event that SIR Shares are sold by the Company for an amount net of all costs excluding tax which is less than or equal to the SIR Price, to the extent possible any net proceeds of sale received from such sale of SIR Shares shall be distributed to the G Shareholders pro rata to the number of G Shares then in issue.

## 5.2 **Voting**

5.2.1 Subject to article 5.2.2, the Founder Shareholders have the right to receive notice and to attend and vote at a general meeting of the Company.

5.2.2 On a show of hands, the Founder Shareholders if (being an individual) present in person or (being a company) present by a representative shall have one vote and



every proxy duly appointed by the Founder Shareholders (or, where more than one proxy has been duly appointed by the same member, all the proxies appointed by that member taken together) shall have one vote in each case for every respective Founder Share owned by them.

- 5.2.3 On a written resolution, the Founder Shareholders shall have one vote for each respective Founder Share of which they are the holders.
- 5.2.4 On a poll vote, the Founder Shareholders shall have one vote for each respective Founder Share of which they are the holders.
- 5.2.5 The holders of the G Shares and the Z Shares shall not have the right to receive notice, to attend or vote at a general meeting of the Company.

### 5.3 **Distribution of surplus on winding-up**

- 5.3.1 On a return of capital on liquidation, winding up or otherwise (other than on a buy back of shares), the assets of the Company available for distribution among the members remaining after appropriate reserves for the payment of its liabilities (the “**Distribution Proceeds**”) shall be applied as follows:
  - 5.3.2 firstly, any dividends accrued but not paid to the Founder Shareholders pursuant to articles 5.1.2 and/or 5.1.3;
  - 5.3.3 secondly, to the holders of the Founder Shares, G Shares and the Z Shares an amount equal to the nominal value of such Founder Shares, G Shares and/or Z Shares pro rata to the number of Founder Shares, G Shares and Z Shares in issue;
  - 5.3.4 thirdly,
    - (a) to the holders of the G Shares and the Z Shares any distributions accrued but not paid to the G Shareholders and Z shareholders pursuant to article 5.1.5; or
    - (b) to the holders of the G Shares any distributions accrued but not paid to the G Shareholders pursuant to article 5.1.6;
  - 5.3.5 fourthly and to the extent the Company still holds SIR Shares:
    - (a) in the event that the Determined Value of the SIR Shares is less than the SIR Price in respect of each SIR Share any balance of Distribution Proceeds to the holders of the G Shares pro rata to the number of G Shares in issue;
    - (b) in the event that the Determined Value of the SIR Shares is equal to or greater than the SIR Price in respect of each SIR Share:
      - (i) firstly, to the holder of each Z Share the Z Share Value in relation to that Z Share; and
      - (ii) secondly, any balance of Distribution Proceeds to the holders of the G Shares pro rata to the number of G Shares in issue.

5.4      **Sale**

- 5.4.1      In the event of a Sale, notwithstanding anything to the contrary in the terms and conditions governing such Sale, the Disposal Consideration shall be apportioned between the shareholders in the same manner and proportions set out in article 5.3 as though the Disposal Consideration was Distribution Proceeds mutatis mutandis.

**6      TRANSFER OF SHARES: GENERAL**

- 6.1      Subject to article 6.2, any of the Founder Shares, the G Shares and/or the Z Shares may only be transferred or otherwise pledged or Encumbered with the prior written consent of all of the holders of the Founder Shares.
- 6.2      Nigel Wray and Nicholas Leslau may freely transfer any Founder Shares and/or G Shares held by them to Lesray Holdings Limited.

**7      COMPULSORY TRANSFER – FOUNDER SHARES**

- 7.1      For the purposes of this article 7, a '**Relevant FS Event**' shall occur in relation to a Founder Shareholder ('**Departing Founder Shareholder**')

7.1.1      if an individual, who:

- (a)      becomes bankrupt;
- (b)      fails to pay any monies owing by him to the Company within 28 days of being requested in writing by the Company to do so;
- (c)      has an order made by a court having jurisdiction (whether in the United Kingdom or elsewhere) for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (d)      commits a serious or persistent breach of these articles in respect of his obligations as a shareholder of the Company and (if capable of remedy) such breach is not remedied within 14 days of request from the Company to do so;
- (e)      dies; or
- (f)      ceases to be employed or engaged by the Company or Prestbury Investment Holdings Limited (other than for reason of Incapacity); or

7.1.2      if a corporate entity:

- (a)      if there is a resolution is passed for the liquidation of the shareholder;
- (b)      upon the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation;
- (c)      if there is a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the shareholder;

- (d) upon the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder;
- (e) if any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder;
- (f) if the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986;
- (g) upon the shareholder entering into a composition or arrangement with any of its creditors;
- (h) upon any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager);
- (i) upon a process being instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors;
- (j) the shareholder fails to pay any monies owing by it to the Company within 28 days of being requested in writing by the Company to do so; or
- (k) the shareholder commits a serious or persistent breach of these articles in respect of his obligations as a shareholder of the Company and (if capable of remedy) such breach is not remedied within 14 days of request from the Company to do so.

7.2 If a Founder Shareholder has in accordance with clause 6 transferred shares to a corporate entity and one of the events in clause 7.1.1 occurs in relation to that individual, the other shareholders and the Company shall act reasonably in determining whether a Relevant FS Event shall be deemed to have occurred in relation to the shares so transferred and to create a fair outcome consistent with the terms of these articles as they would apply to the Founder Shareholder who transferred the shares.

7.3 Upon the happening of a Relevant FS Event in relation to a Departing Founder Shareholder, the Departing Founder Shareholder shall be deemed to have immediately given a transfer notice specifying that he wishes to transfer or otherwise dispose of all the Founder Shares held by him ('**Default Founder Shares**') to such party ('**Proposed Purchaser**') as directed by the Company and at a price equal to:

- 7.3.1 the nominal value of all of the Default Founder Shares held by the Departing Founder Shareholder; and

- 7.3.2 an amount equal to any dividend not yet received by such Departing Founder Shareholder under articles 5.1.3 apportioned from the beginning of the Financial Year during which the Relevant FS Event has occurred to the date of the Relevant FS Event.
- 7.4 On the occurrence of a Relevant FS Event, the Proposed Purchaser shall be either the Company or such other person as the Company may direct.
- 7.5 Any director of the Company may execute and deliver to the Proposed Purchaser a transfer of the Default Founder Shares on behalf of the Departing Founder Shareholder in accordance with article 7.3 and give a good discharge on behalf of the Departing Founder Shareholder of the consideration received by the Company on behalf of the Proposed Purchaser.
- 7.6 The directors shall act in good faith to complete any transfer of any Default Founder Shares pursuant to this article 7, within the period which is three years from the date of the occurrence of the Relevant FS Event.

## **8 COMPULSORY TRANSFERS – G SHAREHOLDER AND Z SHAREHOLDER**

- 8.1 For the purposes of this article 8, a '**Relevant Event**' shall occur in relation to a G Shareholder and/or a Z Shareholder ('**Departing Shareholder**')

8.1.1 if an individual, who:

- (a) becomes bankrupt;
- (b) fails to pay any monies owing by him to the Company within 28 days of being requested in writing by the Company to do so;
- (c) has an order made by a court having jurisdiction (whether in the United Kingdom or elsewhere) for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (d) commits a serious or persistent breach of these articles in respect of his obligations as a shareholder of the Company and (if capable of remedy) such breach is not remedied within 14 days of request from the Company to do so;
- (e) dies; or
- (f) ceases to be employed by the Company (other than for reason of Incapacity); or
- (g) ceases to be employed by the Company for reason of Incapacity;

8.1.2 if a corporate entity:

- (a) if there is a resolution is passed for the liquidation of the shareholder;

- (b) upon the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation;
- (c) if there is a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the shareholder;
- (d) upon the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder;
- (e) if any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder;
- (f) if the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986;
- (g) upon the shareholder entering into a composition or arrangement with any of its creditors;
- (h) upon any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager);
- (i) upon a process being instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors;
- (j) the shareholder fails to pay any monies owing by it to the Company within 28 days of being requested in writing by the Company to do so; or
- (k) the shareholder commits a serious or persistent breach of these articles in respect of his obligations as a shareholder of the Company and (if capable of remedy) such breach is not remedied within 14 days of request from the Company to do so.

8.1.3 If a G Shareholder and/or a Z Shareholder has in accordance with clause 6 transferred shares to a corporate entity and one of the events in clause 8.1.1 occurs in relation to that individual, the other shareholders and the Company shall act reasonably in determining whether a Relevant FS Event shall be deemed to have occurred in relation to the shares so transferred and to create a fair outcome consistent with the terms of these articles as they would apply to the shareholder who transferred the shares.

8.2 Upon the happening of a Relevant Event in relation to a Departing Shareholder, the Departing Shareholder shall be deemed to have immediately given a transfer notice specifying that he

wishes to transfer or otherwise dispose of all the G Shares or Z Shares held by him (**'Default Shares'**) to such party (**'Proposed Purchaser'**) as directed by the Company and at a price per share equal to:

8.2.1 the lower of:

- (a) the price for which the Default Shares were subscribed for by the Departing Shareholder; and
- (b) Market Value,  
in the case of a Relevant Event pursuant to articles 8.1.1(a) to 8.1.1(d), 8.1.1(f) in circumstances where such a Departing Shareholder is a Bad Leaver, or 8.1.2;

8.2.2 subject to article 8.6, the total of:

- (a) the lower of the (i) EPRA NAV per Share of the SIR Shares and (ii) the share price of the SIR Shares, in each case as at the date of death of the Departing Shareholder (less in each case attributable tax), multiplied by the Profit Share Percentage of the Departing Shareholder;
- (b) following the next statutory year end of the Company, the EPRA NAV per Share of any new SIR Shares awarded to the Company in that Financial Year multiplied by the Profit Share Percentage in respect of such Departing Shareholder, apportioned for the period from the start of the Financial Year immediately prior to his death up to the date of his death; and
- (c) any relevant Departing Shareholder's pro rata share of any dividend allocation which has not been paid pursuant to article 5.1.5;
- (d) less any actual distributions made prior to the date of such transfer,  
in the case of a Relevant Event pursuant to article 8.1.1(e) save where such a Departing Shareholder is a Z Shareholder;

8.2.3 subject to article 8.6, calculated in accordance with articles 5.3.3, 5.3.4 and 5.3.5 in the case of a Relevant Event pursuant to article 8.1.1(e) where such a Departing Shareholder is a Z Shareholder;

8.2.4 subject to article 8.6, the total of:

- (a) the lower of the (i) EPRA NAV per Share of the SIR Shares and (ii) the share price of the SIR Shares, in each case as at the date of the start of the Incapacity Period (less in each case attributable tax), multiplied by the Profit Share Percentage of the Departing Shareholder;
- (b) following the next statutory year end of the Company, the EPRA NAV per Share of any new SIR Shares awarded to the Company in that Financial Year multiplied by the Profit Share Percentage in respect of such Departing Shareholder, apportioned for the period from the start of the Financial Year

- immediately prior to the expiry of the Incapacity Period up to the date of expiry of the Incapacity Period; and
- (c) any relevant Departing Shareholder's pro rata share of any dividend allocation which has not been paid pursuant to article 5.1.5;
  - (d) less any actual distributions made prior to the date of such transfer, in the case of a Relevant Event pursuant to article 8.1.1(g) where such a Departing Shareholder is a G Shareholder;
- 8.2.5 a price determined by not less than 90% of the shareholders of the Company entitled to vote, but excluding the Good Leaver in question, in the case of a Relevant Event pursuant to article 8.1.1(f) in circumstances where such Departing Shareholder is a Good Leaver.
- 8.3 On the occurrence of a Relevant Event, the Proposed Purchaser shall be either the Company or such other person as the Company may approve.
- 8.4 Any director of the Company may execute and deliver to the Proposed Purchaser a transfer of the Default Shares on behalf of the Departing Shareholder in accordance with article 8.2 and give a good discharge on behalf of the Departing Shareholder of the consideration received by the Company on behalf of the Proposed Purchaser.
- 8.5 The directors shall act in good faith to complete any transfer of any Default Shares pursuant to this article 8, within the period which is three years from the date of the occurrence of the Relevant Event, subject to the remaining members of the Company not being disadvantaged by any such transfer.
- 8.6 If, in the reasonable opinion of the Board of Directors, in the Financial Year which contains the date to which a Departing Shareholder's entitlement is calculated, the growth in the EPRA NAV per Share and/or the share price of the SIR Shares is distorted as a result of:
- 8.6.1 a revaluation of the Company or any of its assets in that Financial Year; or
  - 8.6.2 an equity issue by the Company or similar,
- such that, in the reasonable opinion of the Board of Directors acting in good faith, a simple average of EPRA NAV per Share and/or the share price of the SIR Shares is not appropriate, then, a Super Majority (excluding the Departing Shareholder's shares) shall determine a reasonable adjustment to the EPRA NAV per Share and/or the share price of the SIR Shares for the purposes of articles 8.2.2, 8.2.3 and 8.2.4.
- 8.7 Provided always that his Default Shares have not already been transferred, a Departing Shareholder who is dismissed for reason of Incapacity (and is therefore deemed to have served a transfer notice pursuant to article 8.2 shall be deemed to have immediately revoked his transfer notice in the event he is deemed No Longer Incapacitated.

- 8.8 If an independent chartered accountant or firm of chartered accountants is required to determine the Market Value for the purposes of article 8.2.1(b), the costs of such accountant or accountants shall be borne by the Departing Shareholder.

## **9 DRAG ALONG RIGHTS**

- 9.1 If, subject to article 6, the holders of a majority of the Founder Shares (the “**Selling Shareholders**”) wish to transfer their interest in their shares (“**Drag Shares**”) to a bona fide arm’s length purchaser (which shall not include a transfer to a company or trust owned by any of the Founders) (“**Purchaser**”) which would result in the bona fide arm’s length purchaser acquiring more than 75% of the total issued share capital of the Company, the Selling Shareholders may require all other shareholders (the “**Dragged Shareholders**”) to sell and transfer all their shares (the “**Dragged Shares**”) to the Purchaser (or as the Purchaser directs) at the Specified Price (defined in article 9.2 below) and otherwise on the same terms (including as to the time of completion and the manner of payment) as the Purchaser has offered the Selling Shareholders to purchase the Drag Shares (the “**Drag Along Option**”).
- 9.2 For the purposes of this article 9, the “**Specified Price**” shall be the consideration payable for the Dragged Shares which shall, for each Dragged Share, being an amount the holder of a Dragged Share would be entitled to if the consideration was distributed in the same manner and order of application pursuant to article 5.3.
- 9.3 The Selling Shareholders may exercise the Drag Along Option by giving written notice to the Dragged Shareholders to that effect (the “**Drag Along Notice**”) at any time before the transfer of their shares to the Purchaser. The Drag Along Notice shall specify:
- 9.3.1 that the Dragged Shareholders are required to transfer the Dragged Shares;
  - 9.3.2 the identity of the Purchaser to whom the Dragged Shares are to be transferred;
  - 9.3.3 the Specified Price and other terms and conditions of payment;
  - 9.3.4 the proposed date of the transfer; and
  - 9.3.5 the number of Dragged Shares proposed to be purchased.
- 9.4 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their shares to the Purchaser within 21 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.
- 9.5 Within five Business Days of the Selling Shareholders serving a Drag Along Notice on the Dragged Shareholders, the Dragged Shareholders shall deliver duly executed stock transfer forms for the Dragged Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company.
- 9.6 If the Purchaser has not paid the consideration due on the Dragged Shares as at proposed date of the transfer, the Dragged Shareholders shall be entitled to the return of the stock transfer



forms and share certificates (or suitable indemnity) for the relevant Dragged Shares and the Dragged Shareholders shall have no further rights or obligations under this article 9 in respect of their shares.

- 9.7 If any Dragged Shareholder does not, on completion of the sale of the Dragged Shares, execute transfer(s) in respect of all of the Dragged Shares held by him, the defaulting Dragged Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Dragged Shares, to deliver such transfer(s) to the Purchaser (or as the Purchaser may direct) as the holder thereof. After the Purchaser (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of the transferred shares.

## **10 BANKING ARRANGEMENTS**

- 10.1 The bankers for the Company shall be such bank or banks as the Founders may from time to time determine. The Founders are authorised to execute a mandate to open an account or accounts at such bank or banks.
- 10.2 All monies, cheques and drafts received by and belonging to the Company shall be paid promptly into the bank accounts of the Company.
- 10.3 All cheques drawn on or instructions for the electronic transfer of moneys given from any bank account of the Company shall be in the name of the Company and may only be drawn or given by:
- 10.3.1 if the amount is less than or equal to £50,000, any two Signatories;
  - 10.3.2 if the amount exceeds £50,000 but is less than or equal to £5,000,000, any two Y Signatories or one X Signatory and one Y Signatory; or
  - 10.3.3 if the amount exceeds £5,000,000, any two Y Signatories,
- provided always that no cheque shall be drawn or instruction given in respect of any matter requiring the approval of the shareholders of the Company as set out in these articles unless such approval shall first have been obtained.

## **11 GENERAL MEETINGS**

- 11.1 Every notice convening a general meeting shall comply with the provisions of the Act as to giving information to members in regard to their right to appoint proxies.
- 11.2 Subject to article 11.3, the quorum for a general meeting shall be two members who together hold more than 50% of the voting rights in the Company.
- 11.3 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that

decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in article 11.5 below.

- 11.4 Any decision taken by a sole member pursuant to article 11.3 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.
- 11.5 Resolutions under section 168 of the Act for the removal of a director before the expiration of his period of office and under section 510 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered and passed by the Company in general meeting.
- 11.6 An instrument of proxy is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to speak at the meeting and to vote (whether on a show of hands or on a poll) on any resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.
- 11.7 Where the same person is appointed proxy for more than one member he shall on a show of hands have as many votes as the number of members for whom he is proxy in addition to his own vote (if any) as a member.
- 11.8 Subject to section 327 of the Act, the instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited at the place specified in the notice of meeting up to the commencement of the meeting or (in any case where a poll is taken otherwise than at the meeting) of the taking of the poll or may be handed to the chairman of the meeting prior to the commencement of the business of the meeting. 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. Article 44(2) of the Model Articles shall not apply to these articles.
- 11.9 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.

## **12 DECISIONS REQUIRING SHAREHOLDER CONSENT**

- 12.1 The following decisions will require a special resolution of the shareholders':
  - 12.1.1 the appointment of any new director and/or the agreement of any remuneration package in respect of any such director;
  - 12.1.2 any decision to acquire any asset for the purposes of the business to enter into a new advisory contract or to make any investment in any other company or business;
  - 12.1.3 any decision to sell, transfer or otherwise dispose of all or any part of any asset of the Company or to terminate or materially amend the economic terms of any advisory contract to which the Company is a party;

- 12.1.4 any decision to enter into any agreement related to either of the matters set out in articles 12.1.1 and 12.1.2 above;
  - 12.1.5 any proposal or decision to finance the Company other than through the existing share capital of the Company or commitments in respect thereof; and
  - 12.1.6 any other act which requires a special resolution of the shareholders pursuant to the Act, under these articles or as the Company may determine from time to time.
- 12.2 The following decisions will require a Super Majority:
- 12.2.1 any person, who is not an existing shareholder of the Company, becoming a shareholder of the Company;
  - 12.2.2 any material change in the nature of the business of the Company;
  - 12.2.3 the creation of any charge or other security over the Company or its assets;
  - 12.2.4 any decision to settle or instigate any litigation or similar proceedings on behalf of or in the name of the Company;
  - 12.2.5 any decision to wind up, dissolve or otherwise place the Company into liquidation; and
  - 12.2.6 an alteration to these articles of association of the Company.
- 13 DIRECTORS**
- 13.1 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be two.
- 13.2 No person shall be appointed a director at any general meeting unless either:
- 13.2.1 he is recommended by the directors; or
  - 13.2.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.
- 13.3 Subject to article 13.2, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- 13.4 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with article 13.1 above as the maximum number of directors and for the time being in force.

- 13.5 Notwithstanding any other provision of these articles, a majority in number of the members having a right to attend and vote at a general meeting may, by memorandum in writing signed by or on behalf of them and delivered to the Company's registered office or tendered at a meeting of the directors or at a general meeting of the Company, at any time and from time to time appoint any person to be a director (either to fill a vacancy or as an additional director) or remove any director from office (no matter how such director was appointed).
- 13.6 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) has 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.
- 13.7 The quorum for directors' meetings shall be two directors. \*Except that for such time as there is one director of the Company in office as permitted under Article 13.1, there shall be no requirement for a quorum.
- 13.8 *Deleted by Special Resolution dated 19 September 2023*

## **14 ALTERNATE DIRECTORS**

### **Appointment and removal of alternates**

- 14.1 Any director (the "**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- 14.1.1 exercise that director's powers, and
  - 14.1.2 carry out that director's responsibilities.
  - 14.1.3 in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- 14.2 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.
- 14.3 The notice must:
- 14.3.1 identify the proposed alternate, and
  - 14.3.2 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.

### **Rights and responsibilities of alternate directors**

- 14.4 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

- 14.5 Except as these articles specify otherwise, alternate directors:
- 14.5.1 are deemed for all purposes to be directors;
  - 14.5.2 are liable for their own acts and omissions;
  - 14.5.3 are subject to the same restrictions as their appointors; and
  - 14.5.4 are not deemed to be agents of or for their appointors.
- 14.6 A person who is an alternate director but not a director:
- 14.6.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
  - 14.6.2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).
- 14.7 No alternate may be counted as more than one director for such purposes.
- 14.8 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

#### **Termination of alternate directorship**

- 14.9 An alternate director's appointment as an alternate terminates:
- 14.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - 14.9.2 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;
  - 14.9.3 on the death of the alternate's appointor; or
  - 14.9.4 when the alternate's appointor's appointment as a director terminates.

### **15 DIRECTORS' POWERS**

Subject to article 12, the directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

### **16 DIRECTORS' INTERESTS**

- 16.1 Subject to article 16.2 a director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall

vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum participating at the meeting.

16.2 Each director shall comply with his obligations to disclose the nature and extent of his interests in proposed and existing transactions and arrangements with the Company under sections 177 and 182 of the Act. A director shall not be required to disclose the nature and extent of his interests in proposed transactions and arrangements with the Company under this article 16.2 where the interest or potential interest has arisen by reason of that director also acting as a director of any group undertaking (as defined in section 1161(5) of the Act).

16.3 Article 14 in the Model Articles shall not apply to the Company.

16.4 The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise:

16.4.1 any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest;

16.4.2 a director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of article 16.4.1 of this article 16 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises;

provided that for this purpose the director in question and any other interested director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

16.5 For the purposes of this article 16 an interest includes both direct and indirect interests.

16.6 A director shall not be regarded as in breach of the duty set out in section 175 of the Act in relation to conflicts of interest or potential conflicts of interest which arise by reason of that director also acting as a director of any group undertaking (as defined in section 1161(5) of the Act).

16.7 Where a matter, or office, employment or position, has been authorised by the directors subject to terms and conditions under article 16.4. the director must act in accordance with those terms and conditions.

16.8 If a matter, or office, employment or position, has been authorised by the directors in accordance with this article 16 then:

- 16.8.1 the director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company or to use such information in relation to the Company's affairs if to make such a disclosure or use would result in a breach of duty or obligation or confidence owed by him to another person in relation to or in connection with that matter, or that office, employment or position;
- 16.8.2 the director may absent himself from meetings of the directors at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- 16.8.3 the director may make such arrangements as such director thinks fit for board and committee papers of the Company to be received and read by a professional adviser on behalf of that director.
- 16.9 The general duties which a director owes to the Company pursuant to sections 171 to 177 of the Act will not be infringed by anything done (or omitted to be done) by a director in accordance with the provisions of this article or any terms or conditions imposed pursuant to article 16.4.
- 16.10 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the directors pursuant to this article 16 (subject to any limits or conditions to which such approval was subject), nor shall the receipt of such benefit constitute a breach of his duty under section 176 of the Act, and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
- 17 PROCEEDINGS OF DIRECTORS**
- 17.1 A decision of the directors may be taken when all eligible directors take a decision together in the form of a directors' written resolution. A resolution in writing of the directors is effective, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 17.2 References in article 17.1 to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 17.3 A director or his alternate may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment, including electronic means if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote at the meeting subject to article 16.
- 17.4 A meeting at which one or more of the directors attends in the manner referred to in article 17.3 is deemed to be held at such place as the directors shall at the said meeting resolve. In the absence of such a resolution, the meeting shall be deemed to be held at the place, if any,

where a majority of the directors attending the meeting are physically present, or in default of such a majority, the place at which the chairman of the meeting is physically present.

17.5 Articles 8 and 10 of the Model Articles shall not apply.

## **18 THE 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.

## **19 NOTICES**

19.1 Any documents or information to be sent or supplied to the Company pursuant to the Act, these articles or otherwise, must be sent or supplied in accordance with the provisions of sections 1143 to 1148 and Schedule 4 of the Act.

19.2 Any documents or information to be sent or supplied by the Company pursuant to the Act, these articles or otherwise, must be sent or supplied in accordance with the provisions of sections 1143 to 1148 and Schedule 5 of the Act.

19.3 Article 48 of the Model Articles shall be modified accordingly.

## **20 INDEMNITY OF OFFICERS AND FUNDING DIRECTORS' DEFENCE COSTS**

20.1 For the purposes of this article a "**liability**" is any loss or liability incurred by a person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties, powers or office in relation to the Company.

20.2 To the extent permitted by the Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in relation to the Company or its affairs provided that such indemnity shall not apply in respect of any liability incurred by him:

20.2.1 to the Company or to any Associated Company; or

20.2.2 to pay a fine imposed in criminal proceedings; or

20.2.3 to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising);  
or

20.2.4 in defending any criminal proceedings in which he is convicted; or



- 20.2.5 in defending any civil proceedings brought by the Company, or an Associated Company, in which judgment is given against him; or
- 20.2.6 in connection with any application under any of the following provisions in which the court refuses to grant him relief, namely:
  - 20.2.7 section 661(3) or (4) of the Act (acquisition of shares by nominee); or
  - 20.2.8 section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct).
- 20.3 To the extent permitted by the Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or officer of the Company acting as a trustee of an occupational pension scheme shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in connection the Company's activities as trustee of the scheme provided that such indemnity shall not apply in respect of any liability incurred by him:
  - 20.3.1 to pay a fine imposed in criminal proceedings; or
  - 20.3.2 to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising); or
  - 20.3.3 in defending criminal proceedings in which he is convicted.
- 20.4 Without prejudice to article 20.2 or to any indemnity to which a director may otherwise be entitled, and to the extent permitted by the Act and otherwise upon such terms and subject to such conditions as the board may in its absolute discretion think fit, the board shall have the power to make arrangements to provide a director or other officer with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with an application under section 661(3) or (4) of the Act (acquisition of shares by nominee) or section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct) or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority or to enable a director to avoid incurring any such expenditure, so long as if it is done under the terms as provided under section 205 of the Act.
- 20.5 Subject to the provisions of the Act and without prejudice to any protection from liability which may otherwise apply the directors shall have power to purchase and maintain for any director or other officer of the Company, or of an Associated Company, insurance against any liability as is mentioned in this article 20.
- 20.6 This article 20 shall only have effect in so far as its provisions are not avoided by section 232 of the Act.
- 20.7 Articles 52 and 53 in the Model Articles shall not apply to the Company.

**21 CHANGE OF NAME**

Subject to the provisions of article 17 the name of the Company may be changed by the passing of a resolution of the directors.

**22 PURCHASE OF OWN SHARES OUT OF CASH**

The Company may purchase its own shares to the extent permitted by section 692(1ZA) of the Act.