

DATED: 16 JUNE 2023



ARTICLES OF ASSOCIATION

NO. 14809194

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BARWOOD HOLDINGS LIMITED ("THE COMPANY")

(adopted by special resolution passed on 16 June 2023)

1 PRELIMINARY

- 1.1 The regulations referred to in regulation 2, and set out in schedule 1, of The Companies (Model Articles) Regulations 2008 ("**the Model Articles**") apply to the Company except to the extent that they are excluded and modified by these Articles, and are to the exclusion of all other regulations and articles.
- 1.2 The registered office of the Company will be situated in England and Wales.

2 DEFINED TERMS

- 2.1 In these Articles, unless the context requires otherwise:

"Act" means the Companies Act 2006

"Alternate" or **"Alternate Director"** has the meaning given in Article 9

"Appointor" has the meaning given in Article 9

"Approved Offer" means an arm's length offer in writing for all the Shares in issue (including any Shares which may be allotted during the offer period or upon the offer becoming unconditional pursuant to the exercise or conversion of options or rights to subscribe for or securities convertible into Shares in existence at the date of such offer) on equal terms (save as to the split of the consideration which shall be as set out in Article 3.2) (unless in the case of a particular shareholder less favourable terms are agreed in writing with that shareholder) and which:

- (a) is stipulated to be open for acceptance for at least 21 days; and
- (b) includes an undertaking by the offeror that neither it nor any person acting by agreement or understanding with it have entered into more favourable terms or have agreed more favourable terms with any other shareholder for the purchase of Shares save as to the split of the consideration which shall be as set out in Article 3.2)

"Asset Sale" means (i) a sale or transfer of the whole or substantially the whole of the undertaking or assets of the Company or (ii) a sale or transfer of the whole or substantially the whole of the undertaking or assets of subsidiaries of the Company that amount in aggregate to a sale or transfer of the whole or substantially the whole of the undertaking or assets of all Group Companies

"B Shareholders" means the holders of B Shares

"B Shares" means the B ordinary shares of £0.01 each in the share capital of the Company

"Barwood Cashflow and Valuation" means the cashflow and valuation prepared in respect of the Group and presented to the Board and the BCL Board from time to time

"BCHL" means Barwood Capital Holdings Limited (company number 7956421)

"BCHL Shares" means shares of any and all classes in the share capital of BCHL

"BCL" means Barwood Capital Limited (company number 6884336), a wholly owned subsidiary of the Company

"Board" means the board of Directors of the Company from time to time

"Bonus Share Bad Leaver" means a Bonus Share Leaver who;

- (a) is summarily dismissed from employment by a Group Company provided that such dismissal is in accordance with the terms of his contract of employment with the Company;
- (b) resigns his employment with a Group Company other than as a result of:
 - a. his death;
 - b. his retirement at the age of 65 or above;
 - c. his permanent incapacity through ill health; or
 - d. a requirement to cease work in order to care for a spouse or child who because of ill health requires constant care and attention

and provided that the Board may, with Shareholder Approval, determine that a Bonus Share Bad Leaver shall be reclassified as a Bonus Share Leaver who is not a Bonus Share Bad Leaver

"Bonus Share Leaver" means a Leaver who holds I Shares or J Shares (and who (if he holds Shares other than I Shares or J Shares) shall be treated as a Bonus Share Leaver only in respect of those I Shares or J Shares)

"Bonus Share Leaver Shares" means I Shares or J Shares held by a Bonus Share Leaver

"Call Notice" means a notice in writing served on a Leaver by the Company requiring the Leaver to transfer all of the relevant Leaver Shares to the Company in accordance with the provisions of Article 19

"Call Option Period" means any date on or following the date on which the holder in question becomes a Leaver

"Capital Commitments" means the irrevocable commitment in writing by an investor to allocate a specific amount of funds in the form of a loan note or equity either directly or via co-investment to the Current Fund, the New Fund, Subsequent Funds and/or Separate Account Mandates

"company" includes (except when referring to the Company) any body corporate, partnership, limited liability partnership, unincorporated business or association or other body

"Compulsory Transferor" has the meaning given in Article 16.4

"Conflict of Interest" includes a conflict of duties, or a conflict of interest and duty, or a potential conflict

"Connected Company" means:

- (a) any associated body corporate (as defined in section 256 of the Act) of the Company;
- (b) any company which is controlled by any person or group of persons who have control of the Company (to "control" a body corporate meaning to be entitled to exercise or to control the exercise of more than 50% of the voting power at any general meeting of that body corporate);
- (c) any company promoted by the Company or in which the Company is in any way interested; and
- (d) any company with which the Company is engaged in any joint venture or joint enterprise.

"Connected Persons" has the meaning ascribed to such expression in Section 1122 of the Corporation Tax Act 2010

"Controlling Interest" means the holding of Shares (or the right to exercise the votes attaching to Shares) which confer in aggregate 50 per cent or more of the total voting rights conferred by all the Shares for the relevant time being in issue

"Converted Share" means, in relation to a Share that was issued in satisfaction of the transfer of a share in the capital of BCHL, the share in BCHL which was transferred to the Company in satisfaction of the Share's subscription price;

"Current Fund" means the capital investment fund known as Barwood Regional Property Growth Fund IV LP

"D Shares" means the D ordinary shares of £0.01 each in the share capital of the Company

"D Shareholders" means the holders of D Shares

"Deferred Shares" means deferred shares of £0.01 each in the Company, having the rights set out in these Articles

"Director" includes a former director or a shadow director to the extent that the general duties apply to them and the definition of "director" in regulation 1 of the Model Articles is modified accordingly

"E Shares" means the E ordinary shares of £0.01 each in the share capital of the Company

"E Shareholders" means the holders of E Shares

"Equity Shares" means the Ordinary Shares, the B Shares, the D Shares, the E Shares, the F Shares, the G Shares, the I Shares, the J Shares, the K Shares and the L Vested Shares (but not the Deferred Shares)

"Exemption Circumstance" shall have the meaning ascribed to that term in Article 19.10

"Exemption Circumstance Notification" shall have the meaning given to that term in Article 19.11

"F Shares" means the F ordinary shares of £0.01 each in the share capital of the Company

"F Shareholders" means the holders of F Shares

"FCA" means the Financial Conduct Authority (or any successor body to the Financial Conduct Authority that regulates the activities of BCL)

"Financial Year" means an annual (unless shortened or extended) accounting period of the Company ending on its accounting reference date

"G Shares" means the G ordinary shares of £0.01 each in the share capital of the Company

"G Shareholders" means the holders of G Shares

"Group" means the Company and all of its Subsidiaries from time to time

"Group Company" means any member of the Group from time to time

"holder" in relation to shares means the shareholder whose name is entered in the register of shareholders as the holder of the shares

"I and J Share Start Date" means, in respect of an I Share or a J Share, the first day of the Financial Year in which its Converted Share was issued

"I Shareholders" means the holders of I Shares

"I Shares" means the I ordinary shares of £0.01 each in the share capital of the Company

"Independent Expert" means an independent accountant (acting as expert and not as an arbitrator) nominated by the parties concerned or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales

"J Shareholders" means the holders of J Shares

"J Shares" means the J ordinary shares of £0.01 each in the share capital of the Company

"K Shareholders" means the holders of K Shares

"K Shares" means the K ordinary shares of £0.01 each in the share capital of the Company

"L Leaver" means an L Shareholder in circumstances where Lister Property Advisers Limited ceases to provide consultancy services to any Group Company for any reason

"L Shareholders" means the holders of L Shares

"L Shares" means the L ordinary shares of £0.01 each in the share capital of the Company

"L Share Vesting Date" means 31 December 2023

"L Vested Shares" has the meaning given to it in Article 3.10

"Leaver" means

- (a) any Shareholder who ceases to be a director or employee of, or consultant to, any Group Company for any reason; or
- (b) any Shareholder who is engaged as a director, employee of, and/or consultant to, any Group Company and where such role reduces to a working commitment from them of no more than 1.5 days per calendar month in aggregate; or
- (c) an L Leaver; or
- (d) a Required Leaver

"Leaver Shares" means all Equity Shares held by a Leaver (after the conversion of any such Shares to Deferred Shares as a result of the Leaver becoming a Leaver, whether pursuant to Article 18 or otherwise) including, for the avoidance of doubt any Vested Shares and/or Bonus Leaver Vested Shares

"Listing" means the admission of any part of the Company's shares to official listing (as defined in the Listing Rules issued by the UK Listing Authority) on the London Stock Exchange plc or to the AIM Market of the London Stock Exchange plc or any other Recognised Investment Exchange

"New Fund" means the Urban Industrial Income LP

"New Investor" means any person introduced to a Group Company by an L Shareholder or Lister Property Advisers Limited which is recorded on the Group Company's CRM system and who had not, at the time of introduction, been previously introduced to a Group Company by any other current or former employee, consultant, officer or shareholder of a Group Company and there was at that time no pre-existing direct or indirect relationship between person introduced and a Group Company

"Option Notice" means a Put Option Notice or a Call Option Notice, as appropriate

"Option Price" means the transfer price for each Leaver Share pursuant to Article 19 following service of an Option Notice

"Ordinary Shares" means the ordinary shares of £0.01 each in the capital of the Company

"Permitted Transfer" means a transfer of Ordinary Shares pursuant to Article 15

"Permitted Transferee" means, in relation to a holder, a person to whom Ordinary Shares have been transferred and are held pursuant to one or more Permitted Transfers (but not pursuant to any other form of transfer of such Ordinary Shares)

"Proceeds of Sale" means the consideration payable (including any deferred consideration) whether in cash or otherwise to those shareholders selling shares pursuant to a Share Sale

"Put Notice" means a notice in writing served on the Company by the Leaver requiring the Company to acquire all or (in the case of Joanna Greenslade only) such number of the Leaver Shares as are specified in the notice from the Leaver in accordance with the provisions of Article 19

"Put Option Period" means the period (in which a Put Option may be served) commencing on the first Business Day of each May, starting with the first May occurring following the holder of Shares in question becoming a Leaver and ending on the last Business Day of that May and repeated each May and also the period commencing on the first Business Day of each September, starting with the first September occurring following the holder of Shares in question becoming a Leaver and ending on the last Business Day of that September and repeated each September

"Recognised Investment Exchange" means a recognised investment exchange within the meaning of section 285 of the Financial Services and Markets Act 2000

"Required Leaver" means a member whose continued shareholding or directorship in the Company or BCL either (i) causes or is likely to cause BCL to lose its registration with the FCA or (ii) causes or is likely to cause restrictions to be placed on BCL's registration with the FCA

"Required Leaver Shares" means Shares held by a Required Leaver

"Returns" means all returns, repayments, pre-payments redemptions, purchases or repurchases of Returns Shares and all dividends or other distributions made or paid on or in respect of Returns Shares by the Company or BCHL (without double counting):

- (a) where the test in these Articles is whether Returns have reached £5,500,000 in the case of E Shares, 31 October 2018 ("**E Returns**");
- (b) where the test in these Articles is whether Returns have reached £10,000,000 in the case of F Shares, 31 October 2018 ("**F Returns**");
- (c) where the test in these Articles is whether Returns have reached £8,000,000 in the case of G Shares, 1 January 2020 ("**G Returns**");
- (d) where the test in these Articles is whether Returns have reached £12,000,000, in the case of K Shares and L Shares, 1 January 2021 ("**K&L Returns**"); and
- (e) where the test in these Articles is whether Returns have reached £100,000,000, 31 October 2018.

"Returns Shares" means Shares and BCHL Shares

"Shareholder Approval" means the prior written consent of either (i) the holders of more than 70% of the Equity Shares (other than the J Shares) or (ii) all or all except any one of the holders of the Equity Shares (other than the J Shares)

"Shares" means the Ordinary Shares, the B Shares, the D Shares, the E Shares, the F Shares, the G Shares, the I Shares, the J Shares, the K Shares, the L Shares and the Deferred Shares

"Share Sale" means a sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which will result in the purchaser of such Shares (or grantee of such right) and his Connected Persons gaining a Controlling Interest in the Company

"Share Issue Date" means, in respect of any employee of a Group Company, the date on which he was first issued the shares in BCHL from which their Converted Shares derive or, in the case of Shares not derived from Converted Shares, the date on which such Shares were issued

"Subsidiary" and "Holding Company" shall have the meanings ascribed to such expressions by section 1159 of the Companies Act 2006 and shall also include any limited liability partnership or limited partnership that is ultimately controlled by the Company

- 2.2 Unless the context otherwise requires words or expressions which have particular meanings in the Model Articles or in the Act have the same meanings in these Articles.

3 CAPITAL, INCOME AND VOTING

- 3.1 The Shares shall entitle the holders thereof to the following rights as regards capital so that on a return of capital, on liquidation or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be distributed as follows:

- 3.1.1 first, until E Returns reach £5,500,000 (in aggregate) to the holders of all Ordinary Shares, B Shares, D Shares, I Shares and J Shares pro rata to the number of Ordinary Shares, B Shares, D Shares, I Shares and J Shares held by each of them (as if the Ordinary Shares, B Shares, D Shares, I Shares and J Shares constituted one class of shares);
- 3.1.2 third, until G Returns reach £8,000,000 (in aggregate) to the holders of all Ordinary Shares, B Shares, D Shares, E Shares, I Shares and J Shares pro rata to the number of Ordinary Shares, B Shares, D Shares, E Shares, I Shares and J Shares held by each of them (as if the Ordinary Shares, B Shares, D Shares, E Shares, I Shares and J Shares constituted one class of shares);
- 3.1.3 fourth, until F Returns reach £10,000,000 (in aggregate) to the holders of all Ordinary Shares, B Shares, D Shares, E Shares, G Shares, I Shares and J Shares pro rata to the number of Ordinary Shares, B Shares, D Shares, E Shares, G Shares, I Shares and J Shares held by each of them (as if the Ordinary Shares, B Shares, D Shares, E Shares, G Shares, I Shares and J Shares constituted one class of shares);
- 3.1.4 fifth, until K&L Returns reach £12,000,000 (in aggregate) to the holders of all Ordinary Shares, B Shares, D Shares, E Shares, F Shares, G Shares, I Shares and J Shares pro rata to the number of Ordinary Shares, B Shares, D Shares, E Shares, F Shares, G Shares, I Shares and J Shares held by each of them (as if the Ordinary Shares, B Shares, D Shares, E Shares, F Shares, G Shares, I Shares and J Shares constituted one class of shares);
- 3.1.5 sixth, until E Returns reach £100,000,000 (in aggregate), to the holders of all Equity Shares pro rata to the number of Equity Shares held by each of them (as if the Equity Shares constituted one class of shares);

- 3.1.6 seventh, in paying the nominal value of each Deferred Share to the holder of each such Deferred Share; and
- 3.1.7 thereafter, to the holders of all Equity Shares pro rata to the number of Equity Shares held by each of them (as if the Equity Shares constituted one class of shares).

3.2 Upon a Share Sale, the Directors shall not register any transfer of shares unless;

- 3.2.1 the Proceeds of Sale represented by cash are paid into the Company's solicitors' bank account and the Proceeds of Sale presented other than in cash shall be held by the Company on trust for the holders of those Shares being sold in connection with the Share Sale; and
- 3.2.2 the Proceeds of Sale are distributed in the order of priority set out in Article 3.1 as if such Share Sale was a liquidation save in respect of any shares not being sold in connection with such Share Sale

provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

- (i) the Directors shall not be prohibited from registering the transfer of the shares so long as the provisions of Articles 3.2.1 and 3.2.2 have been applied to the Proceeds of Sale settled upon completion; and
- (ii) the shareholders shall be required to take such actions as the Directors may reasonably require to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 3.1.

3.3 Upon an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (insofar as the Company is lawfully permitted to do so) in the order of priority set out in Article 3.1 as if such Asset Sale was a liquidation 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 be required to take such actions as the Directors may reasonably require (including, but without prejudice to the generality of the foregoing, such actions that may be necessary to put the Company into voluntary liquidation so that Article 3.1 applies).

3.4 Immediately prior to and conditionally upon a Listing the shareholders shall enter into such reorganisation of the share capital of the Company as they may agree or, in default, as the Company's auditors shall specify, to ensure that the Realisation Value is reallocated between the shareholders in the same proportions as the preceding provisions of these Articles would provide on a Share Sale at that Realisation Value. For the purposes of this Article 3.4:

- 3.4.1 **"Listing Shares"** means the issued equity share capital of the Company (excluding any equity share capital to be subscribed and issued on such Listing other than new shares to be paid up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of shares); and
- 3.4.2 **"Realisation Value"** means the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined

by the merchant bank or, if none, the broker appointed by the Board to advise in connection with the Listing.

3.5 As regards dividends, if the Directors resolve to distribute profits then the Company shall apply such distribution as follows (subject to Article 3.6):

- 3.5.1 first, until E Returns reach £5,500,000 (in aggregate) to the holders of all Ordinary Shares, B Shares, D Shares, I Shares and J Shares pro rata to the number of Ordinary Shares, B Shares, D Shares, I Shares and J Shares held by each of them (as if the Ordinary Shares, B Shares, D Shares, I Shares and J Shares constituted one class of shares); and
- 3.5.2 third, until G Returns reach £8,000,000 (in aggregate) to the holders of all Ordinary Shares, B Shares, D Shares, E Shares, I Shares and J Shares pro rata to the number of Ordinary Shares, B Shares, D Shares, E Shares, I Shares and J Shares held by each of them (as if the Ordinary Shares, B Shares, D Shares, E Shares, I Shares and J Shares constituted one class of shares); and
- 3.5.3 fourth, until F Returns reach £10,000,000 (in aggregate) to the holders of all Ordinary Shares, B Shares, D Shares, E Shares, G Shares, I Shares and J Shares pro rata to the number of Ordinary Shares, B Shares, D Shares, E Shares, G Shares, I Shares and J Shares held by each of them (as if the Ordinary Shares, B Shares, D Shares, E Shares, G Shares, I Shares and J Shares constituted one class of shares);
- 3.5.4 fifth, until K&L Returns reach £12,000,000 (in aggregate) to the holders of all Ordinary Shares, B Shares, D Shares, E Shares, F Shares, G Shares, I Shares and J Shares pro rata to the number of Ordinary Shares, B Shares, B Shares, D Shares, E Shares, F Shares, G Shares, I Shares and J Shares held by each of them (as if the Ordinary Shares, B Shares, B Shares, D Shares, E Shares, F Shares, G Shares, I Shares and J Shares constituted one class of shares);
- 3.5.5 thereafter, to the holders of all Equity Shares pro rata to the number of Equity Shares held by each of them (as if the Equity Shares constituted one class of shares).

3.6 In calculating the distribution of dividends between the holders of I and J Shares:

- 3.6.1 any I Shares or J Shares that were issued before the first anniversary of the I and J Share Start Date shall be ignored for the purposes of distributing the dividend and those I Shares and J Shares shall not be entitled to receive a share of that dividend;
- 3.6.2 two thirds of any I Shares or J Shares held by any I Shareholder or J Shareholder that were issued on or after the first anniversary of the I and J Share Start Date but before the second anniversary of the I and J Share Start Date shall be ignored for the purposes of distributing the dividend and those I Shares and J Shares shall not be entitled to receive a share of that dividend and the balance of any I Shares or J Shares held by any I Shareholder or J Shareholder shall be entitled to receive the full amount of their dividend as provided in Article 3.5;
- 3.6.3 one third of any I Shares or J Shares held by any I Shareholder or J Shareholder that were issued on or after the second anniversary of the I and J Share Start Date but before the third anniversary of the I and J Share Start Date shall be ignored for the purposes of

distributing the dividend and those I Shares and J Shares shall not be entitled to receive a share of that dividend and the balance of any I Shares or J Shares held by any I Shareholder or J Shareholder shall be entitled to receive the full amount of their dividend as provided in Article 3.5; and

3.6.4 all I Shares or J Shares held by any I Shareholder or J Shareholder that were issued on or after the third anniversary of the I and J Share Start Date shall be entitled to receive the full amount of their dividend as provided in Article 3.5.

3.7 In the event that the calculations in Article 3.6 lead to fractions of I Shares or J Shares being entitled to dividends, the Board shall round the fractions up or down to the nearest whole number.

3.8 As regards voting, the Ordinary Shares, B Shares, D Shares, E Shares, F Shares, G Shares, I Shares, K Shares and L Vested Shares are voting shares and the holders of Ordinary Shares, B Shares, D Shares, E Shares, F Shares, G Shares, I Shares, K Shares and L Vested Shares shall have one vote for each Ordinary Share, B Share, D Share, E Share, F Shares, G Share, I Share, K Share and L Vested Share held and shall be entitled to receive notice of, attend and vote at general meetings of the Company. No other Shares shall have the right to vote or attend general meetings.

3.9 The holders of Deferred Shares shall not be entitled to receive any dividend, nor participate in any similar distribution.

3.10 Immediately prior to a return of capital (on liquidation or otherwise), a Share Sale, an Asset Sale or a Listing and on an L Shareholder becoming a Leaver (and, where an L Shareholder has become a Leaver, prior to the application of Article 18.1), X L Shares shall automatically convert into and be re-classified as Deferred Shares where:

3.10.1 $X = A \times B$ (rounded to the nearest whole number of shares);

3.10.2 "A" is the number of L Shares held by the L Shareholder immediately prior to a return of capital, on liquidation or otherwise, a Share Sale, an Asset Sale or a Listing and on a L Shareholder becoming a Leaver;

3.10.3 "B" = $100\% - C$;

3.10.4 "C" = $(D/£150,000,000) \times 100\%$; and

3.10.5 "D" is the amount of Capital Commitments (subject to a minimum of £50,000,000 and capped at £150,000,000) introduced by the L Shareholder or Lister Property Advisers Limited to the Group (or funds or vehicles managed by a Group Company) on or before the third anniversary of the L Shares' Share Issue Date, (or, if earlier, the date of the return of capital, on liquidation or otherwise, Share Sale, Asset Sale or Listing or the date that the L Shareholder becomes a Leaver)

and the L Shares that remain as L Shares following such conversion shall be referred to as "**L Vested Shares**".

3.11 For the purposes of calculating which L Shares are to be treated as L Vested Shares for the purposes of distributing dividends under Article 3.6, voting rights under Article 3.8 and generally for Shareholder Approvals, the Board shall (acting in good faith) determine the number of L Vested

Shares immediately prior to the declaration of any dividend, the commencement of any general meeting or the putting to the shareholders of the Company of any shareholders' written resolution or any matter requiring Shareholder Approval and the number so determined by the Board shall be the number of L Vested Shares for the purpose of calculating L Shareholder's entitlement to any such dividend and voting rights under Article 3.8 or for the purposes of any Shareholder Approval.

- 3.12 The Board shall calculate the number of L Vested Shares immediately prior to the declaration of any dividend, the commencement of any general meeting or the putting to the shareholders of the Company any shareholders' written resolution or any matter requiring Shareholder Approval by reference to the number of L Vested Shares there would be were there to be a return of capital immediately prior to any of the above events.

4 DECISION-MAKING BY DIRECTORS

- 4.1 Any decision of the Directors must be:

4.1.1 a majority decision at a Directors' meeting; or

4.1.2 a decision taken in accordance with regulation 8 of the Model Articles; or

4.1.3 in the form of a Directors' written resolution,

and regulation 79(1) of the Model Articles is modified accordingly.

5 QUORUM FOR DIRECTORS' MEETINGS

- 5.1 For so long as the minimum number of Directors is 1, a sole Director has all the powers, duties and discretions conferred on or vested in the Directors by these Articles.

6 CASTING VOTE

- 6.1 The chairman of the Board shall not have a second or casting vote at meetings of the Board and regulation 13(1) of the Model Articles shall be modified accordingly.

7 DIRECTORS' WRITTEN RESOLUTION

- 7.1 Any Director may propose a Directors' written resolution.

- 7.2 The Directors, or the company secretary (if one is appointed), must propose a Directors' written resolution if a Director so requests.

- 7.3 A Directors' written resolution is proposed by giving notice of the proposed resolution to the Directors.

- 7.4 Notice of proposed Directors' written resolution must indicate:

7.4.1 the proposed resolution, and

7.4.2 the time by which it is proposed that the Directors should adopt it.

- 7.5 Notice of a proposed Directors' written resolution must be given in writing to each Director.

- 7.6 Any decision which a person giving notice of a proposed Directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.
- 7.7 A proposed Directors' written resolution is adopted when all the Directors who would have been entitled to vote on the resolution at a Directors' meeting have signed one or more copies of it, provided that those Directors would have formed a quorum at such a meeting.
- 7.8 It is immaterial whether any Director signs the resolution before or after the time by which the notice proposed that it should be adopted.
- 7.9 Once a Directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a Directors' meeting in accordance with these Articles.
- 7.10 The Directors, or the company secretary (if any), must ensure that the Company keeps a record, in Writing, of all Directors' written resolution for at least 10 years from the date of their adoption.

8 DIRECTORS' CONFLICTS OF INTEREST

- 8.1 Regulation 14 of the Model Articles does not apply.
- 8.2 This Article 8 contains provisions for dealing with directors' conflicts of interest, so that the general duties of directors set out in sections 171 to 177 of the Act (the "general duties") are not infringed by anything done (or omitted) by a director in accordance with this Article. So far as is lawful, the general duties have effect subject to any authority given by or under this Article 8.
- 8.3 The authorisations in this Article 8 are subject to any more restrictive provisions contained in any contract between a director and the Company, in any applicable policy or code adopted by the Company or in any conditions imposed in any authorisation under this Article 8. If any such provisions require disclosure or prior approval of any conflict of interest or benefit otherwise authorised by this Article, or impose conditions on any such authorisation (which may include conditions permitted by Article 8.9), the authorisations in this Article apply only to the extent that those requirements or conditions are complied with; provided that the directors may excuse any non-compliance either before or after it occurs.
- 8.4 A director may be an officer or employee of, engaged in any other capacity in, or have a direct or indirect interest in:
 - 8.4.1 any connected company;
 - 8.4.2 if he is a director appointed by another company which has, under these Articles or any contract between shareholders of the Company, a right to appoint a director of the Company, his appointing company or any shareholder of the same group as his appointing company;
 - 8.4.3 any company which does not compete to a material extent with the business of the Company;
 - 8.4.4 any company whose securities are dealt with on a recognised investment exchange (as defined in the Financial Services a Markets Act 2000) or on AIM or Plus (or any successors to such markets), provided the director's interest is limited to a direct or indirect holding of securities not amounting to more than 5% of the equity share capital of that company;

8.4.5 any trust or scheme whose primary purpose is the provision of pensions, life assurance or employee benefits or any employees' share scheme;

and may do anything in the ordinary course of acting in that character which is not calculated directly to harm the interests of the Company.

8.5 A director may enter into any transaction in or relating to securities of the Company or its holding company or may have any interest arising as holder of securities of the Company or its holding company or in any transaction in his character as holder of such securities.

8.6 A director may exploit any property, information or opportunity wholly outside the scope of the Company's business or that of its connected companies. This Article 8.6 does not authorise a director to exploit property of the Company or confidential information of the Company or information received by the Company under a duty of confidentiality.

8.7 The directors may authorise any matter proposed to them which otherwise would or might infringe the duty of a director to avoid conflicts of interest. Provided that he has declared the nature and extent of his interest as if the matter were a transaction or arrangement with the Company in which he was interested, a director may vote and be counted in the quorum on any resolution to authorise a conflict of interest of his and section 175(6) of the Act shall not apply.

8.8 The directors may:

8.8.1 give any such authorisation subject to such conditions as they think fit;

8.8.2 vary or terminate the authorisation or waive, vary or terminate any such conditions at any time or excuse any non-compliance with such conditions either before or after it occurs, but any termination or variation will not affect anything done or committed to be done by the director prior to such termination or variation.

8.9 The conditions may include that the director:

8.9.1 is to be excluded from discussions, whether at meetings of directors or otherwise, relating to matters in respect of which he has the conflict of interest;

8.9.2 is not to be given documents or information relating to matters in respect of which he has the conflict of interest;

8.9.3 may not vote, or count in the quorum at any future meeting of directors in relation to any resolution relating to matters in respect of which he has the conflict of interest.

8.10 A director who holds a position outside the Company or its connected companies which does not give rise to a conflict of interest or which is authorised by or under this Article 8 who in that character obtains any information in respect of which he owes a duty of confidentiality to another person (other than a connected company or a director of the Company) is under no obligation to disclose such information to the Company or to use or apply any such confidential information for the purpose of or in connection with the performance of his duties as a director if to do so would amount to a breach of that confidence.

- 8.11 Any authorisation of a conflict of interest authorised by or under this Article 8 shall (unless the contrary intention appears) extend to any conflict of interest which may reasonably be expected to arise out of the matter authorised either at the time of giving the authority or subsequently.
- 8.12 A director is not required to account to the Company for any remuneration, profit or other benefit which he gains from any matter in respect of which he has a conflict of interest which has been authorised by or under this Article 8, no contract, arrangement or transaction shall be avoided on the grounds of any conflict of interest so authorised, and the receipt of such remuneration, profit or benefit shall not constitute a breach of the director's duty not to accept benefits from third parties.
- 8.13 The Company may by ordinary resolution authorise or ratify any contract, transaction, arrangement, conflict of interest, acceptance of a benefit or other proposal which might otherwise infringe or may have infringed the general duties, including any contravention of any provision of this Article 8. When shareholders ratify a conflict of interest the vote of any shareholder who is also an interested director will not be counted.
- 8.14 A director may accept from third parties and retain the benefit of:
- 8.14.1 entertainment of a character and extent that can reasonably be regarded as intended to foster relationships between the Company and such person and not to exercise improper influence over the decisions of the director and in any event not exceeding (in the reasonable estimation of the director) a cost of £1,000 on any occasion or £5,000 from any one company or person in any financial year of the Company;
 - 8.14.2 training, travel, meals, accommodation or other services or facilities in the ordinary course of the director's functions on behalf of the Company;
 - 8.14.3 small gifts with a cost (in the reasonable estimation of the director) not exceeding £250 from any one company or person in any financial year of the Company;
 - 8.14.4 frequent flyer or similar incentives for use of travel or accommodation, or incentives for the use of personal credit or debit cards for Company expenses, provided openly under a published scheme, where the value of the incentives (in the director's reasonable estimation) does not exceed 2% of the expenditure on the item; and
 - 8.14.5 anything which would be permitted by paragraphs 8.14.1 to 8.14.4 but for any financial limit, if the directors resolve to waive the financial limit in relation to that particular thing.
- 8.15 The directors may authorise the receipt and retention by a director or any specific benefit from a third party which has been disclosed to the directors which is not authorised by Article 8.14.

9 ALTERNATE DIRECTORS

- 9.1 Any Director (the "**Appointor**") may appoint as an Alternate any other Director, or any other person approved by resolution of the Directors, to:
- 9.1.1 exercise that Director's powers, and
 - 9.1.2 carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors in the absence of the Alternate's Appointor.

9.2 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.

9.3 The notice must:

9.3.1 identify the proposed Alternate, and

9.3.2 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.

10 RIGHTS OF ALTERNATE DIRECTORS

10.1 An Alternate Director has the same rights, in relation to any Directors' meeting or Directors' written resolution, as the Alternate's Appointor.

10.2 Except as these Articles specify otherwise, Alternate Directors:

10.2.1 are deemed for all purposes to be Directors;

10.2.2 are liable for their own acts and omissions;

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

10.2.4 are not deemed to be agents of or for their Appointors.

10.3 A person who is an Alternate Director but not a Director:

10.3.1 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

10.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor).

No Alternate may be counted as more than 1 Director for such purposes.

10.4 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.

10.5 An Alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of directors of which his Appointor is a shareholder, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his Appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an Alternative Director. But it shall not be necessary to give notice of such a meeting to an Alternative Director who is absent from the United Kingdom.

11 TERMINATION OF ALTERNATE DIRECTORSHIP

11.1 An Alternate Director's appointment as an Alternate terminates:

- 11.1.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 11.1.2 on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
- 11.1.3 on the death of the Alternate's Appointor; or
- 11.1.4 when the Alternate's Appointor's appointment as a Director terminates.

12 ASSOCIATE DIRECTOR

- 12.1 The Directors may at any time and from time to time appoint any person to be an associate director with a title including the word "director". An associate director is not a Director of the Company and is not a member of the Board. The Directors may define and limit the powers and duties of any associate and may be in addition to their remuneration as managers or employees of the Company.

13 SHARE CERTIFICATES

- 13.1 Sub-paragraph (d) of regulation 24(2) of the Model Articles shall not apply.

14 ALLOTMENT OF SHARES

- 14.1 Equity Shares may be allotted only in accordance with the provisions of this Article unless Shareholder Approval is obtained to allot Equity Shares in a different manner.
- 14.2 Any Equity Shares shall, before they are allotted, be offered to the shareholders in proportion as nearly as may be to the number of Equity Shares held by them unless the Company shall by special resolution otherwise direct. Such offer shall be made by notice in writing specifying the number and class of Equity Shares and price and limiting the time in which the offer if not accepted will lapse and determine, such time limit to be not less than 30 days or greater than 40 days (the "**Lapse Date**"). Offers not accepted by the Lapse Date shall be deemed declined.
- 14.3 If the offer to a shareholder lapses and determines without any of the Equity Shares the subject of the offer having been accepted or if shareholders accept some but not all of the Equity Shares offered by the Lapse Date, then the Company shall make a second offer in the manner specified above of the Equity Shares unaccepted on the first offer to those shareholders who did accept all the Equity Shares offered to them in the first offer.
- 14.4 First and second offers shall be deemed to be accepted upon receipt of a letter of acceptance by the Company.
- 14.5 If any Equity Shares offered have not been accepted in the second offer (due to the expiration of such time limit or on receipt of a written intimation from the person to whom the offer was made that he declines to accept any or all of the Equity Shares comprising in the second offer) or if any Equity Shares are released from the provisions of Article 14.2 by special resolution of the Company in general meeting then the Board may allot or grant options over such Equity Shares in such manner to such persons on such terms as they think most beneficial to the Company.

- 14.6 The Board may also dispose in such manner to such persons on such terms as they think most beneficial to the Company any Equity Shares which cannot be offered except by way of fractions.
- 14.7 Any Equity Shares accepted in the first offer shall be paid for within 21 days of the date on which the offer lapsed. Where Equity Shares were accepted on the second offer then they shall be paid for within 21 days of the date on which the second offer lapsed. Payment shall be deemed to be made on the day the Company receives a cheque, credit transfer or banker's draft for the appropriate sum. Failure to pay within the time specified will enable the Company to re-offer the Equity Shares unpaid for as if they had been offered to and unaccepted by the defaulting shareholder.
- 14.8 Section 561 of the Act does not apply to the allotment by the Company of any equity security.

15 TRANSFERS

- 15.1 No shareholder may at any time transfer all or any of his Shares unless either:
- 15.1.1 Shareholder Approval has been given to such transfer; or
- 15.1.2 the transfer is expressly permitted pursuant to the Articles.

16 APPROVED OFFER

- 16.1 Notwithstanding the provisions relating to the transfer of Shares in these Articles, if a transfer of Shares would result, if made and registered, in a person (other than a shareholder at the date of the adoption of these Articles and/or his Permitted Transferees) and/or his Connected Persons and/or his or their Permitted Transferees obtaining a Controlling Interest, no transfer of Shares shall be made or registered unless an Approved Offer is made and accepted.
- 16.2 Any transfer of Shares in the Company pursuant to an Approved Offer shall not be subject to the restrictions on transfer or pre-emption provisions contained in these Articles.
- 16.3 If at any time an Approved Offer is made which is accepted with Shareholder Approval, the shareholders who have not accepted the Approved Offer shall be obliged to accept the Approved Offer in respect of the Shares held by them and to sell all of the Shares held by them in accordance with such Approved Offer.
- 16.4 If any person (a "**Compulsory Transferor**") fails to transfer any Shares in accordance with Article 16.3 above within 28 days of the Approved Offer having been made the Directors may authorise any person to execute and deliver on his behalf the necessary stock transfer form and the Company shall receive the purchase money in trust for the Compulsory Transferor and cause the purchaser to be registered as the holder of such shares (subject to payment of any stamp duty). The receipt of the Company for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof). The Compulsory Transferor shall in such case be bound to deliver up his certificate for such Shares to the Company whereupon he shall be entitled to receive the purchase price without interest.

17 REQUIRED LEAVER

- 17.1 Where a shareholder becomes a Required Leaver by reason of his continued directorship in the Company or BCL, any Option Notice issued in respect of the Required Leaver Shares shall be revoked

automatically if the shareholder in question resigns as a director of both the Company and BCL within 5 Business Days of receipt of the Transfer Notice.

18 CONVERSION OF LEAVER SHARES

18.1 Upon a person becoming a Leaver (unless the Board, with Shareholder Approval, determines otherwise within 21 days following the date on which that person becomes a Leaver) then:-

18.1.1 if a Shareholder other than an L Shareholder has become a Leaver on or before the first anniversary of his Share Issue Date, then 100% of the Leaver Shares held by that Shareholder shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Leaver (or such earlier date on or after the date on which that person becomes a Leaver as the Board, with Shareholder Approval, determines);

18.1.2 if a Shareholder other than an L Shareholder has become a Leaver after the first anniversary of his Share Issue Date but on or before the second anniversary of his Share Issue Date, then 67% of the Leaver Shares held by that Shareholder shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Leaver (or such earlier date on or after the date on which that person becomes a Leaver as the Board, with Shareholder Approval, determines);

18.1.3 if a Shareholder other than an L Shareholder has become a Leaver after the second anniversary of his Share Issue Date but on or before the third anniversary of his Share Issue Date, then 33% of the Leaver Shares held by that Shareholder shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Leaver (or such earlier date on or after the date on which that person becomes a Leaver as the Board, with Shareholder Approval, determines);

18.1.4 if an L Shareholder has become a Leaver and has introduced less than £50,000,000 of Capital Commitments to the Group before the earlier of (i) the L Share Vesting Date and (ii) the date on which he becomes a Leaver, then 100% of the Shares held by that L Shareholder shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Leaver (or such earlier date on or after the date on which that person becomes a Leaver as the Board, with Shareholder Approval, determines);

18.1.4.1 if an L Shareholder has become a Leaver and has introduced at least £50,000,000 of Capital Commitments to the Company on or before the earlier of (i) the L Share Vesting Date and (ii) the date on which he becomes a Leaver, then:

18.1.4.2 if he becomes a Leaver on or before the first anniversary of his Share Issue Date, then 100% of the L Vested Shares held by that L Shareholder shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Leaver (or such earlier date on or after the date on which that person becomes a Leaver as the Board, with Shareholder Approval, determines);

- 18.1.4.3 if he becomes a Leaver after the first anniversary of his Share Issue Date but on or before the second anniversary of his Share Issue Date, then 67% of the L Vested Shares held by that L Shareholder shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Leaver (or such earlier date on or after the date on which that person becomes a Leaver as the Board, with Shareholder Approval, determines);
 - 18.1.4.4 if he becomes a Leaver after the second anniversary of his Share Issue Date but on or before the third anniversary of his Share Issue Date, then 33% of the L Vested Shares held by that L Shareholder shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Leaver (or such earlier date on or after the date on which that person becomes a Leaver as the Board, with Shareholder Approval, determines);
 - 18.1.5 if a Shareholder has become a Leaver after the third anniversary of his Share Issue Date then none of the Leaver Shares held by that Shareholder shall convert into and be re-classified as Deferred Shares;
 - 18.1.6 in respect of all remaining Leaver Shares held on the date on which such person becomes a Leaver which will not be converted and re-classified as Deferred Shares in accordance with Articles 18.1.2 to 18.1.4 (inclusive) and shall be "**Vested Shares**".
- 18.2 Upon a person becoming a Bonus Share Leaver (unless the Board, with Shareholder Approval, determines otherwise within 21 days following the date on which that person becomes a Bonus Share Leaver) then if the Bonus Share Leaver has become a Bonus Share Bad Leaver then:
- 18.2.1 100% of any I Shares or J Shares held by him whose I and J Share Start Date is less than one year before the date on which that person became a Bonus Share Leaver shall automatically convert into and be re-classified as Deferred Share on the date that is 21 days following the date on which that person becomes a Bonus Share Leaver (or such earlier date on or after the date on which that person becomes a Bonus Share Leaver as the Board, with Shareholder Approval, determines);
 - 18.2.2 67% of any I Shares or J Shares held by him whose I and J Share Start Date is one year or more but less than two years before the date on which that person became a Bonus Share Leaver shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Bonus Share Leaver (or such earlier date on or after the date on which that person becomes a Bonus Share Leaver as the Board, with Shareholder Approval, determines);
 - 18.2.3 33% of any I Shares or J Shares held by him whose I and J Share Start Date is two years or more but less than three years before the date on which that person became a Bonus Share Leaver shall automatically convert into and be re-classified as Deferred Shares on the date that is 21 days following the date on which that person becomes a Bonus Share Leaver (or such earlier date on or after the date on which that person becomes a Bonus Share Leaver as the Board, with Shareholder Approval, determines); and
 - 18.2.4 in respect of all remaining Bonus Share Leaver Shares held on the date on which such person becomes a Bonus Share Leaver which will not be converted and re-classified as

Deferred Shares in accordance with Articles 18.2.1 to 18.2.3 (inclusive) and shall be **"Bonus Leaver Vested Shares"**.

- 18.3 The holders of Deferred Shares shall transfer their Deferred Shares to such person(s) as the Board shall direct in writing from time to time and the purchase price for each such Deferred Share shall be its nominal value. If a Holder of such Deferred Shares makes default in so doing the chairman for the time being of the Company (or failing him one of the Directors or some other person duly nominated by a resolution of the Board for that purpose) shall forthwith be deemed to be the duly appointed attorney of such shareholder with full power to execute complete and deliver in the name and on behalf of such shareholder a transfer of the relevant Deferred Shares to the nominated person.
- 18.4 Otherwise than as stated in Article 18.3, the holders of Deferred Shares shall not be entitled to transfer such Deferred Shares to any person without the prior written consent of the Board.

19 PUT AND CALL

- 19.1 Upon a holder of Shares becoming a Leaver:
- 19.1.1 the Company may serve a Call Notice on the Leaver during the Call Option Period; and
- 19.1.2 the Leaver may serve a Put Notice on the Company during the Put Option Period.
- 19.2 The Option Price shall be:
- 19.2.1 the price agreed between the Leaver and the Board within 28 days of service of an Option Notice; or
- 19.2.2 in default of such agreement within 28 days of service of an Option Notice, the value which the Independent Expert certifies in his opinion as being the fair value of each Leaver Share.
- 19.3 If Article 19.2.2 applies, the Board shall instruct the Independent Expert to determine the Option Price within 14 days of the end of the 28 day period that the Leaver and the Board have to agree the Option Price after service of an Option Notice and in arriving at his opinion the Independent Expert will value the Leaver Shares as at the date the Option Notice is deemed to have been served:-
- 19.3.1.1 as shares in the Company on a going concern basis;
- 19.3.1.2 as on an arm's length basis between a willing seller and a willing buyer;
- 19.3.1.3 ignoring any reduction or enhancement in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority or majority interest;
- 19.3.1.4 taking into account the rights in Article 3;
- 19.3.1.5 on the assumption that the Sale Shares are capable of transfer without restriction; and
- 19.3.1.6 to the extent consistent with Articles 19.3.1.1 to 19.3.1.5 and provided that the Independent Expert does not consider the valuation methodology in the Barwood Cashflow and Valuation to be materially inconsistent with any share valuation principles or practices, in line with the valuation methodology in the most recent Barwood Cashflow and Valuation.

- 19.4 The Company and the Leaver shall be entitled to make representations in connection with the calculation of the fair value of the Leaver Shares to the Independent Expert within 14 days of his appointment (which shall be notified to the other party at the same time) and the Independent Expert shall be required to take into account in calculating the fair value of the Leaver Shares all reasonable representations so made to him.
- 19.5 The Independent Expert shall be required to present their draft valuation report reflecting their determination of the Offer Price and the assumptions and methodology underpinning it to the Board and the Leaver within 28 days of their appointment (or such later time as is required by the Independent Expert).
- 19.6 The Company and the Leaver shall be entitled to make further representations in connection with the calculation of the fair value of the Leaver Shares to the Independent Expert within 7 of receipt of the draft valuation report (copying the other party on such representation) and the Independent Expert shall be required to take into account in calculating the fair value of the Leaver Shares all reasonable and timely representations so made to him.
- 19.7 Any decision of an Independent Expert as to the Option Price shall, save in the case of clerical or manifest error appearing within 14 days of the Independent Expert's determination of the Option Price, be final and binding. The Independent Expert's charges including disbursements and value added tax in connection with the determination will be paid as to one half by the Company and the other half by the Leaver.
- 19.8 A Put Notice once given in accordance with this Article 19, shall not be withdrawn without the consent in writing of the Board.
- 19.9 Within 56 days of the Option Price being agreed or determined pursuant to this Article 19 but subject always to the provisions of Article 19.10, the Company shall pay the Option Price to such bank account as the Leaver shall have nominated for this purpose and the Leaver shall deliver a transfer of the Option Shares to the Company and such other documents as the Board reasonably requires to effect a lawful buy back of the relevant Leaver Shares by the Company. If the Leaver makes default in delivering such transfer or other documents the chairman for the time being of the Company or, failing him, one of the directors or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent and attorney of the Leaver with full power to execute complete and deliver in the name and on behalf of the Leaver a transfer of the Option Shares to the Company (including such other documents as the Board reasonably requires to effect a lawful buy back of the relevant Leaver Shares by the Company). If the Leaver makes default in nominating a bank account for the purpose of this Article 19.9 any director may receive and give a good discharge for the purchase money on behalf of the Leaver and the Board shall forthwith pay the purchase money into a separate bank account in the Company's name and hold such money on trust (but without interest) for the Leaver until he makes such nomination.
- 19.10 Subject to Articles 19.13, 19.14 and 19.17, the Company shall have no obligations pursuant to this Article 19 in relation to any Option Notice if either:
- 19.10.1 compliance with its terms would be in breach of the provisions of Part 18 of the Act; or
- 19.10.2 the Board is of the view (acting reasonably) that the Company has insufficient funds to purchase the relevant Leaver Shares,

each an "**Exemption Circumstance**".

- 19.11 The Board shall notify the Leaver of the existence of (or contemplated existence of) an Exemption Circumstance as soon as reasonably practicable (an "**Exemption Circumstance Notification**"). The existence of an Exemption Circumstance or the service of an Exemption Circumstance Notification shall, subject to Articles 19.13, 19.14 and 19.17 absolve the Company, the Board and the Leaver of any further obligations pursuant to this Article 19 in relation to the Option Notice in question.
- 19.12 The provisions of this Article 19 shall cease to apply to any Shares held by a Leaver that become Deferred Shares after an Option Notice has been served but before the Shares in question have been transferred pursuant to this Article 19.
- 19.13 If:
- 19.13.1 a Put Option is served; and
- 19.13.2 the Board is of the view that not all of the Leaver Shares in relation to the Put Option could be acquired without triggering an Exemption Circumstance,
- the Company's obligations in relation to such Put Option pursuant to this Article 19 shall be restricted to such number of the relevant Leaver Shares as could be acquired, in the opinion of the Board, without triggering an Exemption Circumstance.
- 19.14 If:
- 19.14.1 more than one Leaver has served a Put Option;
- 19.14.2 the Leaver Shares in relation to the Put Options in question have not been acquired pursuant to this Article 19;
- 19.14.3 no Exemption Circumstance Notification has been served in relation to any such Put Options; and
- 19.14.4 the Board is of the view that not all of the Leaver Shares in relation to the Put Options could be acquired without triggering an Exemption Circumstance,
- the Company's obligations in relation to such Put Options pursuant to this Article 19 shall be restricted to such number of Leaver Shares as could be acquired, in the opinion of the Board, without triggering an Exemption Circumstance and for this purpose the Company will apportion the purchase of the Leaver Shares between the Leavers on a pro rata basis, based on the number of Leaver Shares held by each Leaver.
- 19.15 Subject to Article 19.16, no Put Option may be served if a Call Option has been previously served in relation to the same Leaver Shares and no Call Option may be served if a Put Option has been previously served in relation to the same Leaver Shares.
- 19.16 Notwithstanding any other provisions of these Articles, if any Leaver Shares are not acquired by virtue of the provisions of Article 19.10 the Leaver may serve further a Put Option Notice in relation to Leaver Shares up to or equal to the number of Leaver Shares in the original Put Option Notice

but no more than one Put Option may be served by the Leaver in question in each Financial Year of the Company without the prior written consent of the Board.

- 19.17 If the exercise of any Put Options has been deferred pursuant to Articles 19.10 to 19.16, the Company may not declare or pay any dividends that in aggregate exceed 25% of its profits after tax in the Financial Year ended immediately prior to the Financial Year in which the relevant Put Option Notice is served or in any subsequent Financial Year until:

19.17.1 all Put Options so deferred have been exercised; and/or

19.17.2 any Leaver in respect of whom such deferred Put Options have not been exercised has agreed in writing with the Company that such greater dividends may be declared and paid.

- 19.18 The provisions of this Article 19 shall apply to a Leaver and their Leaver Shares acquired after as well as before they become a Leaver.

20 GENERAL MEETINGS

- 20.1 Regulation 41 of the Model Articles applies with the addition of the following sentence:

"If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, any person or persons entitled to vote upon the business to be transacted, being (or each being) a shareholder or a proxy for a shareholder or a duly authorised representative of a corporation, shall be a quorum if he is (or they are together) entitled to cast more than one half of the number of votes which might be cast at the meeting upon the business to be transacted; or in other circumstances, the meeting shall be dissolved."

21 WRITTEN RESOLUTIONS

- 21.1 The joint holder of a share whose name comes first in the register of shareholders in respect of the joint holding is authorised to agree to any written resolution on behalf of all the joint holders and to receive any document which is required by the Act to be supplied to the joint holders in connection with that resolution.

22 CHANGE OF COMPANY NAME

- 22.1 The Directors may change the name of the Company by a Directors' written resolution in accordance with Article 7.

23 INDEMNITY

- 23.1 Subject to the provisions of the Act, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any

loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto.

- 23.2 Without prejudice to the provisions of Article 23.1, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company or of any subsidiary undertaking of the Company including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such subsidiary undertaking.