

Alex Henney

## **Dated**

20 March 2023

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# **Articles of Association relating to SQUAB STORAGE STOWMARKET LIMITED**

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**COMPANY NUMBER: 14544841**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION OF**  
**SQUAB STORAGE STOWMARKET LIMITED**

**1. Definitions and Interpretation**

1.1 The definitions set out in this Article 1.1 apply in these articles.

<b>"Act"</b>	the Companies Act 2006.
<b>"Adoption Date"</b>	means the date on which these Articles are adopted as the articles of association of the Company;
<b>"Alternate"</b>	has the meaning given in Article 25.1.
<b>"A Ordinary Shares"</b>	A Ordinary Shares of £1.00 each in the capital of the Company having the rights set out in these Articles.
<b>"Appointor"</b>	has the meaning given in Article 25.1.
<b>"Asset Sale"</b>	means the disposal (whether together with associated liabilities or otherwise and as part of an undertaking or otherwise) of all or substantially all of the assets of the Company;
<b>"Authorisation"</b>	has the meaning given in Article 17.2.
<b>"Authorised Person"</b>	:  (a) any Director;  (b) the company secretary (if any); or  (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.
<b>"Available Profits"</b>	means profits available for distribution within the meaning of part 23 of the CA 2006;
<b>"Board"</b>	the board of directors of the Company;
<b>"B Ordinary Shares"</b>	B Ordinary Shares of £1.00 each in the capital of the Company having the rights set out in these Articles.

<b>"Chairman"</b>	the chairman of the Company from time to time.
<b>"Chairman of the Meeting"</b>	the person chairing the relevant general meeting in accordance with Article 39.
<b>"Company"</b>	Squab Storage Stowmarket Limited (Company Registration Number: 14544841) whose registered office at the Adoption Date is at Squab Hall Harbury Lane, Bishops Tachbrook, Leamington Spa, Warwickshire, United Kingdom, CV33 9QB.
<b>"Conflict"</b>	has the meaning given in Article 17.1.
<b>"Conflicted Director"</b>	has the meaning given in Article 17.1.
<b>"Director"</b>	a director of the Company, including any person occupying the position of director, by whatever name called.
<b>"Distribution"</b>	has the meaning given in article 3.1.2;
<b>"Distribution Recipient"</b>	<p>in relation to a Share in respect of which a dividend or other sum is payable:</p> <ul style="list-style-type: none"><li>(a) the Holder of that Share;</li><li>(b) if that Share has two or more joint Holders, whichever of them is named first in the register of members; or</li><li>(c) if the Holder is no longer entitled to that Share by reason of death or bankruptcy, or otherwise by operation of law, the Transmitttee.</li></ul>
<b>"Electronic Form"</b>	has the meaning given in section 1168 of the Act.
<b>"Eligible Directors"</b>	in relation to any matter, the Directors who would have been entitled to vote on, and whose votes would have been counted in respect of, that matter had it been proposed as a resolution at a Directors' meeting.
<b>"Equity Securities"</b>	has the meaning given in section 560(1) of the Act.
<b>"Exit"</b>	an Asset Sale, a Share Sale, a Listing, or a liquidation of the Company's assets.
<b>"Family Trust"</b>	a trust which permits the settled property or the income from it to be applied only for the benefit of an individual member (the "Settlor") and/or any Privileged Relation of that Settlor and under which no power or control is capable of being exercised over the votes of any shares which are the subject of the trust,

by any person other than the trustees or the Settlor or any Privileged Relations of the Settlor;

**"Financial Year"**

an accounting reference period (as defined in section 391 of the Act) of the Company.

**"Fully Paid"**

in relation to a Share, that the nominal value and any premium to be paid to the Company in respect of that Share have been Paid to the Company.

**"Group"**

the Company and each Subsidiary.

**"Group Company"**

any member of the Group.

**"Hard Copy Form"**

has the meaning given in section 1168 of the Act.

**"Holder"**

in relation to a Share, the person whose name is entered in the register of members as the holder of that Share from time to time.

**"Interested Director"**

has the meaning given in Article 18.1.

**"IRR"**

means the compound growth rate of the Shareholders' investment in the Company during the Project Period, as more particularly defined and to be calculated and / or determined in accordance with the Schedule;

**"Issue Price"**

in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;

**"Investor"**

means any Shareholder other than PEL;

**"Listing"**

the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).

**"Majority Decision"**

a majority decision taken at a Directors' meeting.

**"Member of the Same Group"**

as regards any company, a company which is for the time being a holding company or a subsidiary of that company or a subsidiary of any such holding company;

<b>"Net Proceeds"</b>	has the meaning given in clause <b>Error! Reference source not found.</b> ;
<b>"Non-Cash Consideration"</b>	has the meaning given in Article 33.2.2.
<b>"Ordinary Shares"</b>	the A Ordinary Shares and the B Ordinary Shares;
<b>"Ordinary Resolution"</b>	has the meaning given in section 282 of the Act.
<b>"Paid"</b>	paid or credited as paid.
<b>"Participate"</b>	has the meaning given in Article 12.1 and <b>"Participating"</b> shall be construed accordingly.
<b>"Permitted Transferee"</b>	in relation to: <ul style="list-style-type: none"> <li>(d) a member who is an individual, any of their Privileged Relations or the trustees of a Family Trust;</li> <li>(e) a member which is a company, a Member of the Same Group as that company;</li> </ul>
<b>"PEL"</b>	means Pigeon Enterprises Limited (registered in England and Wales No. 09215549) whose registered office at the Adoption Date is at Squab Hall Harbury Lane, Bishops Tachbrook, Leamington Spa, Warwickshire, CV33 9QB, or its successors and assigns from time to time;
<b>"Preference Amount"</b>	means: <ul style="list-style-type: none"> <li>(a) If IRR upon an Exit is less than 15%: £zero; or</li> <li>(b) if IRR upon an Exit is between 15%-19.99%: <ul style="list-style-type: none"> <li>(i) £zero for Project Profits generated within the IRR range below 15% IRR; and then</li> <li>(ii) an amount equal to the first 20% of Project Profits generated within the IRR range from 15%-19.99% IRR; or</li> </ul> </li> <li>(c) if IRR upon an Exit is greater than 20%: <ul style="list-style-type: none"> <li>(i) £zero for Project Profits generated within the IRR range below 15% IRR; and then</li> <li>(ii) an amount equal to the first 20% of Project Profits generated</li> </ul> </li> </ul>

within the IRR range from 15%-19.99% IRR; and then

- (iii) an amount equal to the first 30% of Project Profits generated within the IRR range above 20% IRR;

**"Privileged Relation"**

Civil Partner, spouse, widow or widower of the member and the member's children and grandchildren (including legitimate, illegitimate, step and adopted children and their issue);

**"Proceeds of Sale"**

means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale);

**"Project Period"**

the period from the Adoption Date up to and including completion of an Exit;

**"Property"**

means the property known as Block F, Atex Business Park, Gun Cotton Way, Stowmarket, Suffolk. IP14 5XE;

**"Proxy Notice"**

has the meaning given in Article 45.1.

**"Proxy Notification Address"**

has the meaning given in Article 46.1.

**"Redeemable Shares"**

zero coupon redeemable shares of £1.00 each in the capital of the Company having the rights set out in these Articles.

**"Relevant Director"**

any director or former director of any Group Company.

**"Relevant Loss"**

any loss or liability which has been or may be incurred by a Relevant Director in connection with his duties or powers in relation to any Group Company or any pension fund or employees' share scheme of any Group Company.

**"Return of Capital"**

means a liquidation or other return of capital (other than a conversion, redemption, or purchase of Shares);

**"Shareholder"**

a person who is the Holder of a Share (including his personal representatives).

**"Shares"**

the Ordinary Shares, and the Redeemable Shares.

**"Share Sale"**

means the sale of any Shares to any person pursuant to a transaction or series of



transactions resulting in that person together with any Connected Persons or person acting in concert (as defined in the City Code on Takeovers and Mergers) holding a Controlling Interest in the Company, and persons who are holders of shares at the Adoption Date shall not be deemed to be acting in concert with each other;

**"Special Consent"**

means written consent from PEL and the holders of not less than 50% of the Ordinary Shares held from time to time by the Investors;

**"Special Resolution"**

has the meaning given in section 283 of the Act.

**"Subsidiary"**

any company which is a subsidiary of the Company from time to time.

**"Transaction"**

has the meaning given in Article 18.1.

**"Transfer Form"**

an instrument of transfer of Shares in any usual form or in any other form approved by the Directors, which is executed by or on behalf of the transferor.

**"Transmittee"**

a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law.

**"Unanimous Decision"**

has the meaning given in Article 10.1.

**"Writing"**

the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in Electronic Form or otherwise.

1.2 The rules of interpretation set out in Articles 1.3 to 1.9 (inclusive) apply in these articles.

1.3 A reference to:

1.3.1 a **"person"** includes a reference to:

- (a) any individual, firm, partnership, unincorporated association or company wherever incorporated or situate; and
- (b) that person's legal personal representatives, trustees in bankruptcy and successors;

1.3.2 **"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

1.3.3 a **"document"** includes, unless otherwise specified, any document sent or supplied in Electronic Form; and

- 1.3.4 a **"company"** shall include any company, corporation or other body corporate, however incorporated or established and in whichever jurisdiction.
- 1.4 Unless the context otherwise requires:
  - 1.4.1 words denoting the singular shall include the plural and vice versa;
  - 1.4.2 words denoting a gender shall include all genders; and
  - 1.4.3 references to (or to any specified provision of) these articles or any other document shall be construed as references to these articles, that provision or that document as in force and as amended from time to time.
- 1.5 Unless stated to the contrary, a reference to a statute, statutory provision or subordinate legislation includes a reference to it as modified, replaced, amended and/or re-enacted from time to time (before or after the date of adoption of these Articles) and any prior or subsequent legislation made under it but this Article 1.5 shall not operate so as to impose on any person any greater obligation than would otherwise apply.
- 1.6 Unless the context otherwise requires, words or expressions used in these articles shall have the same meaning as in the Act.
- 1.7 Terms **"including"**, **"include"**, **"in particular"** or similar expression, shall not limit the sense or application of any words preceding those terms.
- 1.8 A reference to an **"Article"** is to an article of these articles.
- 1.9 A reference to a **"transfer of Shares"** or any similar expression shall include a sale or transfer of any interest in any Shares (whether legal, beneficial or otherwise) and any charge, mortgage or other encumbrance granted over any Shares.
- 1.10 Neither the model articles for private companies limited by shares prescribed pursuant to the Act, nor any other articles of association (whether prescribed pursuant to the Act or set out in any other statute, statutory instrument or other subordinate legislation concerning companies) shall apply to the Company.
- 2. **SHARE CAPITAL**
  - 2.1 The share capital of the Company at the Adoption Date comprises the Ordinary Shares, and the Redeemable Shares.
  - 2.2 The A Ordinary Shares, B Ordinary Shares, and Redeemable Shares, shall constitute different classes of Shares. Except as otherwise expressly provided in these Articles, such Shares will rank pari passu for all purposes.
- 3. **SHARE RIGHTS**
  - 3.1 Income
    - 3.1.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 3.1.
    - 3.1.2 Any Available Profits which the Board may in its discretion determine to distribute in respect of any Financial Year (the **"Distribution"**), will be

distributed among the holders of the Ordinary Shares, and the Redeemable Shares as follows:

- (a) firstly, the Company may, at any time on not less than 10 Business Days' notice in writing to the holders of Redeemable Shares, redeem at par value, in multiples of not less than 1000 Redeemable Shares, such total number of Redeemable Shares as is specified in such notice provided that for so long as there is more than one holder of Redeemable Shares any such redemption shall be applied amongst the Shareholders pro rata to their respective holdings of Redeemable Shares; and
  - (b) secondly, subject to all Redeemable Shares having been redeemed or (if earlier) upon resolution approved by Special Consent, by the declaration and payment of a dividend distributed amongst the holders of the A Ordinary Shares and the B Ordinary Shares (pari passu as if the same constituted one class of share) according to the amount paid up or credited as paid up on each such Share.
- 3.1.3 Shares that are nil paid or partly paid shall not entitle the holders of them to participate in any distribution of the Company's Available Profits.
- 3.1.4 Subject to the CA 2006 and article 3.1 above, the Board may, pay interim dividends if justified by the Available Profits in respect of the relevant period payment of which will be in the manner set out in Article 3.1.
- 3.1.5 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.
- 3.1.6 Article 31(1) of the Model Articles shall be amended by:
  - (a) the replacement of the words "either in writing or as the Directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 29(1) with the words "in writing"; and
  - (b) the replacement of the words "either in writing or by such other means as the Directors decide" from the end of paragraph (d) of that article 29(1) with the words "in writing".

### 3.2 Return of capital

- 3.2.1 On a distribution of assets on Return of Capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities ("Net Proceeds") shall be applied (to the extent that the Company is lawfully permitted to do so) as follows:
  - (a) first, in paying to the holders of the A Ordinary Shares, the B Ordinary Shares, and the Redeemable Shares (in respect of any Redeemable Shares that have not been redeemed prior to the distribution) the Issue Price of their Shares, providing that where the Net Proceeds are insufficient to pay the aggregate Issue Price in full, the Net Proceeds shall be distributed amongst the holders of the A Ordinary Shares, B Ordinary Shares, and Redeemable Shares, pro rata to the amount they would otherwise have received hereunder

- (b) second, in paying to the holders of A Ordinary Shares the Preference Amount pro rata to their holding of A Ordinary Shares, providing that where the Net Proceeds are insufficient to pay the Preference Amount in full, the Net Proceeds shall be distributed amongst the holders of the A Ordinary Shares pro rata to the amount they would otherwise have received hereunder; and
  - (c) thereafter, any balance shall be distributed to the of the A Ordinary Shares, the B Ordinary Shares, and the Redeemable Shares pro rata to their respective holdings.
- 3.3 For the purposes of paragraph 3.2.1(b) above, the Preference Amount shall be calculated and agreed or determined in accordance with the Schedule.
- 3.4 Exit provisions
  - 3.4.1 On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 3.2 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:
    - (a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 3.2; and
    - (b) the Board shall take any action required by any Shareholder to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 3.2.
  - 3.4.2 In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 3.2.
  - 3.4.3 On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 3.2 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required (including, but without prejudice to the generality of this Article 3.2.1, actions that may be necessary to put the Company into voluntary liquidation) so that Article 3.2 applies; and
  - 3.4.4 In the event of an Asset Sale all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Asset Sale ("**Actions**"). The Shareholders shall be required to take all Actions with respect to the Asset Sale as are required by the Board (with Special Consent) to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking the Actions as are necessary to effect the Asset Sale and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the

Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

4. **LIABILITY OF SHAREHOLDERS**

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them from time to time.

5. **DIRECTORS' GENERAL AUTHORITY**

Subject to the other provisions of these articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

6. **SHAREHOLDERS' RESERVE POWER**

6.1 The Shareholders may, by Special Resolution, direct the Directors to take, or refrain from taking, specified action.

6.2 No Special Resolution passed pursuant to Article 6.1 invalidates anything which the Directors have done before the passing of that resolution.

7. **DIRECTORS MAY DELEGATE**

7.1 Subject to the other provisions of these articles, the Directors may delegate any of the powers which are conferred on them under these articles:

7.1.1 to such person or committee;

7.1.2 by such means (including by power of attorney);

7.1.3 to such an extent;

7.1.4 in relation to such matters or territories; and

7.1.5 on such terms and/or conditions;

as they think fit.

7.2 If the Directors so specify, any delegation pursuant to Article 7.1 may authorise further delegation of the Directors' powers by any person to whom they are delegated.

7.3 The Directors may at any time revoke any delegation made pursuant to Article 7.1 in whole or part, or alter its terms and/or conditions.

8. **COMMITTEES OF DIRECTORS**

8.1 Committees to which the Directors delegate any of their powers must follow procedures which are based (as far as they are applicable) on those provisions of these articles which govern the taking of decisions by Directors.

8.2 The Directors may make rules of procedure for all or any committees, which shall prevail over rules derived from these articles if they are not consistent with them.

9. **DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

9.1 The general rule about decision-making by Directors is that any decision taken at a meeting of the Directors shall be by way of a Majority Decision and in the case of a decision taken by way of written resolution shall be by way of a Unanimous Decision.

9.2 If at any time the Company only has one Director, the general rule in Article 8.1 does not apply and that Director may (until such time as he ceases to be the only Director) take decisions without regard to any of the provisions of these articles relating to Directors' decision-making.

## 10. **UNANIMOUS DECISIONS**

10.1 A decision of the Directors is a unanimous decision (a **"Unanimous Decision"**):

10.1.1 if all Eligible Directors indicate to each other by any means that they share a common view on a matter; and

10.1.2 had the matter in question been proposed as a resolution at a Directors' meeting, the Eligible Directors would have formed a quorum at that meeting.

10.2 A Unanimous 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).

## 11. **CALLING A DIRECTORS' MEETING**

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

11.2 Notice of any Directors' meeting must indicate:

11.2.1 its proposed date and time;

11.2.2 where it is to take place; and

11.2.3 if it is anticipated that the Directors Participating in that meeting will not be in the same place, how it is proposed that they should communicate with each other during that meeting.

11.3 Notice of a Directors' meeting must be given to each Director but need not be in Writing.

11.4 Notice of a Directors' meeting need not be given to any Director who waives his entitlement to notice of that meeting by giving notice to that effect to the Company either before or not more than seven days after the date on which that meeting is held. Where such notice is given after the relevant meeting has been held, that does not affect the validity of that meeting or of any business conducted at it.

## 12. **PARTICIPATION IN DIRECTORS' MEETINGS**

12.1 Subject to the other provisions of these articles, Directors participate (**"Participate"**) in a Directors' meeting, or part of a Directors' meeting, when they can each communicate to the others any information or opinions they have on any particular item of the business of that meeting (and for these purposes it is irrelevant where any Director is or how they communicate with each other).

- 12.2 If all the Directors Participating in a Directors' meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
- 12.3 Subject to Article 12.4, if a question arises at a Directors' meeting or a meeting of a committee of Directors as to the right of any Director to vote or count in the quorum at that meeting (or part of that meeting), the question may, before the conclusion of that meeting, be referred to the Chairman whose ruling in relation to any Director (other than the Chairman) is to be final and conclusive.
- 12.4 If a question arises at a Directors' meeting or a meeting of a committee of Directors as to the right of the Chairman to vote or count in the quorum at that meeting (or part of that meeting), that question is to be decided by a decision of the Directors Participating at that meeting (provided that in relation to that question, the Chairman is not entitled to vote or count in the quorum).

### **13. QUORUM FOR DIRECTORS' MEETINGS**

- 13.1 At a Directors' meeting, unless a quorum is Participating, no proposal is to be voted on, except a proposal to call another meeting.
- 13.2 The quorum for Directors' meetings is two unless:
  - 13.2.1 there is only one Director (in which case the provisions of Article 8.2 shall apply); or
  - 13.2.2 the purpose of the meeting (or part of the meeting) is to consider the giving of an Authorisation and, by virtue of the provisions of Article 17.2, there is only one Director whose vote would be counted and who would be counted in the quorum at that meeting (or part of that meeting), in which case that Director alone shall constitute a quorum at that meeting (or part of that meeting).

### **14. VOTING AT DIRECTORS' MEETINGS**

Subject to the other provisions of these articles, each Director Participating in a Directors' meeting has one vote on each proposed resolution.

### **15. CHAIRING OF DIRECTORS' MEETINGS**

- 15.1 The Directors may appoint a Director to be the Chairman.
- 15.2 The Directors may terminate the Chairman's appointment at any time.
- 15.3 If the Chairman is not Participating in a Directors' meeting within 10 minutes of the time at which it was to start, the Participating Directors must appoint one of themselves to chair it.

### **16. CHAIRMAN'S CASTING VOTE**

- 16.1 If at any Directors' meeting the numbers of votes for and against a proposal are equal, the Chairman (or other Director chairing the meeting) shall not have a casting vote.

### **17. SITUATIONAL CONFLICTS OF INTEREST**

- 17.1 Subject to the other provisions of these articles, the Directors may, in accordance with (but subject to) the provisions of section 175 of the Act and this Article 17, authorise any matter which would, if not authorised, result in a

Director (the **"Conflicted Director"**) being in breach of his duty under section 175 of the Act to avoid a situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a **"Conflict"**).

17.2 Any authorisation given under Article 17.1 (an **"Authorisation"**) (and any subsequent variation or termination of an Authorisation) will only be effective if:

17.2.1 any requirement as to the quorum at the Directors' meeting at which the matter is considered is met without counting the Conflicted Director (or any other interested Director); and

17.2.2 the matter was agreed to without the Conflicted Director (or any other interested Director) voting or would have been agreed to if his (or any other interested Director's) vote had not been counted.

17.3 The Directors may at any time:

17.3.1 make any Authorisation subject to such terms and conditions as they think fit; and

17.3.2 vary or terminate any Authorisation (provided that this will not affect anything done by the relevant Conflicted Director or the Company in accordance with that Authorisation before any such variation or termination).

17.4 Unless as a condition of the relevant Authorisation the Directors provide otherwise, a Conflicted Director who has received an Authorisation in relation to a Conflict:

17.4.1 may vote at any future Directors' meeting (or meeting of a committee of the Directors) on any resolution in respect of that Conflict (and if he does vote his vote shall be counted) and he shall be taken into account in determining whether a quorum is Participating at that meeting;

17.4.2 may absent himself from the whole or any part of any Directors' meeting (or meeting of a committee of the Directors) at which anything relating to that Conflict may be discussed;

17.4.3 shall not be required to disclose to the Company (or use for its benefit) any confidential information he obtains otherwise than in his capacity as a Director, as a result of that Conflict where to do so would be a breach of any duty of confidence owed by him to a third party; and

17.4.4 shall not be liable to account to the Company for any benefit he or any of his Connected Persons derive as a result of that Conflict.

## 18. **TRANSACTIONAL CONFLICTS OF INTEREST**

18.1 If a Director (the **"Interested Director"**) is in any way directly or indirectly interested in a proposed or existing transaction or arrangement with the Company (the **"Transaction"**) he must declare the nature and extent of that interest to the other Directors in accordance with the provisions of the Act.

18.2 Subject to the provisions of the Act, Article 18.1 and the terms of any relevant Authorisation, an Interested Director:

18.2.1 may be a party to, or otherwise be interested in, the relevant Transaction;



18.2.2 may vote at any Directors' meeting (or meeting of a committee of the Directors) on any resolution in respect of that Transaction (and if he does vote his vote shall be counted) and he shall be taken into account in determining whether a quorum is Participating in that meeting; and

18.2.3 shall not be liable to account to the Company for any benefit he or any of his Connected Persons derive as a result of that Transaction and that Transaction shall not be liable to be avoided on the ground of his interest.

## 19. **RECORDS OF DECISIONS TO BE KEPT**

The Directors must ensure that the Company keeps a record, in Writing, for at least 10 years from the date of the decision recorded, of every Unanimous Decision and Majority Decision.

## 20. **DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the other provisions of these articles, the Directors may make any rule they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

## 21. **METHODS OF APPOINTING DIRECTORS**

21.1 For so long as PEL is a Shareholder, it shall be entitled to appoint such persons as it deems appropriate as a Director of the Company (each a **PEL Director**) and in each case to remove the same.

21.2 The rights of PEL under article 21.1 shall be exercisable by written notice to the Company, a copy of which shall be given to the Board which shall have no authority to appoint, remove or replace any PEL Director other than in accordance with the direction of PEL.

21.3 If any Director shall die or be removed from or vacate office for any cause, the Shareholder who appointed him may appoint in his place another person to be a Director.

21.4 Any appointment or removal of a Director pursuant to this article shall be in writing and signed by or on behalf of the Shareholder appointing or removing him and be served on each of the other Shareholders and delivered to a duly constituted meeting of the directors of the Company. Any such appointment or removal shall take effect from the close of the meeting of the directors of the Company to which the notice is delivered or at such later time as shall be specified in such notice.

21.5 No Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

21.6 In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no Directors, the Transmittree(s) of the last Shareholder to have died or have a bankruptcy order made against him (as the case may be) have the right, by notice in Writing to the Company, to appoint a natural person to be a Director.

21.7 For the purposes of Article 21.6, where two or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.

## 22. **TERMINATION OF DIRECTOR'S APPOINTMENT**

A person ceases to be a Director as soon as:

- 22.1 he ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
- 22.2 a bankruptcy order is made against him;
- 22.3 a composition is made with his creditors generally in satisfaction of his debts;
- 22.4 a registered medical practitioner who is treating him gives an opinion in Writing to the Company stating that he has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- 22.5 by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have; or
- 22.6 notification is received by the Company from him that he is resigning from office and that resignation has taken effect in accordance with its terms.

**23. DIRECTORS' REMUNERATION**

- 23.1 Any Director may undertake any services for the Company that the Directors decide.
- 23.2 A Director is entitled to such remuneration as the Directors determine:
  - 23.2.1 for his services to the Company as a Director; and
  - 23.2.2 for any other service which he undertakes for the Company.
- 23.3 Subject to the other provisions of these articles, a Director's remuneration may:
  - 23.3.1 take any form; and
  - 23.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.
- 23.4 Unless the Directors decide otherwise, each Director's remuneration accrues from day to day.
- 23.5 Unless the Directors decide otherwise, no Director is accountable to the Company for any remuneration which he receives as a director, other officer or employee of any other Group Company or of any other company in which the Company is interested.

**24. DIRECTORS' EXPENSES**

The Company may pay any reasonable expenses which any Director (or any Alternate) properly incurs in connection with his attendance at:

- 24.1 Directors' meetings or meetings of committees of Directors;
- 24.2 general meetings; or
- 24.3 separate meetings of the Holders of any class of Shares or of debentures of the Company;

or otherwise in connection with the exercise of his powers and the discharge of his responsibilities in relation to the Company.

25. **APPOINTMENT AND REMOVAL OF ALTERNATES**

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

25.1.1 exercise the Appointor's powers; and

25.1.2 carry out the Appointor's responsibilities;

in relation to the taking of decisions by the Directors in the absence of the Appointor.

25.2 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.

25.3 The notice must:

25.3.1 identify the proposed Alternate; and

25.3.2 in the case of a notice of appointment, contain a statement signed by the proposed Alternate that he is willing to act as the Alternate of the Appointor.

25.4 A person may act as the Alternate of more than one Director.

26. **RIGHTS AND RESPONSIBILITIES OF ALTERNATES**

26.1 An Alternate has the same rights, in relation to any Directors' meeting or Unanimous Decision, as his Appointor.

26.2 Except as otherwise provided by these articles, an Alternate:

26.2.1 is deemed for all purposes to be a Director;

26.2.2 is liable for his own acts and omissions;

26.2.3 is subject to the same restrictions as his Appointor; and

26.2.4 is not deemed to be an agent of or for his Appointor.

26.3 Subject to the other provisions of these articles, a person who is an Alternate but is not otherwise a Director:

26.3.1 shall be counted in the quorum at any Directors' meeting in which he is Participating (but only if his Appointor would be counted in the quorum and is not Participating);

26.3.2 may vote at any Directors' meeting in which he is Participating (but only if his Appointor would be eligible to vote and is not Participating); and

26.3.3 may participate in taking any Unanimous Decision (but only if his Appointor is an Eligible Director for the purposes of that Unanimous Decision and does not himself participate in taking that Unanimous Decision).

- 26.4 No Alternate may be counted as more than one Director for determining whether a quorum is Participating at any Directors' meeting.
- 26.5 A Director who is also an Alternate has an additional vote on behalf of each of his Appointors who:
- 26.5.1 is not Participating in the relevant Directors' meeting; and
- 26.5.2 would have been entitled to vote if that Appointor was Participating in it.
- 26.6 An Alternate is not entitled to receive any remuneration from the Company for serving as an Alternate except such part of his Appointor's remuneration as that Appointor may direct by notice in Writing made to the Company.

27. **TERMINATION OF APPOINTMENT OF ALTERNATES**

An Alternate's appointment as an Alternate terminates:

- 27.1 when his Appointor revokes the appointment by notice in Writing to the Company specifying when it is to terminate;
- 27.2 on the occurrence (in relation to that Alternate) of any event which, if it occurred in relation to his Appointor, would result in the termination of that Appointor's appointment as a Director;
- 27.3 on the death of his Appointor; or
- 27.4 when his Appointor's appointment as a Director terminates.

28. **ALL SHARES TO BE FULLY PAID UP**

- 28.1 Subject to Article 28.2, no Share is to be issued for less than the aggregate of its nominal value and any premium to be Paid to the Company in consideration for its issue.
- 28.2 Article 28.1 does not apply to the Shares taken on the formation of the Company by the subscribers to the Company's memorandum.

29. **ALLOTMENTS**

- 29.1 Subject to the other provisions of these articles, but without prejudice to the rights attached to any existing Shares, the Company may:
- 29.1.1 issue Shares with such rights or restrictions as may be determined by Ordinary Resolution; and
- 29.1.2 issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or the Holder.

30. **COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person is to be recognised by the Company as holding any Shares on any trust and, except as otherwise required by law or these articles, the Company is not in any way to be bound by, or obliged to recognise, any interest in any Shares other than the Holder's absolute ownership of them and all the rights attaching to them.

31. **SHARE CERTIFICATES**

- 31.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.
- 31.2 Every certificate must specify:
  - 31.2.1 in respect of how many Shares, of what class, it is issued;
  - 31.2.2 the nominal value of those Shares;
  - 31.2.3 that the Shares are Fully Paid; and
  - 31.2.4 any distinguishing numbers assigned to them.
- 31.3 No certificate may be issued in respect of Shares of more than one class.
- 31.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 31.5 Certificates must:
  - 31.5.1 have affixed to them the Company's common seal; or
  - 31.5.2 be otherwise executed in accordance with the Act.

## **32. REPLACEMENT SHARE CERTIFICATES**

- 32.1 If a certificate issued in respect of a Shareholder's Shares is:
  - 32.1.1 damaged or defaced; or
  - 32.1.2 said to be lost, stolen or destroyed;that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 32.2 A Shareholder exercising the right to be issued with a replacement certificate pursuant to Article 32.1:
  - 32.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
  - 32.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
  - 32.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

## **33. SHARE TRANSFERS**

### General

- 33.1 The Directors shall only refuse to register a transfer of Shares if they are specifically required or authorised to do so by these articles. If the Directors do refuse to register a transfer of Shares, they must, as soon as practicable and in any event within two months after the date on which the relevant Transfer Form was lodged with the Company, return that Transfer Form to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

- 33.2 The Directors shall refuse to register any transfer of Shares made in contravention of the provisions of these articles.
- 33.3 Any transfer of Shares made or purported to be made in contravention of the provisions of these articles shall be of no effect.
- 33.4 Shares shall be transferred by means of a Transfer Form.
- 33.5 No fee may be charged for registering any Transfer Form or other document relating to or affecting the title to any Shares.
- 33.6 The Company may retain any Transfer Form which is registered.
- 33.7 The transferor remains the Holder of a Share until the transferee's name is entered in the register of members as Holder of it.

Permitted Transfers

- 33.8 Any member holding Shares (the "Original Transferor") may, (1) subject to approval by the Board, transfer any of their Shares to such person or persons as the member think fit; or (2) transfer any of their Shares to a Permitted Transferee provided that:
  - 33.8.1 in the case of a transfer of Shares to a Privileged Relation or Family Trust no transfer of Shares shall be permitted pursuant to this Article 7 if the registration of that transfer, when aggregated with any previous transfer or transfers by that Original Transferor pursuant to this Article 7, would result in the aggregate number of Shares so transferred representing more than 50% of the total number of Shares held for the time being by that Original Transferor; and
  - 33.8.2 in the case of a transfer of Shares to a Privileged Relation:
  - 33.8.3 that Privileged Relation may only transfer such Shares to the Original Transferor;
  - 33.8.4 the Original Transferor shall procure, before the transfer is presented for registration, that they are appointed (on terms reasonably satisfactory to the Board) as the attorney of that Privileged Relation to exercise, in the name of and on behalf of such Privileged Relation, all or any of the rights in relation to the Shares transferred to them and for that purpose such Privileged Relation hereby authorises the Company to send to the Original Transferor any written resolutions, notices or other communications in respect of the Shares so transferred; and
  - 33.8.5 if that Permitted Transferee ceases, at any time and for any reason, to be a Privileged Relation of the Original Transferor, such Permitted Transferee shall forthwith transfer all the Shares held by them to the Original Transferor;
- 33.9 in the case of a transfer of Shares to a Family Trust or to any new trustee(s) of such Family Trust in accordance with Article 33.8 or to the trustees of another Family Trust:
  - 33.9.1 the Board being reasonably satisfied:
  - 33.9.2 with the terms of the instrument constituting the Family Trust;
  - 33.9.3 with the identity of the proposed trustee(s) of the Family Trust; and

33.9.4 that no costs incurred in the setting up or administration of the Family Trust are to be paid by any Group Company;

the Shares so transferred may be transferred to:

- (a) any new trustee(s) of the Family Trust appointed on a change in trustee(s);
- (b) the Settlor of such Family Trust;
- (c) the trustees of another Family Trust which has the same Settlor; or
- (d) any Privileged Relation of the Settlor of such Family Trust;

33.10 if that Permitted Transferee ceases, at any time and for any reason, to be a Family Trust in relation to the Settlor or if there ceases, for any reason, to be any beneficiaries (other than charities) of that Family Trust, the trustees shall forthwith transfer all the Shares held by them to the Original Transferor. If the said Shares are not so transferred within 20 business days of that Permitted Transferee so ceasing to be a Family Trust.

#### **34. TRANSMISSION OF SHARES**

34.1 If title to a Share passes to a Transmitttee, the Company may only recognise that Transmitttee as having any title to that Share.

34.2 Subject to the other provisions of these articles, and pending any transfer of Shares to another person, a Transmitttee has the same rights as the Holder had but a Transmitttee does not have the right to attend or vote at a general meeting or agree to a proposed written resolution, in respect of any Shares to which he is entitled by reason of the Holder's death or bankruptcy or otherwise, unless that Transmitttee becomes the Holder of those Shares.

#### **35. EXERCISE OF TRANSMITTEES' RIGHTS**

35.1 A Transmitttee who chooses:

35.1.1 to become the Holder of any Shares to which he has become entitled, must notify the Company in Writing of that choice; and

35.1.2 to have a Share transferred to another person, must execute a Transfer Form in respect of it.

35.2 Any transfer made or executed under this Article 35 is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the relevant Share and as if the event which gave rise to the transmission had not occurred.

#### **36. TRANSMITTEES BOUND BY PRIOR NOTICES**

If a notice is given to a Shareholder in respect of any Shares and a Transmitttee is entitled to those Shares, that Transmitttee is bound by the notice if it was given to that Shareholder before that Transmitttee's name has been entered in the register of members as Holder of those Shares.

#### **37. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS**

- 37.1 The A Ordinary Shares shall confer on each holder thereof the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 37.2 The B Ordinary Shares, and the Redeemable Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 37.3 A person is able to exercise the right to speak at a general meeting when he is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which he has on the business of the meeting.
- 37.4 A person is able to exercise the right to vote at a general meeting when:
- 37.4.1 he is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- 37.4.2 his vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 37.5 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 37.6 In determining attendance at a general meeting, it is immaterial whether any two or more persons attending it are in the same place as each other.
- 37.7 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

**38. QUORUM FOR GENERAL MEETINGS**

- 38.1 No business other than the appointment of the Chairman of the Meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 38.2 If the Company has only one Shareholder, the quorum at any general meeting of the Company, or adjourned general meeting, shall be one person present in person or by proxy.
- 38.3 If the Company has more than one Shareholder, the quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy.

**39. CHAIRING GENERAL MEETINGS**

- 39.1 If the Directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.
- 39.2 If the Directors have not appointed a Chairman or if the Chairman is unwilling to chair the relevant general meeting or is not present within 10 minutes of the time at which the relevant general meeting was due to start:



39.2.1 the Directors present; or

39.2.2 (if no Directors are present), the meeting;

must appoint a Director or Shareholder to chair that meeting and that appointment must be the first business of that meeting.

**40. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS AT GENERAL MEETINGS**

40.1 Directors may attend and speak at general meetings whether or not they are Shareholders.

40.2 The Chairman of the Meeting may permit other persons who are not:

40.2.1 Shareholders; or

40.2.2 otherwise entitled to exercise the rights of Shareholders in relation to general meetings;

to attend and speak at any general meeting.

**41. ADJOURNMENT OF GENERAL MEETINGS**

41.1 If the persons attending a general meeting within 30 minutes of the time at which the meeting was due to start do not constitute a quorum or if during a general meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it.

41.2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:

41.2.1 that meeting consents to an adjournment; or

41.2.2 it appears to him that an adjournment is necessary to protect the safety of any person attending that meeting or ensure that the business of that meeting is conducted in an orderly manner.

41.3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by that meeting.

41.4 When adjourning a general meeting, the Chairman of the Meeting must:

41.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and

41.4.2 have regard to any directions as to the time and place of any adjournment which have been given by that meeting.

41.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

41.5.1 to the same persons to whom notice of the Company's general meetings is required to be given; and

41.5.2 containing the same information which such notice is required to contain.

- 41.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the relevant general meeting if the adjournment had not taken place.

42. **VOTING AT GENERAL MEETINGS: GENERAL**

- 42.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these articles.

- 42.2 On a vote on a resolution on a show of hands at a general meeting every holder of Ordinary Shares (whether present in person or by one or more proxies) has one vote. The Redeemable Shares shall not entitle the holders thereof to attend or vote at general meetings.

- 42.3 On a vote on a resolution on:

42.3.1 a poll taken at a general meeting; or

42.3.2 a written resolution;

every eligible Shareholder has one vote in respect of each Ordinary Share held by him. The Redeemable Shares shall not entitle the holders thereof to vote.

43. **ERRORS AND DISPUTES**

- 43.1 No objection may be raised to the qualification of any person voting at a general meeting except at that meeting or adjourned meeting at which the vote objected to is tendered and every vote not disallowed at that meeting is valid.

- 43.2 Any objection pursuant to Article 43.1 must be referred to the Chairman of the Meeting, whose decision is final.

44. **POLL VOTES**

- 44.1 A poll on a resolution may be demanded:

44.1.1 in advance of the general meeting where it is to be put to the vote; or

44.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- 44.2 A poll may be demanded by:

44.2.1 the Chairman of the Meeting;

44.2.2 the Directors;

44.2.3 two or more persons having the right to vote on the relevant resolution; or

44.2.4 a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the relevant resolution.

- 44.3 A demand for a poll may be withdrawn if:

44.3.1 the poll has not yet been taken; and

44.3.2 the Chairman of the Meeting consents to the withdrawal.

44.4 Polls must be taken immediately and in such manner as the Chairman of the Meeting directs.

45. **CONTENT OF PROXY NOTICES**

45.1 Proxies may only validly be appointed by a notice in Writing (a **"Proxy Notice"**) which:

45.1.1 states the name and address of the Shareholder appointing the proxy;

45.1.2 identifies the person appointed to be the proxy and the general meeting in relation to which he is appointed;

45.1.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and

45.1.4 is delivered to the Company in accordance with these articles and any instructions contained in the notice of the general meeting to which the Proxy Notice relates.

45.2 The Company may require Proxy Notices to be delivered in a particular form and may specify different forms for different purposes.

45.3 Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

45.4 Unless a Proxy Notice indicates otherwise, it must be treated as:

45.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the relevant general meeting; and

45.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as that general meeting itself.

46. **DELIVERY OF PROXY NOTICES**

46.1 Any notice of a general meeting must specify the address or addresses (the **"Proxy Notification Address"**) at which the Company or its agents will receive Proxy Notices relating to that meeting, or any adjournment of it, delivered in Hard Copy Form or Electronic Form.

46.2 Subject to Articles 46.3 and 46.4, a Proxy Notice must be delivered to the Proxy Notification Address not less than 24 hours before the general meeting or adjourned meeting to which it relates.

46.3 In the case of a poll taken more than 48 hours after it is demanded, a Proxy Notice must be delivered to the Proxy Notification Address not less than 24 hours before the time appointed for the taking of the poll.

46.4 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the Proxy Notice must be delivered:

46.4.1 in accordance with Article 46.2; or

46.4.2 at the meeting at which the poll was demanded to the Chairman, company secretary or any Director.

46.5 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.

46.6 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in Writing given by or on behalf of the person by whom, or on whose behalf, the Proxy Notice was given to the Proxy Notification Address.

46.7 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the general meeting or adjourned general meeting to which it relates.

46.8 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by evidence in Writing of the authority of the person who executed it to execute it on the person appointing the proxy's behalf.

#### 47. **AMENDMENTS TO RESOLUTIONS**

47.1 An Ordinary Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

47.1.1 notice of the proposed amendment is given to the Company in Writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before that meeting is to take place (or such later time as the Chairman of the Meeting may determine); and

47.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.

47.2 A Special Resolution to be proposed at a general meeting may be amended by Ordinary Resolution if:

47.2.1 the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

47.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

47.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, his error does not invalidate the vote on that resolution.

#### 48. **MEANS OF COMMUNICATION TO BE USED**

48.1 Subject to the other provisions of these articles:

48.1.1 anything sent or supplied by or to the Company under these articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company;

48.1.2 and the provisions of the Act, the Company may make any documents or information authorised or required by any provision of these articles or the Act to be sent or supplied by the Company to any Shareholder available on a website; and

48.1.3 any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

48.2 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent and for the specified time to be less than 48 hours.

48.3 Section 1147(5) of the Act shall not apply in relation to documents and information sent or supplied by the Company.

49. **COMPANY SEALS**

49.1 Any common seal may only be used by the authority of the Directors.

49.2 The Directors may decide by what means and in what form any common seal is to be used.

49.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, that document must also be signed by at least one Authorised Person in the presence of a witness who attests the signature.

50. **NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS**

Except as provided by law or authorised by the Directors or an Ordinary Resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Shareholder.

51. **DIRECTORS' INDEMNITY**

51.1 Subject to Article 51.2, a Relevant Director may be indemnified out of the Company's assets against:

51.1.1 any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust in relation to any Group Company;

51.1.2 any liability incurred by him in connection with the activities of any Group Company in its capacity as a trustee of any occupational pension scheme (as defined in section 235(6) of the Act);

51.1.3 any other liability incurred by him as an officer of any Group Company.

51.2 Article 51.1 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.

52. **DIRECTORS' INSURANCE**

The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.

## Schedule: The Preference Amount

In this schedule:

**"Exit Event Accounts"** mean accounts of the Company prepared in accordance with this Schedule for the purposes of the calculation of the IRR and the Project Profit.

**"IRR and Project Profits Statement"** means a statement specifying the IRR and Project Profits together with the amount (if any) of the Preference Amount to be paid by the Company to the holders of the A Ordinary Shares.

**"Relevant Accounts"** means the Company's statutory year-end accounts for the most recent Financial Year prior to an Exit;

## Part 2: Agreement of determination of the IRR and Project Profits Statement

### 1. Calculation of IRR

1.1 To calculate the IRR of an investment, the following algebraic formula is used:

$$NPV = C_0 + \left[ \frac{C_1}{(1+r)^1} \right] + \left[ \frac{C_2}{(1+r)^2} \right] + \left[ \frac{C_3}{(1+r)^3} \right] + \dots + \left[ \frac{C_n}{(1+r)^n} \right] = 0$$

Where:

- 'NPV' is the net present value of the investment.
- 'C' is the amount of the Company's cashflow (positive or negative) that is returned to Shareholders, whether by way of a Return of Capital (in accordance with article 3.2), a return of excess operating cashflows (in accordance with article 3.1), or following an Exit (in accordance with article 3.4) ("Cashflow").
- 'r' is the discount rate of the Cashflow, expressed to two decimal places, where one equals 100%.
- 'n' is the sequential number in which a particular cashflow is received (for example, year one, year two, year three).

The IRR is the percentage represented by 'r' in the formula above, being the compound interest rate which results in NPV equalling zero. If 'r' is 0.25, the IRR is 25%. The IRR calculation considers all movements of income and capital to and from the Shareholders in relation to the Company and produces the yield of that investment.

### 2. Exit Event Accounts and IRR and Project Profits Statement

- 2.1 The Exit Event Accounts shall include a calculation of the IRR and the Project Profits.
- 2.2 The IRR and Project Profits Statement shall be prepared in accordance with the same accounting policies, principles, estimation techniques, measurement bases, practices, procedures, and rules as applicable to the Relevant Accounts.

### 3. Submission of Draft IRR and Project Profits Statements

- 3.1 PEL shall ensure that drafts of the Exit Event Accounts (**Draft Exit Event Accounts**) are completed and delivered to the Shareholders with a draft IRR and Project Profits Statement (**Draft IRR and Project Profits Statement**) within three months of the Exit.
4. **Agreement or determination of Exit Event Accounts, Draft IRR, and Project Profits Statement**
  - 4.1 Within 30 Business Days of receipt of each of the Draft Exit Event Accounts and the Draft IRR and Project Profits Statement (**Relevant Response Period**), the Investors (acting by the holders of a majority of the B Ordinary Shares (**Investor Majority**)) may give notice to PEL disputing the Draft Exit Event Accounts (**Dispute Notice**), stating:
    - (a) the item or items in dispute;
    - (b) the reasons for such dispute; and
    - (c) (to the extent then reasonably practicable) details of his proposed adjustments to the Draft Exit Event Accounts and/or the Draft IRR and Project Profits Statement.
  - 4.2 If the Investor Majority does not give a Dispute Notice within the Relevant Response Period, then the Draft Exit Event Accounts and/or the Draft IRR and Project Profits Statement shall constitute the relevant set of Exit Event Accounts or the IRR and Project Profits Statement (as applicable).
  - 4.3 If a Dispute Notice is given within the Relevant Response Period:
    - (a) PEL and the Investor Majority shall endeavour to agree the Draft Exit Event Accounts and/or the Draft IRR and Project Profits Statement in good faith and, failing such agreement in writing within 20 Business Days of receipt of the Dispute Notice (or such later date as may be agreed in writing between PEL and an Investor Majority), any item or items which then remain in dispute shall be referred for determination by an Expert in accordance with the provisions of clause **Error! Reference source not found.** on the written request of either PEL or the Investor Majority; and
    - (b) the Draft Exit Event Accounts and/or the Draft IRR and Project Profits Statement adjusted, where applicable, to reflect any modifications agreed in writing between PEL and the Investor Majority and any Expert's determination, shall constitute the Exit Event Accounts and/or the IRR and Project Profits Statement (as applicable).
  - 4.4 The Exit Event Accounts and the IRR and Project Profits Statement as constituted pursuant to paragraph 4.2 or 4.3(b) shall be final and binding on the parties for the purposes of this agreement.