

Company Number: 05410293

WRITTEN RESOLUTION

of

STONEBOND PROPERTIES LIMITED

(the Company)

CIRCULATION DATE:

We, being the members of the Company who at the date of these resolutions are entitled to attend and vote at general meetings of the Company, **RESOLVE** pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following resolutions shall take effect as if the first resolution had been passed as an ordinary resolution at such a meeting and the second resolution had been passed as a special resolution at such a meeting:

ORDINARY RESOLUTION

1. **THAT**, a new class of ordinary shares of £0.10 each in the capital of the Company be created having the rights set out in the New Articles (as defined below) (the **"Growth Shares"**).
2. **THAT**, the 850 ordinary shares of £1.00 each in the issued share capital of the Company be sub-divided into 8,500 ordinary shares of £0.10 each, such shares having the rights and restrictions set out in the New Articles (as defined below).

SPECIAL RESOLUTION

3. **THAT** the draft articles of association attached to this resolution and marked "A" for identification purposes only be adopted as the articles of association of the Company (the **"New Articles"**) in substitution for, and to the exclusion of, the existing articles of association of the Company.

These resolutions may be executed in any number of counterparts with the same effect as if the signatures to each such counterpart were upon the same instrument.



AGREEMENT

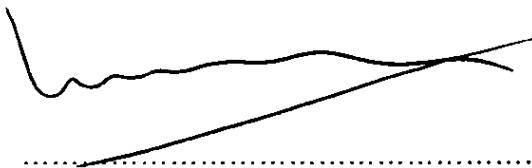
Please read the notes at the end of this document before signifying your agreement to the Resolutions.

The undersigned, being persons entitled to vote on the above Resolutions on the date on which the Resolutions were circulated, hereby irrevocably agree to the Resolutions:


.....

RICHARD CHERRY

Date: 4 May 2017.....


.....

GRAHAM CHERRY

Date: 5 May 2017.....

NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning the signed version either by hand or by post to Laura Melody at Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD.
2. If you do not agree to the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
4. If your agreement to pass the Resolutions is not given by the end of 28 days beginning with the circulation date stated on page 1, the Resolution will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.

STONEBOND PROPERTIES LIMITED

ARTICLES OF ASSOCIATION

(adopted by special resolution on *5 May* 2017)

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Company no. 05410293

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
STONEBOND PROPERTIES LIMITED

(adopted by special resolution passed on *15 May* 2017)

Introduction

1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

Act: means the Companies Act 2006;

Alphabet Shares: means the B Shares and such other fixed coupon shares as may from time to time be issued by the Company and designated by the letter A, B, C, D etc.;

appointor: has the meaning given in article 12.1;

Articles: means the company's articles of association for the time being in force;

B Shares: the B shares of £1.00 each in the capital of the Company having the rights conferred on such shares under the provisions of these Articles;

Bad Leaver: a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he or she is not a Good Leaver;

Business: the construction and development of residential property;

business day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Buyer: has the meaning ascribed to it in Article 25.2.1;

Called Shareholder: has the meaning ascribed to it in Article 24.1;

Called Shares: has the meaning ascribed to it in Article 24.2.1;

Compulsory Employee Transfer: a deemed transfer in accordance with Article 23.4;

Compulsory Transfer Notice: means a notice in writing deemed to have been served to the Company by a Shareholder in accordance with Article 23, specifying that all of the Shares held by that Shareholder shall be transferred at the Compulsory Transfer Price;

Compulsory Transfer Price: the price per Sale Share determined in accordance with Article 23.7 ;

Conflict: has the meaning given in Article 7.1;

Consideration: the aggregate consideration received in respect of a Share Sale and includes, without limitation, cash, shares, securities, debt instruments and any deferred or contingent consideration and, if the Consideration is not all in the form of cash paid at completion of the Share Sale then the non-cash, deferred or contingent part will be valued at its fair value pursuant to Article 26;

Controlling Interest: an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

eligible director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

Departing Employee Shareholder: an Employee Shareholder who ceases to be a director or employee of the Company and who does not continue as, or become, a director or employee of another member of the same group;

Directors: the directors of the Company;

Disposal: the disposal by the Company of all, or a substantial part of, its business and assets;

Distribution: any return of capital to Shareholders whether on a liquidation or otherwise in respect of Shares or any dividend or other distribution paid or made on Shares (whether such dividend or distribution is of a capital or income nature);

Drag Along Notice: a notice served in accordance with Article 24.2;

Drag Along Right: the drag along right set out in Article 24.1;

Employee Shareholder: a Shareholder who is, or has been, a director and/or an employee of the Company and each Permitted Transferee of any such Shareholder;

Encumbrance: a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, other encumbrance or security interest of any kind, or another type of agreement or arrangement having similar effect;

Expert: an independent valuer appointed in accordance with Article 26.2.1;

Fair Value: the Fair Value shall be the open market value per Sale Share as determined by an Expert on the following bases and assumptions:

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Compulsory Transfer Notice was deemed served;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares have the rights conferred on those Shares under these Articles; and
- (d) reflecting any other factors which the Expert considers should be taken into account,

and if any difficulty arises in applying any of these assumptions or bases then the Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit;

Good Leaver: an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity through ill-health;
- (c) *retirement at normal retirement age;*
- (d) ceasing to be employed by any member of the same group as the Company as a result of any such member ceasing to be part of the same group as the Company;
- (e) dismissal by the Company which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be unfair unless dismissal is determined as being substantially fair and is only unfair on procedural grounds; or
- (f) such circumstances that would result in the board reasonably concluding that the departing employee is a Good Leaver.

Growth Shares: the shares of £0.10 each in the capital of the Company designated as Growth Shares and having the rights conferred on such shares under the provisions of these Articles;

holding company: has the meaning given in section 1159 of the Act;

Interested Director: has the meaning given to it in Article 7.1;

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

Listed Share: has the meaning ascribed in Article 18.3.1;

Liquidity Event: a Share Sale, a Listing or a Distribution;

Liquidity Event Value:

- (a) in the event of a Share Sale, the Consideration in respect of such Share Sale;
- (b) in the event of a Distribution, the Proceeds in respect of such Distribution; and
- (c) in the event of a Listing, the aggregate Value of the Listed Shares;

member of the same group: in relation to any company, a company which is for the time being a parent undertaking of that company or a subsidiary undertaking of that company or of any such parent undertaking;

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (S/ 2008/3229) as amended prior to the date of adoption of these Articles;

Ordinary Majority: the holders of a majority in voting strength of the Ordinary Shares and the Participating Shares and **Ordinary Majority Approval** means approval in writing signed by an Ordinary Majority;

Ordinary Shares: the ordinary shares of £0.10 each in the capital of the Company having the rights conferred on such shares under the provisions of these Articles;

Participating Shares: shares of £1.00 each in the capital of the Company having the rights conferred on such shares under the provisions of these Articles, which shares when issued by the Company shall be designated so as to identify their date of issue and hence premium paid thereon by the letter A, B, C, D and E etc.;

Proceeds: the aggregate amounts available for distribution to the Shareholders from time to time, including (without limitation) cash, shares, securities, debt instruments and any deferred or contingent consideration provided that, if the Proceeds are not all in the form of cash paid upon the Distribution then the non-cash, deferred or contingent part will be valued at its fair pursuant to Article 26;

Proposed Buyer: has the meaning ascribed to it in Article 24.1;

Relevant Percentage: the aggregate percentage participation of each of the classes of issued Participating Shares in any Proceeds or Consideration, which percentage shall be determined by the board of Directors prior to and in respect of each issue of Participating Shares (and designated in the Special Resolution that shall authorise the issue of such shares);

Selling Shareholder: has the meaning ascribed to it in Article 24.1;

Shareholders: the holders of Shares from time to time;

Sale Shares: those Shares being the subject of a Compulsory Transfer Notice;

Share Sale: 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 him together acquiring a Controlling Interest;

Shares: shares (of any class) in the capital of the Company and **Share** shall be construed accordingly;

Tag Along Notice: a tag along notice served in accordance with Article 25.1;

Termination Date:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee Shareholder dies, the date of his or her death;
- (d) where the Employee Shareholder concerned is a director but not an employee of the Company or member of the same group as the Company, the date on which his service agreement (or other terms of appointment) with the relevant member of the same group of the Company is terminated; and
- (e) in any other case, the date on which the employment or holding of office is terminated;

Threshold Valuation of the Business: £7,000,000 plus an amount equal to the sum paid up or credited as paid up on any Ordinary Shares and Alphabet Shares issued in the Company after the date of adoption of these Articles;

Value: means in relation to a Listing, the value of each Listed Share, being the price per Listed Share at which the Listed Shares are to be sold, placed or offered in the Listing (in the case of an offer for sale other than by tender, being the underwritten price or, in the case of an offer for sale by tender, the strike price under such offer for sale by tender or, in the case of a placing, the price at which Listed Shares are (or are to be) sold under the placing).

- 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 Act shall have the same meanings in these Articles.

- 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 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.9 Article 7 of the Model Articles shall be amended by:
- 1.9.1 the insertion of the words “for the time being” at the end of article 7(2)(a); and
 - 1.9.2 the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors) and the secretary” before the words “properly incur”.
- 1.11 In article 25(2)(c) of the Model Articles, the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words “, subject to article 10,” after the word “But”.
- 1.13 Article 29 of the Model Articles shall be amended by the insertion of the words “, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2),” after the words “the transmittee’s name”.
- 1.14 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words “either” and “or as the directors may otherwise decide”. Article 31(d) of the Model Articles shall be amended by the deletion of the words “either” and “or by such other means as the directors decide”.

Directors

2 UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3 CALLING A DIRECTORS' MEETING

Any director may call a directors' meeting by giving at least seven business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

4 QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 4.3 If and for so long as the Company only has one director, one director shall constitute a quorum.

5 CASTING VOTE

The directors may appoint a chairman. The chairman shall not have a casting vote.

6 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- 6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;

- 6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.1.4 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;
- 6.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, anybody corporate in which the company is otherwise (directly or indirectly) interested; and
- 6.1.6 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 Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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 Act.

7 DIRECTORS' CONFLICTS OF INTEREST

- 7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this article 7 will be effective only if:
 - 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this Article 7 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 shall or shall 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 directors 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 directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 7.5 The directors 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 directors or by the company in general meeting (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.

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 permanent form, so that they may be read with the naked eye.

9 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

10 APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

11 TERMINATION OF A DIRECTOR'S APPOINTMENT

11.1 A person ceases to be a director as soon as:

11.1.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;

11.1.2 a bankruptcy order is made against that person;

11.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

11.1.4 that person is, or may be, suffering from mental disorder and either:

(a) he is admitted to hospital in pursuance of an application for admission for treatment under mental health legislation for the time being in force in any part of the United Kingdom; or

(b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or which wholly or partly prevents that person from personally exercising any powers or rights which that person otherwise would have;

11.1.5 that person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors make a decision to vacate that person's office;

11.1.6 notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

12 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

12.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- 12.1.1 exercise that director's powers; and
 - 12.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 12.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
 - 12.3 The notice must:
 - 12.3.1 identify the proposed alternate; and
 - 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

13 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 13.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.
- 13.2 Except as the Articles specify otherwise, alternate directors:
 - 13.2.1 are deemed for all purposes to be directors;
 - 13.2.2 are liable for their own acts and omissions;
 - 13.2.3 are subject to the same restrictions as their appointors; and
 - 13.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.
- 13.3 A person who is an alternate director but not a director:
 - 13.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
 - 13.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
 - 13.3.3 shall not be counted as more than one director for the purposes of Articles 13.3.1 and 13.3.2.
- 13.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any

decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

- 13.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

14 TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates:

- 14.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;
- 14.1.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 14.1.3 on the death of the alternate's appointor; or
- 14.1.4 when the alternate's appointor's appointment as a director terminates.

15 SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

Shares and distributions

16 SHARE CAPITAL

The issued share capital of the Company at the date of adoption of these Articles is:

- 16.1.1 8,500 Ordinary Shares;
- 16.1.2 3,540 B Shares; and
- 16.1.3 740 Growth Shares.

17 RETURN ON ALPHABET SHARES

B Shares, and unless otherwise determined at the point of issue, each of the other classes of Alphabet Shares shall be entitled to a fixed cumulative non-participating dividend of 0.01% of the amount paid up, or credited as paid up on the Alphabet Shares, including any premium thereon.

18 PROCEEDS OF A DISTRIBUTION, FULL SHARE SALE AND LISTING

18.1 Distribution

18.1.1 On a Distribution, the Proceeds shall be allocated as between Shareholders as follows:

- (a) to the holders of the Alphabet Shares, payment of arrears (if any) in respect of the fixed rate dividend payable on the Alphabet Shares;
- (b) as to the Relevant Percentage of the Proceeds to the holders of the Participating Shares pro rata to their respective holdings;
- (c) the balance of such Proceeds shall be distributed to the holders of the Alphabet Shares in the order designated in the terms of issue, up to the amount paid up or credited as paid up on the Alphabet Shares including any premium;
- (d) thereafter Proceeds shall be distributed to the holders of the Ordinary Shares pro rata to their respective holdings until the aggregate Proceeds so distributed amount to the Threshold Valuation of the Business;
- (e) thereafter Proceeds shall be distributed as to A% to the holders of the Growth Shares and as to B% to the holders of the Ordinary Shares, in each case pro rata to their respective holdings. A% shall be calculated by applying the formula;

$$\frac{X}{Y} \times 15\%$$

where

X = Number of Growth Shares in issue at time of distribution

Y = 1,500 (being the maximum number of Growth Shares that may be issued)

and B% shall be calculated by deducting A% from 100%.

18.2 Share Sale

On a Share Sale, the Consideration shall be allocated as between the Shareholders as follows:

- 18.2.1 to the holders of the Alphabet Shares, payment of arrears (if any) in respect of the fixed rate dividend payable on the Alphabet Shares;
- 18.2.2 as to the Relevant Percentage of the Consideration to the holders of the Participating Shares pro rata to their respective holdings;

- 18.2.3 the balance of such Consideration shall be attributed and paid to the holders of the Alphabet Shares, in the order designated in the terms of issue, up to the amount paid up or credited as paid up on the Alphabet Shares including any premium;
- 18.2.4 thereafter the Consideration shall be distributed to the holders of the Ordinary Shares pro rata to their respective holdings until the aggregate of the Consideration and of any Proceeds distributed to the holders of the Alphabet Shares and the Ordinary Shares pursuant to Article 18.1.1(a) and 18.1.1(d) shall amount to the Threshold Valuation of the Business; and
- 18.2.5 thereafter the Consideration shall be attributed as to A% to the holders of the Growth Shares and as to B% to the holders of the Ordinary Shares, in each case pro rata to their respective holdings. A% shall be calculated by applying the formula;

$$\frac{X}{Y} \times 15\%$$

X = Number of Growth Shares in issue at time of distribution

Y = 1,500 (being the maximum number of Growth Shares that may be issued)

and B% shall be calculated by deducting A% from 100%.

18.3 Listing

- 18.3.1 Immediately prior to a Listing, all of the Shares then in issue in the Company shall be converted into (including, to the extent necessary, by way of consolidation and/or sub-division) and re-designated as, or exchanged (directly or indirectly) for shares of the same class and having the same nominal value as the shares to be offered in the Company or new holding company whose shares are to be listed (each such share arising on such conversion, re-designation or exchange being a **Listed Share** and together the **Listed Shares**) and such Listed Shares shall be allocated amongst the Shareholders in accordance with Article 18.3.2.
- 18.3.2 The Listed Shares shall be allocated as between the Shareholders so that the aggregate Value of Listed Shares allocated to each Shareholder shall be equal to the amount of Consideration that such Shareholder would have received if the total Value had been allocated as Consideration on a Share Sale pursuant to Article 18.2.

19 VARIATION OF CLASS RIGHTS

Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a

winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class.

20 CONSOLIDATION OF SHARES

20.1 This Article 20 applies in circumstances where:

20.1.1 there has been a consolidation of Shares; and

20.1.2 as a result, Shareholders are entitled to fractions of Shares.

20.2 The directors may:

20.2.1 sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable; and

20.2.2 authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser.

20.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that Shareholder's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.

20.4 A person to whom Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.

20.5 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.

21 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

21.1 Save to the extent authorised by these Articles, the Directors shall not, save with the unanimous consent of all of the holders of the Ordinary Shares, the Alphabet Shares and the Participating Shares, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

21.2 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 561(1) of the Act) made by the Company.

22 TRANSFERS OF SHARES: GENERAL

22.1 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.

22.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles or with the unanimous

consent of the holders of the Ordinary Shares, the Alphabet Shares and the Participating Shares.

- 22.3 Without limiting the provisions of the Articles, any transfer of Ordinary Shares, Alphabet Shares or Participating Shares shall be made only in accordance with any written agreement between such Shareholders of which the Company has notice. The Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

23 **COMPULSORY TRANSFERS**

- 23.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Compulsory Transfer Notice in respect of that Share, and / or each class of Shares held by him, at such time as the Directors may determine.
- 23.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Compulsory Transfer Notice in respect of each class of Shares held by it at such time as the Directors may determine.
- 23.3 If a holder of Growth Shares fails to respond properly to a Further Enquiry served under the provisions of Article 27.2, he may be deemed by the Directors pursuant to that Article to have served a Compulsory Transfer Notice in respect of each class of Shares held by him.
- 23.4 If a holder of Growth Shares becomes a Departing Employee Shareholder, the Directors may, within six months of the relevant Termination Date, resolve that the Departing Employee Shareholder (which, for the avoidance of doubt, shall include any Permitted Transferees of the Departing Employee Shareholder) be deemed, upon the date of such resolution, to have served a Compulsory Transfer Notice in respect of all the Growth Shares held by that Departing Employee Shareholder (a **Compulsory Employee Transfer**).
- 23.5 The Compulsory Transfer Notice shall constitute the Company as such Shareholder's agent for the sale of the Sale Shares (together with all rights attached thereto at the date of deemed receipt of the Compulsory Transfer Notice).
- 23.6 A Compulsory Transfer Notice may not relate to more than one class of Shares and once a Compulsory Transfer Notice has been deemed to be served under Articles 23.1 to 23.4, it shall be revocable only with the prior consent in writing of the board of Directors.
- 23.7 Notwithstanding any other provisions of these Articles, in the circumstances set out in Articles 23.1 to 23.4 the Compulsory Transfer Price shall be:

- 23.7.1 on a Compulsory Employee Transfer where the Departing Employee Shareholder is a Bad Leaver, the Compulsory Transfer Price shall be the lower of the aggregate Issue Price of such Sale Shares and the Fair Value of such Sale Shares; and
- 23.7.2 in any other case, the Compulsory Transfer Price shall be the Fair Value of such Sale Shares.
- 23.8 Forthwith upon a Compulsory Transfer Notice being deemed to be served under Articles 23.1 to 23.4 the Shares subject to the relevant Compulsory Transfer Notice shall cease to confer on the holder of them any rights:
- 23.8.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise) including in respect of any resolution of any class of Shares; or
- 23.8.2 to receive dividends or other distributions otherwise attaching to those Shares.
- 23.9 The Directors shall, as soon as practicable following the determination of the Fair Value, by a notice in writing to the holders of the Ordinary Shares, the holders of the Alphabet Shares and the holders of the Participating Shares, offer to sell the Sale Shares to such holders of the Ordinary Shares, the Alphabet Shares and the Participating Shares at the Compulsory Transfer Price pro rata to their existing holding in the Ordinary Shares, the Alphabet Shares and / or the Participating Shares (the **Offer**), or shall otherwise deal with the Sale Shares as they shall see fit.
- 23.10 In the event that an Offer is made by the Directors, the holders of the Ordinary Shares, Alphabet Shares or Participating Shares shall be required to state in writing within 15 Business Days (the **Offer Period**) whether or not they are willing to purchase any, and if so, what number of Sale Shares at the Compulsory Transfer Price. At the expiration of the Offer Period the Directors shall allocate the Sale Shares comprised in the Compulsory Transfer Notice to such holders of Ordinary Shares, Alphabet Shares or Participating Shares who have notified their willingness to purchase as aforesaid and in the event of competition in proportion (as nearly as may be and without increasing the numbers sold to any such member beyond the number applied for) to their existing holding.

24 **DRAG ALONG**

- 24.1 If an Ordinary Majority (the **Selling Shareholders**) wish to transfer in aggregate more than fifty per cent of the Ordinary Shares (as if the Ordinary Shares and the Participating Shares were one class) to a bona fide purchaser on arm's-length terms (the **Proposed Buyer**), the Selling Shareholders shall have the option to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 24 (the "**Drag Along Right**").

- 24.2 The Selling Shareholder may exercise the Drag Along Right by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Selling Shareholders' Shares, to each Called Shareholder. A Drag Along Notice shall specify:
- 24.2.1 that the Called Shareholders are required to transfer all of their Shares (**Called Shares**) pursuant to this Article 24;
 - 24.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - 24.2.3 the Consideration payable for the Called Shares calculated in accordance with Articles 18.2 and 26; and
 - 24.2.4 the proposed date of completion of transfer of the Called Shares (**Drag Completion**).
- 24.3 Once given, a Drag Along Notice may not be revoked. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholder has not completed the transfer of all the Selling Shareholders' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 24.4 The Consideration for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total Consideration (net of a pro rata proportion of all sales costs) proposed to be paid by the Proposed Buyer for all Shares were distributed to the holders of Shares in accordance with the provisions of Article 18.2.
- 24.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 24.
- 24.6 Drag Completion shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Seller's Shares unless:
- 24.6.1 the Selling Shareholder and the Called Shareholders otherwise agree; or
 - 24.6.2 that date is less than ten Business Days after the date of service of the Drag Along Notice, in which case Drag Completion shall take place ten Business Days after the date of service of the Drag Along Notice.
- 24.7 Within ten Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver to the Company:
- 24.7.1 stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct);
 - 24.7.2 the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof);

- 24.7.3 a duly executed sale agreement or form of acceptance in a form agreed by the Selling Shareholders under which the Called Shareholders will (unless otherwise agreed by such Called Shareholder) provide warranties with respect to its title to, and ownership of, the relevant Shares, its capacity to enter into the sale agreement and such reasonable commercial warranties and protective covenants as are commensurate with those warranties and protective covenants that will be provided by the Selling Shareholders, and will transfer on completion the legal and beneficial title to its Shares to the Proposed Buyer free from all Encumbrances and with full title guarantee.
- 24.8 On Drag Completion (or so soon thereafter as the amounts have been determined under Article 26), the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 24.4 to the extent the Proposed Buyer has put the Company in requisite funds. The Company's receipt for the amounts due pursuant to Article 24.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 24.4 on trust for the Called Shareholders without any obligation to pay interest.
- 24.9 To the extent that the Proposed Buyer has not, on the expiration of the day of Drag Completion, put the Company in funds to pay the amounts due pursuant to Article 24.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 24 in respect of their Shares.
- 24.10 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this Article 24.
- 24.11 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 24 shall apply mutatis mutandis to the New

Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.

- 24.12 Any Compulsory Transfer Notice deemed to have been served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

25 TAG ALONG

- 25.1 Save where Shares are to be transferred pursuant to Articles 23 (*Compulsory Transfers*) and 24 (*Drag Along*) no transfer of Shares in the Company comprising (whether by one transfer or a series of transfers) in aggregate more than fifty per cent of the Ordinary Shares and the Participating Shares (as if the Ordinary Shares and the Participating Shares were one class) may be made or validly registered unless the relevant shareholders (the **Selling Shareholders**) has observed the procedure set out in this Article 25.

- 25.2 The Selling Shareholders shall give each Shareholder at least five Business Days' notice in advance of the proposed sale (a **Tag Along Notice**). The Tag Along Notice shall specify:

25.2.1 the identity of the proposed purchaser (**Buyer**);

25.2.2 the Consideration that the Buyer proposes to pay;

25.2.3 the manner in which the Consideration is to be paid; and

25.2.4 the number of Shares that each Selling Shareholder proposes to sell.

- 25.3 Each Shareholder shall, within ten Business Days following receipt of the Tag Along Notice, notify the Selling Shareholders whether he wants to sell his Shares based upon the amount of the Consideration set out in the Tag Along Notice. Such notification shall be made by delivering a written counter-notice to the Selling Shareholders and the Company. The entitlement of a Shareholder under this procedure shall be to sell all, but not some only, of his Shares.

- 25.4 Any Shareholder that does not send a counter-notice within that ten Business Day period specified in Article 25.3 shall be deemed to have specified that they do not want to sell any Shares.

- 25.5 After the expiry of ten Business Days from the date that the Shareholders receive the Tag Along Notice, the Selling Shareholders shall be entitled to sell to the Buyer (on the terms notified to the Shareholders) a number of Shares not exceeding the number specified in the Tag Along Notice, provided that the Buyer (or another person) buys simultaneously from the Shareholders the number of Shares that they have respectively indicated they want to sell for the applicable price per share calculated in accordance with article 18.2 and otherwise on terms no less favourable than those obtained by the Selling Shareholders from the Buyer.

26 VALUATION

26.1 Liquidity Event

- 26.1.1 At least 10 Business Days prior to a Liquidity Event (or, if later in the case of a potential Share Sale, Listing or Distribution, as soon as practicable after it becomes aware of the real possibility thereof) the Directors shall estimate the likely date of such Liquidity Event and procure that the calculations of the relevant Liquidity Event Value and the determination of the apportionment of the same amongst the holders of the Ordinary Shares, the Alphabet Shares, the Participating Shares and the Growth Shares in accordance with the provisions of Article 18 are carried out, and shall circulate a copy of the same to the Shareholders. The Directors shall use all reasonable endeavours to reach agreement with the Shareholders in respect of such calculations within five Business Days of the circulation of the same. For the purposes of reaching agreement with the holders of the Growth Shares in respect of any such calculations, it shall be sufficient that the Directors reach agreement with the holder or holders of a majority of the holders of the Growth Shares, and all of the holders of Growth Shares shall be bound by such agreement. Failing such agreement, the Directors shall procure that the calculation thereof is referred for determination by an Expert pursuant to Article 26.2.
- 26.1.2 If the Liquidity Event shall not occur on the date as at which or on the terms on which the said calculations were made, the procedures set out in this Article 26.1 shall be repeated (if the Liquidity Event is still likely to occur) by reference to the next date on which the Directors estimates the Liquidity Event is likely to occur and/or by the reference to the actual date and terms concerned, as appropriate.
- 26.1.3 If the Liquidity Event is (a) a Share Sale and the Consideration is not all in the form of cash paid at completion of the Share Sale; or (b) a Distribution and the Proceeds are not all in the form of cash, then the non-cash, deferred or contingent part will be valued at its fair value, such fair value to be agreed between the Shareholders or, in default of agreement within five Business Days, shall be determined by and Expert in accordance with Article 26.2.

26.2 Expert Determination

- 26.2.1 A reference under this Article to an **Expert** shall mean the auditors for the time being of the Company or if they shall be unable or unwilling to act or if any Shareholder disagrees, or the holder or holders of a majority of the Growth Shares disagree, (acting reasonably) with the appointment of the auditors for the time being of the Company as Expert, to a firm of accountants of international repute selected by the President of the Institute of Chartered Accountants of England and Wales.

- 26.2.2 The Expert shall act as an expert and not as an arbitrator and its certificate shall (in the absence of fraud or manifest error) be final and binding on all Shareholders, each of whom shall be sent a copy as soon as practicable following its issue.
- 26.2.3 Any such certificate of the Expert shall be obtained at the expense of the Company.
- 26.2.4 The Directors will give the Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.

27 ENQUIRIES

- 27.1 For the purpose of ensuring that a transfer of Shares is to be made or that no circumstances have arisen whereby a transfer has been made other than in accordance with the provisions of these Articles or to ascertain the holder of the beneficial interest in any of the Shares, the Directors may from time to time by notice in writing (an **Enquiry**) require any Shareholder or any person named as transferee in any transfer lodged for registration (a **Recipient**) to furnish to the Company such information as evidence (written or otherwise) to the Directors' reasonable satisfaction regarding any matter which they may reasonably deem relevant to such purpose.
- 27.2 If the Directors do not receive information or evidence which in their reasonable opinion satisfies the requirements of the Enquiry within a reasonable period specified in the Enquiry (not being less than 2 weeks) from the date of the Enquiry, the Directors may serve on the Recipient a further notice (a **Further Enquiry**) which shall:
 - 27.2.1 specify in reasonable detail the information and evidence required by the Directors to satisfy the Enquiry, and
 - 27.2.2 specify a time limit (not being less than 7 Business Days) within which such information and evidence must be provided to the Directors, and
 - 27.2.3 notify the Recipient that failure to provide the information and evidence to the reasonable satisfaction of the Directors may result in a Compulsory Transfer Notice having been deemed to have been served in respect of all of such Shares.
- 27.3 If any Recipient shall fail to respond to any Enquiry and Further Enquiry to the reasonable satisfaction of the Directors then the Directors may, in their absolute discretion, and without giving any reason therefor, refuse to register any proposed transfer of any Share(s) to such Recipient. If the Directors acting reasonably believes that Shares have been transferred to the Recipient, other than in accordance with the provisions of these Articles, the Directors may authorise any Director to execute, complete and deliver as agent for and on behalf of that Recipient:
 - 27.3.1 duly executed stock transfer form(s) in respect of the relevant Share(s);

- 27.3.2 the relevant share certificate(s) (or an indemnity in respect thereof in a form satisfactory to the Directors); and
- 27.3.3 if so required by the Directors, a duly executed short form sale and purchase agreement in a form agreed with the Directors under which the Recipient will transfer the legal and beneficial title to the relevant Share(s) back to the transferor for a nominal price free from all Encumbrances and with full title guarantee only.
- 27.4 Subject to due stamping, the Directors shall authorise registration of the transfer(s), after which the validity of such transfer(s) shall not be questioned by any person.

Decision making by shareholders

28 QUORUM FOR GENERAL MEETINGS

- 28.1 If and for so long as the Company has one Shareholder only, one Shareholder entitled to vote on the business to be transacted, who is present at a general meeting in person or by one or more proxies or, in the event that the Shareholder is a corporation, by one or more corporate representatives, is a quorum.
- 28.2 If and for so long as the Company has two or more Shareholders, two holders of Ordinary Shares or Participating Shares, each of whom is entitled to vote on the business to be transacted and is present at a general meeting in person or by one or more proxies or, in the event that any Shareholder present is a corporation, by one or more corporate representatives, are a quorum.
- 28.3 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.
- 28.4 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it. If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved.

29 CHAIRING GENERAL MEETINGS

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

30 VOTING

- 30.1 At a general meeting, on a show of hands every holder of Ordinary Shares, Participating Shares and Growth Shares who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote.

30.2 On a poll:

30.2.1 each holder of Growth Shares shall in his capacity as such, have in aggregate such number of votes as represents 5 per cent of the votes which may be cast (whether or not in fact cast) in respect of the shares in the Company irrespective of how many Growth Shares he holds provided that the aggregate maximum percentage of votes that may be cast by the holders of Growth Shares shall not exceed 20 per cent and where such 20 per cent limit would be exceeded, the votes held by each holder of Growth Shares shall be scaled back pro rata; and

30.2.2 having provided for the votes conferred by Article 30.2.1, every holder of Ordinary Shares and Participating Shares present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every such shareholder shall have one vote for each share of which he is the holder.

31 POLL VOTES

31.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

31.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

32 PROXIES

32.1 Article 45(1)(d) of the Model Articles 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 the general meeting (or adjourned meeting) to which they relate".

32.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

Administrative arrangements

33 MEANS OF COMMUNICATION TO BE USED

33.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

33.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the

United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- 33.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 33.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 33.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a business day.

- 33.2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

34 INDEMNITY

- 34.1 Without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 34.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including 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 (or any associated company's) affairs; and
 - 34.1.2 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 18(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 34.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 34.3 In this article:

- 34.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 34.3.2 a “relevant officer” means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

35 **INSURANCE**

35.1 *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.*

35.2 In this article:

- 35.2.1 a “relevant officer” means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);
- 35.2.2 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, any associated company or any pension fund or employees’ share scheme of the company or associated company; and

companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.