



COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MACDONALD FOREST HILLS (ABERFOYLE) LIMITED
(FORMERLY DMWS 798 LIMITED¹)

(COMPANY NUMBER SC308947)

(AS AMENDED BY SPECIAL RESOLUTION DATED 5 MAY 2023)

¹ as amended by a resolution dated 27 June 2007.

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1 PRELIMINARY

1.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) and as further amended by The Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No. 3373) (such Table being hereinafter called “Table A”) shall apply to the Company with the exception of regulations 24, 40, 64, 73 to 81 (inclusive) and 118 of Table A, and of any other regulations which are inconsistent with the additions and modifications hereinafter set forth and the Articles hereinafter contained shall be the Articles of Association of the Company.

1.2 In these Articles the following words and expressions shall have the meanings set out below:

“**Act**” means the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force;

“**Auditors**” means the auditors of the Company from time to time;

“**Bad Leaver**” means a Leaver by reason of cessation of employment where the cessation of employment is as a result of the relevant member:

- (a) resigning within 3 years of the date of adoption of these Articles (other than as a result of permanent incapacity due to ill health (save where such ill-health arises as a result of an abuse of drink or drugs) or in relation to a repudiatory breach of contract by the Company or another member of the Group); or
- (b) failing within 3 years of the date of adoption of these Articles to renew his employment with a relevant member of the Group after the expiry of any fixed term contract of employment;
- (c) being summarily dismissed within 3 years of the date of adoption of these Articles in circumstances where the Company (or member of the Group employing him) is entitled to summarily dismiss; or
- (d) retiring within 3 years of the date of adoption of these Articles (other than at the normal retirement age for the Leaver concerned or as a result of permanent incapacity due to ill-health (save where such ill-health arises as a result of an abuse of drink or drugs) or as the result of a redundancy exercise).

“**Board**” means the board of Directors of the Company as constituted from time to time;

“**Debt**” means the sum of the net current assets/liabilities of the Company plus the creditors of the Company due after one year (excluding any capital expenditure incurred in the financial year to which the relevant audited accounts relate) as shown in the most recent audited accounts of the Company;

“Directors” means the Directors of the Company from time to time;

“Fair Price” means the price per share determined in accordance with Article 11 (Fair Price);

“Good Leaver” means any Leaver other than a Bad Leaver;

“Group” means the Company and its subsidiaries from time to time and **“member of the Group”** shall be construed accordingly;

“Leaver” means any holder of Shares who is employed by and/or is a director of the Company or a member of the Group from time to time and who dies or who ceases to be an employee and/or director of the Company or any such member of the Group (whether or not his contract of employment is validly terminated and/or whether or not such termination is wrongful or unfair or otherwise) or who ceases to be an employee and/or director of a member of the Group because such member of the Group ceases to be a member of the Group and does not continue (or is not immediately re-employed) as an employee and/or director of the Company or any such member of the Group. In this definition and in the definition of “Bad Leaver” and for the purposes of Article 13 (Compulsion Transfers) any reference to the date of cessation of employment (or similar) shall be the date upon which the contract of employment or appointment as director of the relevant person terminates or, if earlier, the date upon which the relevant person gives or is given or purportedly gives or is purportedly given notice of termination of his contract of employment or of his appointment as director whether or not such notice is valid;

“Majority Shareholder” means the holder of more than 50 per cent in nominal value of the Shares held by the Shareholders from time to time;

“Member” means a person (whether an individual or a corporation) who holds Shares;

“Office” means the registered office of the Company;

“Operating Profit” means the hotel operating profit of the Company as shown in the most recent audited accounts of the Company prepared in accordance with historical accounting practices of the Company;

“Original Member” means each member who is a natural person and who became a member other than by reason of a Permitted Transfer;

“Privileged Relation” means in relation to any Original Member, a parent or spouse of the Original Member or any lineal descendent of the Original Member and for these purposes the step- child or adopted child of any person, shall be deemed to be that person’s lineal descendent;

“Paid Up Amount” means the amount paid up or credited as paid up on any Shares disregarding any premium;

“Permitted Transfer” means a transfer of Shares pursuant to Article 8 (Permitted Transfers);

“Permitted Transferee” means, in respect of any Original Member, any Privileged Relation or Family Trust of that Original Member;

“Shares” means the ordinary shares of £1 each in the capital of the Company; and

“Valuer” means the Auditors (or in the event of their being unwilling or unable to act or at the option of the Company, an independent firm of chartered accountants nominated by the President of the Institute of Chartered Accountants of Scotland (or his equivalent from time to time)) in each case acting as an expert and not as an arbiter.

2 SHARE CAPITAL

2.1 The authorised share capital of the Company is £200,000 divided into 200,000 ordinary shares of £1.00 each.

2.2 The Directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into Shares of the Company up to the amount of the share capital of the Company authorised but unissued at the date of adoption of these Articles at any time or times during the period of five years from the date of adoption and the Directors may, after that period, allot any Shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution.

2.3 All Shares which the Directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing Shares held by them respectively unless the members shall by special resolution otherwise direct. The offer shall be made by notice in writing (hereinafter called **“the offer notice”**) to each member specifying the total number of Shares that the Directors propose to issue, the number of Shares offered to him (his proportional entitlement of the total number of Shares proposed to be issued) and the price of such Shares. The offer notice shall also state a period of 28 business days from the date of the notice within which the offer, if not accepted, will be deemed to be declined and shall invite each member to indicate in his acceptance the number of Shares (if any) in excess of his proportional entitlement that he wishes to apply for. Where any member declines all or part of his proportional entitlement, the Shares so declined shall be apportioned among the members who have indicated a desire to subscribe for additional Shares in proportion as nearly as may be to the number of Shares already held by them respectively provided that no member shall be obliged to subscribe for more Shares than he shall have applied for. Any Shares not accepted by the members or some of them pursuant to such offer as aforesaid or not capable of being offered as aforesaid except by way of fractions shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of Shares not accepted as aforesaid, such Shares shall not be disposed of on terms which are more

favourable to the subscribers therefor than the terms on which they were offered to the members.

2.4 In accordance with section 91(1) of the Act sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

2.5 Without prejudice to the provisions of Regulation 5 of Table A, the Company shall be entitled to register trustees as such in respect of any Shares held upon any trust.

3 RIGHTS ATTACHING TO SHARES

3.1 Income

Any profits which the Directors may lawfully determine to distribute in respect of any financial year shall be distributed amongst the holders of the Shares pro rata in relation to the Paid Up Amount upon each such Share held.

3.2 Capital

The capital and assets of the Company on a winding up or other return of capital available for distribution to the members of the Company shall be distributed amongst the holders of the Shares pro rata in relation to the Paid Up Amount upon each such Share held.

4 SHARE CERTIFICATES

4.1 Regulation 6 of Table A is hereby modified by the adding after the words “Every certificate shall be sealed with the seal” where those words appear at the beginning of the second sentence thereof the following:

“or otherwise subscribed or executed by the Company in accordance with the provisions of the Act”.

5 LIEN

In Regulation 8 of Table A the words “(not being a fully paid share)” shall be omitted and the words “and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or their estates to the Company” shall be inserted after the words “in respect of that share”.

6 CALLS ON SHARES

Regulation 18 of Table A is hereby modified by adding at the end of the first sentence thereof the following:

“and all expenses that may have been incurred by the Company by reason of such non-payment.”

7 TRANSFER OF SHARES - GENERAL

The Directors shall register any transfer of Shares made in accordance with the provisions of Articles 7, 8, 9, 12 and 13. Save as aforesaid, the Directors may at their discretion and without assigning any reason therefore, decline to register any transfer of any Share whether or not such Share is fully paid. For the purpose of ensuring that a particular transfer of Shares is permitted under the provision of these Articles, the Directors may request the transferor, or the person named as the transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after to date of receipt (or deemed receipt) of such request the Directors shall be entitled to refuse to register the transfer in question.

8 PERMITTED TRANSFERS OF SHARES

The following transfers of Shares may be made without restriction as to price or otherwise and without any requirement to offer such Shares pursuant to the provisions of Article 9 (Pre-Emptive Transfers);

- 8.1 by any member being a company to any holding company of such company or any direct or indirect subsidiary of any such holding company;
- 8.2 by any nominee or trustee to any other nominee or trustee of the same beneficiary;
- 8.3 by any Original Member to any Permitted Transferee;

If any person to whom Shares are transferred pursuant to sub-paragraphs 8.1 to 8.3 above ceases to be within the required relationship with the original transferor of such Shares, such Shares shall be transferred back to the original transferor (or to any other person falling within the required relationship with the original transferor) forthwith upon such relationship ceasing and, if the holder of such Shares fails to make such transfer, the holder shall be deemed to have served a separate Transfer Notice in respect of all of such Shares then held by him.

9 PRE-EMPTION RIGHTS ON TRANSFER

- 9.1 Subject to Articles 8, 10, 12 and 13 any member wishing to transfer all or any Shares held by him (the “**Proposing Transferor**”) shall first give a notice (a “**Transfer Notice**”) in writing to the Company specifying:

- 9.1.1 the number of Shares he wishes to transfer (the “**Sale Shares**”);

- 9.1.2 the name of the third party (if any) to whom he proposes to transfer the Sale Shares;
and

9.1.3 the price per share at which the Proposing Transferor wishes to transfer the Sale Shares.

The Transfer Notice shall constitute the Company as the agent of the Proposing Transferor for the sale of the Sale Shares at the price per share agreed or determined in accordance with Article 9.9 (the “**Prescribed Price**”). A Transfer Notice (other than a deemed Transfer Notice) may require that unless all the Shares comprised in it are sold, none shall be sold. A Transfer Notice once given pursuant to this Article 9 may not be varied or cancelled without the consent of the Directors of the Company unless the Fair Price of the Sale Shares is determined in accordance with Article 9.9 to be less than the price specified in the Transfer Notice, in which case the Proposing Transferor shall have the right (by notice to the Company) to withdraw the Transfer Notice within 7 days of the receipt of such determination.

9.2 Within 14 days after the later of:

9.2.1 receipt by the Company of the Transfer Notice; and

9.2.2 the determination of the Prescribed Price in accordance with Article 9.9,

the Sale Shares shall be offered by the Company to the members (other than the Proposing Transferor) holding Shares as nearly as practicable in proportion to the respective numbers of Shares held by them.

9.3 The offer shall be made by a notice (the “**Offer Notice**”) stating the Prescribed Price per Sale Share. The Offer Notice shall limit the time (being not less than 7 nor more than 30 days after the Offer Notice is given) within which the offer if not accepted shall be deemed to be declined. For the purpose of this Article 9 an offer shall be deemed to be accepted when the acceptance is received by the Company.

9.4 In the case of an offer made to more than one person the Offer Notice shall notify each offeree that if he wishes to purchase Sale Shares in excess of the proportion offered to him he should state how many excess Shares he applies for. If all the offerees do not accept the offer in full the Sale Shares not accepted shall be used to satisfy the applications of accepting offerees for additional Shares. In the case of competition the excess Shares shall be allocated as nearly as practicable in proportion to the respective numbers of Shares of the class entitling them to participate in the offer held by the , accepting offerees, provided that no accepting offeree shall be allocated more Shares than he applies for. Acceptance of the applications for excess Shares shall be effective upon the Directors allocating the excess Shares. An application for excess Shares may not be withdrawn except with the consent of the Directors.

9.5 If following the closing date of the offer made under Article 9.2 above there remain any Sale Shares for which the Company has not found buyers in accordance with this Article 9 the Company shall have 60 days in which it may seek a buyer or buyers for the remaining Sale Shares. The price per Sale Share shall be the Prescribed Price. The Company and the Directors shall not be under any duty to seek a buyer under this paragraph and the Directors may resolve to curtail the operation of this Article 9.5. A buyer under this paragraph need not be a member.

- 9.6 If following the closing date of any offer made under this Article 9 there remain any Sale Shares for which the Company has not found buyers the Directors may resolve to recommend to the members that the Company purchase the Sale Shares remaining unsold or any of them under Chapter VII of Part V of the Act. If the Directors so resolve they shall proceed to convene as soon as practicable an extraordinary general meeting or circulate a written resolution to approve the purchase contract (or, if the proposed purchase does not relate to all of the Sale Shares for which the Company has not found buyers and the transfer notice does not state that some only of the Sale Shares may be sold, a contingent purchase contract contingent on the Company finding buyers for the other Sale Shares) on the terms specified in this Article 9 and, if required, to approve a payment in respect of the purchase otherwise than out of distributable profits or the proceeds of fresh issue of Shares and the Directors shall ensure that the other formalities required by the Act are complied with. The Directors may authorise any person nominated by them to execute the purchase contract on behalf of the Proposing Transferor which shall thereupon be binding upon him. During the time required to complete the formalities of the purchase time shall not run for the purpose of any time limits stated in any other paragraph of this Article, but if the purchase contract has not been approved by special resolution within six weeks after the Directors' resolution under this paragraph it shall be deemed to have been rejected.
- 9.7 If the Company finds buyers for all the Sale Shares (or, if the transfer notice states that some only of the Sale Shares may be sold, if the Company finds buyers for any of the Sale Shares) within the periods specified in this Article it shall give notice of the identity of the buyers to the Proposing Transferor, and the Proposing Transferor shall be bound upon payment of the price due in respect of all the Sale Shares comprised in that notice to transfer those Sale Shares to the buyers within 14 days from the giving of that notice. The Proposing Transferor shall sell the Sale Shares free from all liens, charges and encumbrances and together with all rights attaching to them and all dividends and distributions declared, made or paid on them on or after the date of the Offer Notice. If the Proposing Transferor fails to transfer the Sale Shares specified in the Offer Notice the Directors may appoint any person nominated by them to be the attorney of the Proposing Transferor with power to complete, execute and deliver, in the name of and on behalf of the Proposing Transferor, transfers to the buyers against payment of the purchase money to the Company. The Company may receive the purchase money on behalf of the Proposing Transferor and give a valid discharge to the buyer for it. The purchase money shall be paid into a separate bank account in the Company's name and shall be held on trust for the Proposing Transferor pending delivery to the Company of the share certificates for the Sale Shares and any interest on it shall belong to the Company.
- 9.8 If the Company does not find buyers for all the Sale Shares within the appropriate period specified in this Article 9 it shall give notice of that fact to the Proposing Transferor and (unless the Transfer Notice states that some only of the Sale Shares may be sold) all acceptances of offers under this Article 9 shall be deemed withdrawn. The Proposing Transferor shall then be at liberty at any time within three months afterwards to transfer all or any of the unsold Sale Shares to any person but only at a price in cash equal to or in excess of the Prescribed Price as specified in the Offer Notice

- 9.9 The Prescribed Price of the Sale Shares shall be either:
- 9.9.1 With the consent of the Board, the price per Share specified in the Transfer Notice; or
 - 9.9.2 Such other price agreed between the Proposing Transferor and the Board; or
 - 9.9.3 Otherwise in default of agreement under Articles 9.9.1 and 9.9.2, the Prescribed Price shall be the Fair Price.

10 COMPULSORY TRANSFERS

- 10.1 Unless the Board by majority determines otherwise, a Leaver shall be deemed on the date of cessation of employment to have served a separate Transfer Notice in respect of all of the shares then held by him and a Transfer Notice shall also be deemed to have been served in respect of all Shares acquired through Permitted Transfers then held by a Permitted Transferee of the Leaver (and such deemed Transfer Notice shall supersede any previous Transfer Notice which has not completed) and, subject to Article 10.3, the provisions of Article 9 shall apply.
- 10.2 In the event that there is a deemed service of a Transfer Notice pursuant to Article 10.1 the Prescribed Price in respect of the Shares the subject of the deemed Transfer Notice shall be, unless the Board by majority determines otherwise:
- 10.2.1 in respect of a Bad Leaver and (in respect of Shares acquired from the Leaver) any relevant Permitted Transferee of such Bad Leaver the sum of £0.51 per Share.
 - 10.2.2 in respect of a Good Leaver and (in respect of Shares acquired from the Leaver) any relevant Permitted Transferee of such Good Leaver the higher of:
 - (a) the price paid therefor by the relevant Leaver; and
 - (b) the Fair Price.
- 10.3 Notwithstanding any other provision herein contained, if a Leaver retains Shares, he shall, unless the Board by majority determines otherwise, have all the rights of and shall rank pari passu with the other holders of the Shares save that:
- 10.3.1 at any general meeting or class meeting of the Company he shall be deemed to vote (whether on a poll or otherwise) in the same manner as the majority of votes cast at the relevant meeting by the holders of Shares;
 - 10.3.2 in a written resolution he will be deemed to resolve in the same manner as the majority of the holders of Shares;

10.3.3 in relation to any matter where the consent of Shares is required he shall be deemed to grant consent if the majority of the holders of Shares held by him grant such consent;

10.3.4 on any transfer of a majority of the Shares in circumstances where an offer is made to him to acquire his Shares at a price which is not lower than the average price per Share payable to the holders of a majority of the Shares he shall be deemed to accept such offer and to transfer such Shares at the time and place specified by the offeror;

and he hereby appoints any Director of the Company from time to time to sign any such resolution, consent, transfer form or other document and/or take any other act in his name and on his behalf to implement all or any of the above provisions provided that, in respect of any transfer made pursuant to Article 10.3.4, the Company shall retain on trust the proceeds of sale and shall account to him for such proceeds forthwith on demand.

10.4 In the event that the holder(s) (the “**Topco Shareholders**”) of more than 50% in nominal value of the issued shares of any holding company (“**Topco**”) of the holder (the “**Majority Holder**”) of more than 50% in nominal value of the Shares (the “**Majority Shares**”) intend to sell their holding of shares in the Topco (a “**Topco Sale**”), upon receipt by the holder(s) of Shares other than the Majority Shares (the “**Minority Holder**”) of a notice of the proposed Topco Sale from the Majority Holder, the Minority Holder shall immediately be deemed to have served a separate Transfer Notice in respect of all of the shares then held by him and a Transfer Notice shall also be deemed to have been served in respect of all Shares acquired through Permitted Transfers then held by a Permitted Transferee of the Minority Holder (and such deemed Transfer Notice shall supersede any previous Transfer Notice which has not completed) and the provisions of Article 9 shall apply except in that the Prescribed Price (in respect of Shares acquired from the Minority Holder) shall for the purposes of this Article 10.4 be either:

10.4.1 the price, if any, reasonably allocated to the Shares as agreed between: (i) the proposed purchaser of the shares in Topco held by the Topco Shareholder; and (ii) the Majority Holder (provided always that such price shall not be less than the higher of (a) the price paid therefor by the Minority Shareholder and (b) the Fair Price); or

10.4.2 in the absence of agreement pursuant to the terms of Article 10.4.1, the higher of:

(a) the price paid therefor by the Minority Holder; and

(b) the Fair Price.

10.5 In the event that upon the Minority Holder being deemed to have served a Transfer Notice in accordance with the terms of Article 10.4, the Company does not find buyers for the Minority Shares in accordance with the terms of Article 9, the Majority Holder shall be obliged to purchase the Minority Shares at the Prescribed Price determined in accordance with Article 10.4.

- 10.6 In the event that the sale by the Topco Shareholders does not proceed within 30 days of the transfer by the Minority Holder, the sale by the Minority Holder shall be cancelled and the shares previously held by the Minority Holder shall forthwith be transferred back to that Minority Holder.

11 FAIR PRICE

“Fair Price” means, provided always that the such price shall not be less than £0.51 per Share, the price per Share as at the date of occurrence of the event which triggered the requirement to agree or determine Fair Price agreed between the selling shareholder and the Directors within 21 days or, in the absence of such agreement, the price per share calculated in accordance with the following formula:-

$$\frac{(\text{Operating Profit} \times 10) - \text{Debt}}{\text{Total number of Shares in issue}}$$

12 DRAG ALONG RIGHTS

- 12.1 In the event that the holder(s) of more than 50 per cent in nominal value of the Shares (the “**Seller**”) intend(s) to sell all of its or their holding of Shares (or any interest in such Shares) (the “**Target Shares**”) to a proposed purchaser(s) (the “**Proposed Purchaser**”) who has made a bona fide offer on arm’s length terms for the entire issued share capital of the Company, the Seller shall have the right to give to the Company not less than 14 days’ advance notice before selling the Target Shares. That notice (the “**Sale Notice**”) will include details of the Target Shares and the proposed price per Share to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the place, date and time of completion of the proposed purchase (being a date not less than 14 days from the date of the Sale Notice) (“**Completion**”) and the terms and conditions of the offer which will be extended to the other members for their Shares (which for the avoidance of doubt may differ but may not differ as to price and otherwise may not differ substantially to those offered to the Seller).
- 12.2 Immediately upon receipt of the Sale Notice, the Company shall give notice in writing (a “**Compulsory Sale Notice**”) to each of the members (other than the Seller) giving the details contained in the Sale Notice, requiring each of them to sell all of the Shares held by them to either (as intimated in the Compulsory Sale Notice to each member the subject of a Compulsory Sale Notice): (i) the Proposed Purchaser at Completion on the terms contained in the Sale Notice; or (ii) the Seller on the date falling not later than 5 days prior to Completion. In the event that Completion does not take place within 30 days of such date any such transfer to the Seller shall be cancelled and the Seller shall transfer forthwith such Shares back to such member or members.
- 12.3 Subject to Article 12.4, each member who is given a Compulsory Sale Notice shall sell all of his Shares to either the Proposed Purchaser or the Seller (as intimated in the Compulsory Sale Notice) at a price per Share equal to the higher of:

- 12.3.1 the subscription price paid by such member for his shares;

- 12.3.2 the Fair Price; and
- 12.3.3 the price per Share offered to the Seller by the Proposed Purchaser on Completion and on the terms set out in the Sale Notice (the “**Third Party Price**”).
- 12.4 In the event that the sale of the Target Shares forms part of a sale of other shares and/or assets to the Proposed Purchaser by any holding company, subsidiary of such holding company or subsidiary of the Seller, each member who is given a Compulsory Sale Notice shall sell all of his Shares to either the Proposed Purchaser or the Seller (as intimated in the Compulsory Sale Notice) at a price per Share equal to the higher of:
- 12.4.1 the subscription price paid by such member for his shares;
- 12.4.2 the Fair Price; and
- 12.4.3 the price, if any, reasonably allocated to the Target Shares as may be agreed between: (i) the Proposed Purchaser; and (ii) the Seller.
- 12.5 If any of the member(s) (the “Defaulting Member(s)”) fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of each Defaulting Member for the sale of his Shares in accordance with the Compulsory Sale Notice (together with all rights then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the Proposed Purchaser to be registered as the holder of such Shares. The receipt of the Company for the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the Defaulting Member(s) until he shall, in respect of the Shares being the subject of the Compulsory Sale Notice, have delivered his share certificates or a suitable indemnity and the necessary transfers to the Company. No member shall be required to comply with a Compulsory Sale Notice unless the Seller shall sell the Target Shares to the Proposed Purchaser on Completion, subject at all times to the Seller being able to withdraw the Sale Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Compulsory Transfer Notice shall cease to have effect.
- 13 TAG ALONG RIGHTS
- 13.1 Notwithstanding any other provision of these Articles, no sale or transfer of the legal or beneficial interest in any Shares (the “**Controlling Shares**”) may be made or validly registered if as a result of such sale or transfer and registration of the Controlling Shares any person (the “**Controlling Purchaser**”) (whether or not then a member of the Company) would hold an interest in Shares conferring in aggregate 50% or more of the total voting rights conferred by all of the Shares in issue from time to time (a “**Controlling Interest**”) unless:

13.1.1 before any sale or transfer is made and validly registered the proposed transfer has been approved by the Majority Shareholder; and

13.1.2 the Majority Shareholder has made, an offer (stipulated to be open for acceptance for at least 21 days) to purchase all the other Shares (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) at, subject to Article 13.2, the price per Share equal to the higher of:

- (a) the subscription price paid by such member for his shares;
- (b) the Fair Value; and
- (c) the price offered by the Controlling Purchaser for the Controlling Shares together with any consideration or benefit receivable by the proposed transferors of the Controlling Shares directly or indirectly for or in connection with the sale or transfer,

and which offer every offeree shall be bound within 21 days of the making of such offer to him to accept in writing (and in default of so doing shall be deemed to have accepted the offer); and

- (d) before any sale or transfer is made or registered each such accepted offer is completed and the consideration thereunder paid (except insofar as failure to complete is due to the fault of the offeree).

13.2 In the event that the sale of the Controlling Shares forms part of a sale of other shares and/or assets to Controlling Purchaser by any holding company, subsidiary of such holding company or subsidiary of the Majority Shareholder, each member who is given a Compulsory Sale Notice shall sell all of his Shares pursuant to the terms of Article 13.1.2 with the exception that the price per Share shall be equal to the higher of:

13.2.1 the subscription price paid by such member for his shares;

13.2.2 the Fair Price; and

13.2.3 the price, if any, reasonably allocated to the Controlling Shares as may be agreed between: (i) the Controlling Purchaser; and (ii) the Majority Shareholder.

13.3 For the purpose of Article 14 the expressions “transfer” and “transferee” shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment.

14 GENERAL MEETINGS

- 14.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. If and for so long as the Company shall have a sole member, that member present in person or by proxy or by a duly authorised representative of a corporation, shall be a quorum.
- 14.2 Regulation 41 of Table A is hereby modified by the deletion of the words “or if during a meeting such a quorum ceases to be present.”
- 14.3 A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy or, in the case of a corporation, by a duly authorised representative, and entitled to vote. Regulation 46 of Table A shall be construed accordingly.
- 14.4 No resolution not previously approved by the Directors shall be moved by any member other than a Director at a general meeting unless the member intending to move the same shall have left a copy thereof with his name and address at the Office of the Company three clear days prior to such meeting.
- 14.5 Notice of every general meeting shall be given to every member whether or not he shall have supplied to the Company an address within the United Kingdom for the giving of notices and Regulations 112 and 116 of Table A shall be construed accordingly.

15 DIRECTORS

- 15.1 Unless and until otherwise determined by ordinary resolution of the Company, the minimum number of Directors shall be one and there shall be no maximum number. A sole director shall have all the power and authority vested in the Directors in terms of these Articles of Association. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two (unless there is a sole director, in which case the quorum shall be one). A person who holds office only as an alternate director shall, if his appointer is not present, be counted in the quorum.
- 15.2 The Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director.
- 15.3 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.
- 15.4 The office of a Director shall be vacated:-
- 15.4.1 if he becomes apparently insolvent (or bankrupt in any other jurisdiction) or suspends payment or compounds with his creditors;

- 15.4.2 if he becomes of unsound mind or a patient for the purpose of any statute relating to mental health or otherwise incapax;
 - 15.4.3 if (not being a Director holding executive office as such for a fixed term) by notice in writing to the Company he resigns his office;
 - 15.4.4 if he is prohibited by law from being a Director or ceases to be a Director by virtue of any provision of the Act or any statutory modification or re-enactment thereof;
 - 15.4.5 if he is removed from office by notice in writing signed by all his co- Directors and served upon him;
 - 15.4.6 if he shall for more than six months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated.
- 15.5 If any Director necessarily performs or renders any special duties or services to the Company outside his ordinary duties as a Director the Directors may, if so authorised by an ordinary resolution of the Company, pay such Director special remuneration and such special remuneration may be by way of salary, commission, participation in profits or otherwise as may be arranged.
- 15.6 No business shall be transacted at any meeting of the Board (including, for the avoidance of doubt, any adjourned meeting) unless notice of such meeting has been given to every Director (including, for the avoidance of doubt, any Director who is absent from the United Kingdom). Notice of a Board Meeting shall only be deemed to be properly given to a Director if:
- 15.6.1 it is given to him personally or sent to him in writing at his last known address or any other address given by him to the Company for this purpose; or sent to him by email or fax with a confirmation;
 - 15.6.2 in the case of a Director who is absent from the United Kingdom at an address notified by him to the Company at which notices may be given to him during his absence, or an address to which notices may be sent using electronic communications.
 - 15.6.3 such notice contains a specific agenda of the business to be transacted at the Board Meeting; and
 - 15.6.4 subject to the provisions of article 15.7 below, such notice is given 14 clear days in advance of the day on which the meeting is due to be held.
- 15.7 Notwithstanding that it is convened by shorter notice than that specified in Article 15.6 above and subject to the provisions of Articles 15.6.1, 15.6.2 and 15.6.3 above, a Board Meeting shall be deemed to have been duly convened provided that every Director consents to the meeting being held on short notice.

15.8 No business shall be transacted at any meeting of the Board (including, for the avoidance of doubt, any adjourned meeting) unless a quorum is present. The quorum necessary for the transaction of business at any meeting of the Board shall be two Directors. If a quorum is not present within one hour of the time appointed for the meeting or ceases to be present during the meeting, the Director(s) present shall adjourn the meeting to a specified place and time three business days after the original date. Notice of the adjourned meeting shall be given to the Directors by the secretary of the Company.

15.9 Regulation 94 of Table A is hereby modified by the insertion after the end of paragraph (d) thereof of the words “or unless he has disclosed to the Directors the nature and extent of any material interest or duty of his as aforesaid in accordance with the provisions of Section 317 of the Act”.

15.10 Any Director (including an alternate Director) or member of a committee of Directors may participate in a meeting of the Directors or of such committee by means of video-conferencing, conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and participation in a meeting in this manner shall be deemed to constitute the presence of such Director (or alternate Director) or such member at such meeting.

16 THE SEAL

Regulation 101 of Table A shall have effect subject to the provisions of Section 36B of the Companies Act 1985.

17 INDEMNITY

17.1 Every Director or officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution or discharge of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in which the charge is found not proven or in connection with any application under Section 727 of the Act 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 and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution or discharge of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

17.2 The Directors shall have 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 other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which

employees of the Company or of any such other company or subsidiary undertaking are interested, 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 their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund; for the purposes of this Article “holding company” and “subsidiary undertaking” shall have the same meanings as in the Act.

18 TRANSFER OF SHARES - SECURITY

18.1 Notwithstanding anything contained in these Articles, any pre-emption rights conferred on existing members by these Articles shall not apply and the Company and the directors shall not decline to register any transfer of shares, nor may they suspend such registration, where such transfer:

18.1.1 is to any Secured Party; or

18.1.2 is delivered to the Company for registration by a Secured Party in order to perfect its security over the shares; or

18.1.3 is executed by a Secured Party pursuant to the power of sale or otherwise under such security.

18.2 Furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of such shares to a Secured Party and no Secured Party shall be required to offer the shares which are or are to be the subject of any such aforementioned transfer to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not.

18.3 For the purposes of this Article, “Secured Party” means any bank, financial institution, trust, fund or other entity or person to which a security interest has been granted over the shares in the Company, or any agent, security agent, nominee, receiver or other entity acting on its behalf.

18.4 Any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a Secured Party.