

<b>COMPANY NO. 10986982</b>
<b>THE COMPANIES ACT 2006</b>
<b>PRIVATE COMPANY LIMITED BY SHARES</b>
<b>ARTICLES OF ASSOCIATION</b>
<b>OF</b>
<b>Mulbury (Warrington) Limited</b>

## INTRODUCTION

### 1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

<b>A Share:</b>	means an A ordinary share of £1.00 in the capital of the Company having the rights set out in these Articles;
<b>A Shareholder:</b>	means a registered Holder of any A Share;
<b>Adoption Date</b>	means the date that these Articles are adopted;
<b>Appointor:</b>	has the meaning given in Article 10.1;
<b>Articles:</b>	the Company's articles of association for the time being in force;
<b>Bad Leaver:</b>	means an Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he or she is not a Good Leaver;
<b>Board:</b>	means the board of directors of the Company from time to time;
<b>Business Day:</b>	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;
<b>CA 2006:</b>	the Companies Act 2006;
<b>Conflict:</b>	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;
<b>Deemed Transfer Notice:</b>	a Transfer Notice that is deemed to have been served under any provision of these Articles;

<b>Departing Employee Shareholder:</b>	means an Employee Shareholder who ceases to be a Director and/or an employee of TMPIL (other than by reason of death);
<b>Disposal:</b>	the disposal by the Company of all, or a substantial part of, its business and assets (including, for the avoidance of doubt, the ;Land)
<b>Eligible Director:</b>	A director who is entitled to vote on a particular matter;
<b>Eligible Kamani Director:</b>	One of either Tayyab Kamani or Mustafa Kamani together the 'Kamani Directors';
<b>Employee Shareholder:</b>	means an A Shareholder who is, or has been, a Director and/or an employee of TMPIL;
<b>Exit:</b>	means a Share Sale or a Disposal;
<b>Fair Value:</b>	in relation to shares, as determined in accordance with Article 16;
<b>Family Trust:</b>	in relation to a shareholder, a trust set up for the benefit of that shareholder and/or that shareholder's Privileged Relations;
<b>Good Leaver:</b>	<p>means an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:</p> <ul style="list-style-type: none"> <li>(a) retirement, permanent disability or permanent incapacity through ill-health; or</li> <li>(b) redundancy (as defined in the Employment Rights Act 1996); or</li> <li>(c) dismissal by the Company or TMPIL which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or constructive,</li> </ul> <p>and the Board, acting with the consent of all of the Ordinary Shareholders may deem any other person to be a Good Leaver;</p>
<b>Holder</b>	in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares;
<b>Hurdle:</b>	means £00.00 (zero) or such higher amounts (as is supported by a valuation undertaken from time to time by a reputable third party valuer) as being the fair value of the entire issued share capital of the Company as at the Adoption Date;
<b>Interested Director:</b>	has the meaning given in Article 7.1;

<b>Land:</b>	means the freehold land known as Former Eccleston Park Golf Club, Merseyside, L35 4PG registered at HM Land Registry with title numbers: MS594407;
<b>Model Articles:</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;
<b>Ordinary Share:</b>	means an ordinary share of £1.00 in the capital of the Company having the rights set out in these Articles;
<b>Ordinary Shareholder:</b>	means a registered Holder of any Ordinary Share;
<b>Original Shareholder:</b>	a shareholder who holds Ordinary Shares on the date of adoption of these Articles;
<b>Permitted Transfer:</b>	a transfer of shares made in accordance with Article 14;
<b>Permitted Transferee:</b>	<p>(a) in relation to any shareholder, any of his Privileged Relations or the trustees of his Family Trust(s);</p> <p>(b) any beneficiary of a deed of trust in respect of which a shareholder is a trustee provided that (i) the deed of trust exists and (ii) is disclosed to the other shareholders, in both cases prior to the date on which these Articles are adopted.</p>
<b>Privileged Relation:</b>	the spouse or Civil Partner of a shareholder and the shareholder's children;
<b>Realisation:</b>	means sale of the Land;
<b>Sale Proceeds:</b>	<p>means the aggregate proceeds and / or consideration and / or the sums distributed in respect of an, including:</p> <p>(i) any deferred consideration of any nature (including consideration calculated by reference to future profits or any other performance measure); and</p> <p>(ii) the cash value of any non-cash consideration or other benefit received or receivable which may reasonably be regarded as forming part of the consideration.</p>
<b>Shares:</b>	means the Ordinary Shares and A Shares in the capital of the Company;
<b>Share Sale:</b>	the 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 would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with the buyer of those Shares together acquiring a Controlling Interest, except where Board

	(acting with sole discretion) declares that a Share Sale has not occurred as the transfer of the Controlling Interest relates to a reorganisation that doesn't result in an unconnected third party obtaining a Controlling Interest in the Company.
<b>TMPIL:</b>	T & M Property Investments Limited (company registration number: 09321035);
<b>Transfer Notice:</b>	has the meaning given in Article 13.2;
<b>Transfer Price:</b>	has the meaning given in Article 13.4;
<b>Valuers:</b>	an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);
<b>Writing or written:</b>	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise,

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to shareholders of a particular class is a reference to those Holder of shares (or their Permitted Transferee) within that particular class of shares as at the date of the adoption of these Articles unless expressly provided otherwise.
- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, other and otherwise are illustrative and shall not limit the sense of the words preceding them.

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

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22(2), 26(5), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 27(2)(a) and (b) shall be amended by the insertion, in each case, of the words "and to any other agreement to which the Holder was party at the time of his death" after the words "subject to the articles".
- 2.6 Model Article 28(2) shall be amended by the deletion of the word "If" and the insertion of the words "Subject to the articles and to any other agreement to which the Holder was party at the time of his death, if" in its place.
- 2.7 Model Articles 31(l)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **DIRECTORS**

### **3. DIRECTORS' MEETINGS**

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with Article 3.3.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The directors will try to meet at least bi-monthly.
- 3.3 All decisions made at any meeting of the directors shall be made only by majority decision and no such decision shall be passed unless:
  - 3.3.1 more votes are cast for it than against it; and
  - 3.3.2 at least one Eligible Kamani Director is participating in the meeting of the directors have voted in favour of it.
- 3.4 Each director has one vote at a meeting of directors.

### **4. NUMBER OF DIRECTORS**

The number of directors shall not be less than two made up of at least one of the Kamani Directors. No shareholding qualification for directors shall be required.

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

- 5.1 Any director may call a meeting of directors by giving not less than five Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least one Kamani Director) to each director or by authorising the Company secretary (if any) to give such notice.
- 5.2 Notice of any directors' meeting must be accompanied by:
- 5.2.1 A brief outline agenda specifying the matters to be raised at the meeting; and
  - 5.2.2 copies of any papers to be discussed at the meeting.

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

- 6.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom one at least shall be an Eligible Kamani Director (or his alternate).
- 6.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 6.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 7 Business Days at the same time and place.
- 6.4 No meeting of directors may be adjourned pursuant to this article more than once.
- 6.5 In accordance with Article 6.1 and subject to Article 7, if a quorum is not present at the subsequent adjourned meeting, the matter to be dealt with at the meeting of directors will be referred to an expert in accordance with the Deadlock Provisions set out in Article 8 of the Shareholders Agreement

## **7. DIRECTORS' INTERESTS**

- 7.1 For the purposes of section 175 of the CA 2006, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the Interested Director) breaching his duty under section 175 of the CA 2006 to avoid conflicts of interest.
- 7.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.
- 7.3 Any authorisation by the shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - 7.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit;

- 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 7.4 Where the shareholders authorise a Conflict:
  - 7.4.1 the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict; and
  - 7.4.2 the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the CA 2006, provided he acts in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation.
- 7.5 The shareholders may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 7.6 A director is not required, by reason of being a director ( or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the shareholders in accordance with these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 7.7 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.
- 7.8 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared.
- 7.9 Subject, where applicable, to any terms, limits or conditions imposed by the shareholders in accordance with Article 7.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
  - 7.9.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
  - 7.9.2 shall be an Eligible Director for the purposes of any proposed decision of the directors in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
  - 7.9.3 shall be entitled to vote at a meeting of directors or participate in any majority decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;

- 7.9.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 7.9.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 7.9.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the CA 2006)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the CA 2006.

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

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

## **9. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 9.1 Any removal of a director pursuant to this article shall require a resolution of the Shareholders (such resolution requiring a majority). Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 9.2 No Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

## **10. ALTERNATE DIRECTORS**

- 10.1 Any director (other than an alternate director) (the Appointor) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "director" shall include an alternate director. A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of shares but not otherwise.
- 10.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 10.3 The notice must:
  - 10.3.1 identify the proposed alternate; and
  - 10.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 10.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointer.
- 10.5 Except as the Articles specify otherwise, alternate directors:
  - 10.5.1 are deemed for all purposes to be directors;
  - 10.5.2 are liable for their own acts and omissions;



- 10.5.3 are subject to the same restrictions as their Appointers; and
  - 10.5.4 are not deemed to be agents of or for their Appointers,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors.
- 10.6 A person who is an alternate director but not a director may:
- 10.6.1 Be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointer is an Eligible Director and is not participating); and
  - 10.6.2 Participate in a majority decision of the directors (but only if his Appointer is an Eligible Director in relation to that decision, and does not himself participate).
- 10.7 A director who is also an alternate director is entitled, in the absence of his Appointer(s), to a separate vote on behalf of each Appointer (provided that an Appointer is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 10.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointer as the Appointer may by notice in writing to the Company from time to time direct.
- 10.9 An alternate director's appointment as an alternate (in respect of a particular Appointer) terminates:
- 10.9.1 when the alternate's Appointer revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
  - 10.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointer, would result in the termination of the Appointer's appointment as a director; or
  - 10.9.3 on the death of the alternate's Appointer; or
  - 10.9.4 when the alternate director's Appointer ceases to be a director for whatever reason.

## **SHARES**

### **11. SHARE CAPITAL AND RIGHTS**

- 11.1 The issued share capital of the Company at the Adoption Date is divided into Ordinary Shares and A Shares.
- 11.2 The Ordinary Shares and A Shares are separate classes of Shares and, unless otherwise set out in these Articles shall rank equally in all respects.
- 11.3 Voting rights
  - 11.3.1 The Holders of the Ordinary Shares shall have the right to receive notice of, attend and vote at any general meeting of the Company.
  - 11.3.2 The A Shares shall not entitle the Holders thereof to receive notice of and/or attend and vote at any general meeting of the Company or on any written resolution of the Shareholders.

#### 11.4 Dividend rights

11.4.1 The profits of the Company which the Directors decide shall be distributed in any financial year or period ("**Dividend**") shall be distributed among the Ordinary Shareholders pro rata to their respective holdings.

11.4.2 The A Shares shall not carry any dividend rights and shall not entitle the Holders thereof to any proportion of the Dividend.

#### 11.5 Capital

11.6 Subject to Article 11.7, as regards capital, on a return of assets on winding up, liquidation or any other distribution or return of capital to the Shareholders, the proceeds or (as applicable) the assets of the Company remaining after the payment of its liabilities shall be distributed (to the extent the Company is lawfully permitted to do so) amongst the Holders of the Shares on a pari passu basis (and pro rata according to the number of Shares held by each such Holder).

#### 11.7 Exit

11.7.1 As regards an Exit then, notwithstanding anything to the contrary in the terms and conditions governing such an Exit, the Shareholders immediately prior to such Exit shall procure that the Sale Proceeds (whenever received), shall be placed in a designated trustee account and shall be distributed amongst the Holders of the Shares in the following manner and order of priority:

- (a) first to the Holders of the Ordinary Shares in proportion to the percentage of the Ordinary Shares held by them amongst all Ordinary Shares in the Company up until the amount of the Sale Proceeds paid to the Holders of the Ordinary Shares amounts to the Hurdle; and
- (b) thereafter, the balance of the Sale Proceeds (if any) shall be distributed amongst the Holders of the Ordinary Shares and the A Shares on a pari passu basis (as if such Shares constituted one and the same class) and pro rata according to the number of the Ordinary Shares and A Shares held by each such Holder,

and the Directors shall not register any transfer of Shares if the Sale Proceeds are not so distributed (or agreed to be distributed).

#### 11.8 On the transfer of any share as permitted by these Articles:

11.8.1 a share transferred to a non-shareholder shall remain of the same class as before the transfer; and

11.8.2 a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.

If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.

11.9 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the Holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be the

Original Shareholder holding shares of the relevant class present in person or by proxy. For the purpose of this article, the Original Shareholder present in person or by proxy may constitute a meeting.

- 11.10 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:
- 11.10.1 any alteration in the Articles;
  - 11.10.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and
  - 11.10.3 any resolution to put the Company into liquidation.
- 11.11 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.

## **12. SHARE TRANSFERS: GENERAL**

- 12.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 12.2 Subject to Article 12.3, no shareholder shall transfer any share except:
- 12.2.1 a shareholder may transfer all (but not some only) of his shares in the Company for cash in accordance with the procedure set out in Article 13; or
  - 12.2.2 in accordance with Article 14; or
  - 12.2.3 in accordance with Article 15..
- 12.3 No A Shares shall be transferred without the prior written consent of the Holders of all of the Ordinary Shares.
- 12.4 Subject to Article 12.5, the directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 12.5 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this Article 12.5, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.
- 12.6 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose.

12.7 Any transfer of shares by way of a sale that is required to be made under these Articles shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

12.8 Any Transfer Notice served in respect of the transfer of any shares (and any related Transfer Notice deemed to have been served by a Permitted Transferee under 14.3) which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.

### 13. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

13.1 No Shareholder shall create any Encumbrance over, transfer or otherwise dispose of or give any person any rights in or over any Share or any interest in any Share, except as permitted or required by this agreement.

13.2 Subject to Article 12.3 and except where the provisions of Article 14 (Permitted Transfers) or Article 15 (Compulsory transfers) apply, a Shareholder (Seller) wishing to transfer any Shares must give a notice in writing (**Transfer Notice**) to the other Shareholders giving details of the proposed transfer, including:

13.2.1 the number of Shares he/she wishes to transfer (Sale Shares);

13.2.2 if he/she wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and

13.2.3 the price per Sale Share (in cash) at which he/she wishes to sell the Sale Shares (**Proposed Sale Price**).

13.3 A Deemed Transfer Notice may not be withdrawn.

13.4 The transfer price for each Sale Share the subject of a Transfer Notice (**Transfer Price**) shall, save where expressly provided otherwise in this agreement, be the price per Sale Share (in cash) agreed between the parties. If a Transfer Price cannot be agreed, Article 16 shall apply.

13.5 If, following a sale of Shares in accordance with this Agreement, a Shareholder will hold less than 5% of the Company's issued share capital (including any Shares held by his personal representatives, successors and permitted assigns):

13.5.1 the Shareholder shall deliver, or procure that there are delivered, to the Company his resignation as a director of the Company and resignations from any directors appointed by him, such resignations to take effect at completion of the sale of the Sale Shares; and

13.5.2 on completion of the Sale of the Shares the Shareholder shall, automatically cease to be a party to this agreement, but such cessation shall not affect any rights, remedies, obligations or liabilities of that Shareholder which existed at or before the date of cessation.

13.6 Any transfer of Shares by way of a sale under this agreement shall be deemed to include a warranty that the Seller sells the Shares with full title guarantee.

13.7 If the Seller fails to comply with their obligations in relation to a completion which they have previously agreed to then:

13.7.1 the chairman of the Board (or, failing him, any other director of the Company or some other person nominated by a resolution of the Board) may, as attorney on behalf of the Seller:

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

- (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- (c) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the Holders of the Sale Shares purchased by them; and
- (d) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he/she has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company.

## **14. PERMITTED TRANSFERS**

### **14.1 Subject to Article 14.2**

- 14.1.1 an Original Shareholder may transfer all of the issued shares of the class held by that Original Shareholder on the date of adoption of these Articles to any of his Permitted Transferees without being required to follow the steps set out in Article 13.

### **14.2 An Original Shareholder may only transfer shares to the trustees of a Family Trust if the Holder(s) of a majority of the other class of shares are satisfied:**

- 14.2.1 with the terms of the Family Trust and, in particular, with the powers of the trustees;
- 14.2.2 with the identity of the trustees; and
- 14.2.3 that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

### **14.3 Subject to Article 14.2, any shareholder holding shares as a result of a Permitted Transfer made by an Original Shareholder in accordance with this Article 14 may, at any time, transfer his shares back to that Original Shareholder or to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in Article 13.**

### **14.4 If a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, that Privileged Relation shall within 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of divorce, dissolution of a civil partnership or otherwise but not by reason of death) execute and deliver to the Company a transfer of the shares held by him to the Original Shareholder (or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which he shall be deemed to have given a Transfer Notice in respect of the shares in accordance with Article 13 and Article 15.2.**

### **14.5 On the death or bankruptcy of a Privileged Relation (other than a joint Holder), his personal representatives or trustee in bankruptcy (as the case may be) shall offer the shares held by the Privileged Relation for transfer to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, within 7 Business Days after the grant of probate or the making of the bankruptcy order (as the case may be), for such consideration as may be agreed between the Original Shareholder and the personal representatives or trustee in bankruptcy (as the case may be). If:**

- 14.5.1 a transfer of the shares has not been executed and delivered within 7 Business Days of the grant of probate or the making of the bankruptcy order (as the case may be); or
- 14.5.2 the Original Shareholder is himself the subject of a bankruptcy order,

the personal representatives or trustee in bankruptcy (as the case may be) shall be deemed to have given a Transfer Notice in respect of the shares.

- 14.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 7 Business Days of that Family Trust ceasing to be for the benefit of the Settlor and/or the Settlor's Privileged Relations execute and deliver to the Company a transfer of the shares held by them or the Family Trust to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, for such consideration as may be agreed between them, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the shares.

## **15. COMPULSORY TRANSFERS**

- 15.1 Subject to Article 14.5, a shareholder is deemed to have served a Transfer Notice under Article 13.2 immediately before any of the following events:

- 15.1.1 a bankruptcy petition being presented; or
- 15.1.2 an arrangement or composition with any of the shareholder's creditors being made; or
- 15.1.3 the shareholder convening a meeting of his creditors, or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
- 15.1.4 the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- 15.1.5 any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
- 15.1.6 the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
- 15.1.7 the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding; or
- 15.1.8 the shareholder committing a material or persistent breach of these articles and/or any shareholders' agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 15 Business Days of the other shareholder(s) requiring such remedy.
- 15.1.9 in the case of an Employee Shareholder, such Employee Shareholder becoming a Departing Employee Shareholder.

- 15.2 Subject to Article 15.4, the Deemed Transfer Notice has the same effect as a Transfer Notice, except that

the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the Transfer Price for the Sale Shares shall be:

- 15.2.1 In the case of a Departing Employee Shareholder:
  - (a) where the Departing Employee Shareholder is a Bad Leaver, the aggregate nominal value of the Sale Shares; and
  - (b) where the Departing Employee Shareholder is a Good Leaver, the aggregate

Fair Value of the Sale Shares in accordance with Article 16

- 15.2.2 in all other cases, the aggregate Fair Value of those shares, determined by the Valuers in accordance with Article 16;
- 15.3 A Deemed Transfer Notice shall immediately and automatically revoke a Transfer Notice served by the relevant shareholder or any of his Permitted Transferees (and any Transfer Notices deemed to have been served by any of his Permitted Transferees under Article 14.3, where the relevant shareholder is an Original Shareholder) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice.
- 15.4 Completion of the purchase of Shares subject to a Deemed Transfer Notice will take place at such time, and on such payment terms, as the Board (at its sole discretion) may direct.
- 16. VALUATION**
- 16.1 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.
- 16.2 The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuers on the following bases and assumptions:
- 16.2.1 valuing each of the Sale Shares based on the rights and restrictions attached to those Sale Shares (as set out in these Articles) but without any further premium or discount being attributable to the percentage of the issued share capital of the Company which they represent
- 16.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 16.2.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
- 16.2.4 the Sale Shares are sold free of all encumbrances;
- 16.2.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
- 16.2.6 to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 16.3 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 16.4 To the extent not provided for by this Article 16, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 16.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 16.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct.

## **17. ISSUE OF NEW SHARES**

- 17.1 Save to the extent authorised by these Articles, or authorised from time to time by special resolution, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares in the Company.
- 17.2 Other than as may be determined by special resolution or permitted by these Articles, any Shares from time to time shall, before they are issued, be offered to all of the Ordinary Shareholders in proportion to the amounts (excluding any premium paid on subscription) paid up on the Ordinary Shares held by them respectively (and such offer shall be at the same price and on the same terms to each such Ordinary Shareholder). Such offer shall be made by notice specifying the number of Shares offered, the proportionate entitlement of the relevant Ordinary Shareholder, the price per Share and limiting a period (being not less than 20 Business Days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such period the Directors shall offer the Shares so declined to the persons who have, within the said period, accepted all the Shares offered to them in the same manner as the original offer and limited by a period of not less than 10 Business Days. If any Shares comprised in such further offer are declined or deemed to be declined such further offer shall be withdrawn in respect of such Shares. At the expiration of the time limited by the notice(s) the Directors shall allot the Shares so offered to or amongst the Ordinary Shareholders who have notified their willingness to take all or any of such Shares in accordance with the terms of the offer. No Shareholder shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take.
- 17.3 In respect of any Shares not accepted pursuant to Article 17.2 above or not capable of being so offered except by way of fractions or in respect of any Shares released from the provisions of Article 17.2 by Special Resolution as therein specified, shall be at the disposal of the Company and the Directors may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no Shares shall be issued at a discount and provided further 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 thereof than the terms on which they were offered to the Shareholders, or at a discount. No Share shall be issued more than 3 months after the end of the period for the acceptance of the last offer made under Article 17.1 unless the procedure in Article 9.1 and this Article 9.3 is repeated in relation to that Share.
- 17.4 The discretion of the Directors contained in this Article 17 as to the allotment and disposal of and the granting of any option over the Shares shall in any event be subject to the provisions of any agreement relating thereto binding on the Company from time to time and any directions contained in any resolution creating such Shares.

In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act).

## **DECISION MAKING BY SHAREHOLDERS**

### **18. QUORUM FOR GENERAL MEETINGS**

- 18.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be such person or persons present in person or by proxy, who own more than 50% of the share capital in the Company between them.
- 18.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

### **19. VOTING**

At a general meeting, voting shall be by poll vote. On a poll every Ordinary Shareholder present in person or by proxy shall have one vote for each Ordinary Share of which he is the Holder;



and on a vote on a written resolution every Ordinary Shareholder has one vote for each Ordinary Share of which he is the Holder.

## **20. POLL VOTES**

- 20.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 20.2 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

## **21. PROXIES**

- 21.1 Model Article 45(1)(d) shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".
- 21.2 Model Article 45(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

## **ADMINISTRATIVE ARRANGEMENTS**

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

- 22.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
  - 22.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - 22.1.2 if sent by pre-paid United Kingdom first class post or another next working day delivery service to an address in the United Kingdom, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service; or
  - 22.1.3 if deemed receipt under the previous paragraphs of this Article 22.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 22.2 To prove service, it is sufficient to prove that:
  - 22.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
  - 22.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
  - 22.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
  - 22.2.4 if sent by email, the notice was properly addressed and sent to the e-mail address of the recipient.

## **23. INDEMNITY AND INSURANCE**

23.1 Subject to Article 23.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

23.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),

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

23.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 23.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

23.2 This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law and any such indemnity is limited accordingly.

23.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

23.4 In this article:

23.4.1 a "relevant officer" means any director or other officer [or former director or other officer] of the Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the CA 2006), but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and

23.4.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.