

Company number 09730803

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

1 CR2 LTD (Company)

1 April 2016

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**the Act**), the directors of the Company propose that resolutions 1 and 2 are passed as special resolutions and resolution 3 is passed as an ordinary resolutions (**Resolutions**)

ORDINARY RESOLUTION: SUB-DIVISION OF ORDINARY SHARES

- 1 **THAT** pursuant to s618 of the Act, the existing share capital of the Company (being 1 share with a nominal value of £1 00) be sub-divided into 100 ordinary shares with a nominal value of £0 01 per share

SPECIAL RESOLUTIONS: NEW ARTICLES

- 2 **THAT** the articles of association of the Company (**Current Articles**) be amended by adopting the new articles of association (**New Articles**) annexed in the Schedule to this written special resolution. The New Articles will come into force immediately that this special resolution is passed

ORDINARY RESOLUTION: AUTHORITY TO ALLOT

- 3 **THAT**, in accordance with section 551 of the Companies Act 2006 (**CA 2006**), the directors of the Company (or a duly constituted committee of the directors) (**Directors**) be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £39 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 1 April 2017 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities

SPECIAL RESOLUTION: DISAPPLICATION OF PRE-EMPTION RIGHTS

- 4 **THAT**, subject to the passing of resolution 3 and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 2, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall



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- a be limited to the allotment of equity securities up to an aggregate nominal amount of £39, and
- b expire on 1 April 2017 (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired

AGREEMENT

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

The undersigned, the sole member of the Company entitled to vote on the Resolutions on 1 April 2016, hereby irrevocably agrees to the Resolutions

Signed by Habib Datoo



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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 Lower Ground Floor Stoneham House, 17 Scarbrook Road, Croydon, CR0 1SQ marked for the attention of **Habib Datto**

You may not return the Resolutions to the Company by any other method

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

2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement

3 Unless, by 31 June 2016 sufficient agreement has been received for the Resolutions to pass, they will lapse If you agree to the Resolutions, please ensure that your agreement reaches us before or on this date

Company Number 09730803

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
1 CR2 LTD
(Adopted by written resolution dated 1 April 2016)**

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
1 CR2 LTD



(Adopted by written resolution dated 1 April 2016)

INTRODUCTION

1 INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles

Act: the Companies Act 2006

Adoption Date: the date of adoption of these Articles

Articles: the Company's articles of association for the time being in force

Available Profits: profits available for distribution within the meaning of part 23 of the Act

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business

Chairman: means the chairman of the board of directors of the Company,

Company: means **1 CR2 LTD** (Company number 09730803)

Company's Lien: has the meaning given to it in *article 17 1*

connected: has the meaning given in section 252 of the Act

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles

Directors: the directors of the Company from time to time

Fair Value: has the meaning given in *article 14 2*

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

First Offer Shareholders: the holders of Shares other than the Seller

Group: the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company** shall be construed accordingly

holding company: has the meaning given in *article 1 10*

Independent Expert: the auditors for the time being of the Company or, if they decline the instruction, 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 within 10 Business Days of the expiry of the 20 Business Day period referred to in *article 14 1*, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator)

Lien Enforcement Notice: means a notice in writing which complies with the requirements of *article 18 2*

Member of the Same Group: as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the Adoption Date

Original Shareholder: a holder of Shares as at 1 July 2016

Permitted Transfer: a transfer of Shares made in accordance with *article 12*

Permitted Transferee. in relation to

(a) a holder of Shares who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust, and

(b) a holder of Shares which is a company, a Member of the Same Group as that company

Privileged Relation: in relation to a holder of Shares who is an individual (or a deceased or former holder of Shares who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue)

Relevant Securities: any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date

Restricted Shares. has the meaning given in *article 15 3*

Sale Shares: has the meaning given in *article 13 2(a)*

Second Offer Shareholders: the holders of Shares other than the Seller

Seller: has the meaning given in *article 13 2*

Shareholder: a holder for the time being of any Share

Shares: the ordinary shares of £0 01 each in the capital of the Company and **Share** shall be construed accordingly

subsidiary: has the meaning given in *article 1 10*

Transfer Notice: has the meaning given in *article 13 2*

Transfer Price: has the meaning given in *article 14*

Writing or written: 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, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax)

1 2 Headings in these Articles shall not affect the interpretation of these Articles

1 3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular

1 4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders

1 5 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 (but excluding any statutory modification of them not in force on the Adoption Date)

- 1 6 A reference in these Articles to:
- (a) an **Article** is a reference to the relevant numbered article of these Articles, and
 - (b) a **model article** is a reference to the relevant article,
- unless expressly provided otherwise
- 1 7 A reference to a statute or statutory provision is a reference to it as it is in force on the Adoption Date. A reference to a statute or statutory provision shall include all subordinate legislation made as at the Adoption Date 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
- 1 10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act

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 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 18(e), 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company
- 2 3 Model article 29 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"

OVERIDING PURPOSE

3 **PURPOSE OF THE COMPANY**

- 3 1 The purpose of this Company is acquire, develop/redevelop and dispose of certain freehold and leasehold properties in the Croydon area of London from the Adoption Date until 31 August 2019
- 3 2 The properties acquired will be with the purpose of strategic development of the Croydon area of London in which the Shareholders of the Company have an interest

DIRECTORS

4. **NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two

5 **POWERS OF DIRECTORS**

- 5 1 The business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the directors by these articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors

- 5.2 The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers

6. PROCEEDINGS OF DIRECTORS

- 6.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or may take the form of a resolution in writing, where each Director has signed one or more copies of it
- 6.2 Meetings of the Directors shall take place at least every quarter of the year. Any Director may call a meeting of the Directors. At least 1 Business Days' advance notice of each such meeting shall be given to each Director. The Directors may agree that meetings will take place less frequently or on shorter notice
- 6.3 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Directors in which case, subject to *article 6.4*, the quorum for such meeting (or part of the meeting, as the case may be) shall be any two eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, then the meeting may proceed nevertheless
- 6.4 For the purposes of any meeting (or part of a meeting) held pursuant to *article 9* to authorise a Conflict (as defined in *article 9.1*), if there is only one Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one eligible Director
- 6.5 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote
- 6.6 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors

7. APPOINTMENT AND REMOVAL OF DIRECTORS

- 7.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director.
- (a) by ordinary resolution of the holders of the Shares, or
 - (b) by a decision of the directors
- 7.2 In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last holder of a Share to have died has the right, by notice in writing, to appoint a person to be a director

8. 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 Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

- (a) 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,
- (b) shall be an eligible Director for the purposes of any proposed decision of the Directors in respect of such existing or proposed transaction or arrangement in which he is interested,

- (c) shall be entitled to vote at a meeting of Directors or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,
- (d) 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,
- (e) 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
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) 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

9. DIRECTORS' CONFLICTS

- 9.1 The Directors may, in accordance with the requirements set out in this *article 9*, 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**)
- 9.2 Any authorisation under this *article 9* will be effective only if 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
- 9.3 Any authorisation of a Conflict under this *article 9* may (whether at the time of giving the authorisation or subsequently) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- 9.4 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
- 9.5 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in other body corporates and businesses and no authorisation under *article 9.1* shall be necessary in respect of any such interest
- 9.6 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 in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

SHARES AND DISTRIBUTIONS

10. DIVIDENDS

- 10.1 In respect of any Financial Year, the Available Profits of the Company may at the Directors' discretion be used to pay dividends as set out in this *article 10*
- 10.2 The Company may, without need for a resolution of the Company in general meeting and before application of any Available Profits to reserves or for any other purpose, pay in respect

of each Share dividend the amount of which should be determined by the Directors to the person registered as its holder on the due date (such date determined in accordance with this *article 10*)

10 3 Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment

10 4 Each dividend shall be distributed to the appropriate holders of Shares pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up All dividends are expressed net and shall be paid in cash

10 5 The Company may procure that the profits of any other Group Company available for distribution shall from time to time (and to the extent lawful), be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company) to the extent necessary to permit lawful and prompt payment by the Company of the Dividend

11. TRANSFERS OF SHARES: GENERAL

11 1 The Shares shall not be capable of being transferred

11 2 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

11 3 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 Subject to *article 11 6* and 11 7 the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent

11 4 If a holder of a Share transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him

11 5 Any transfer of a Share by way of sale which is required to be made under *article 15* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee

11 6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, require

- (a) any holder (or the legal representatives of a deceased holder), or
- (b) any person named as a transferee in a transfer lodged for registration, or
- (c) such other person as the Directors may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose

11 7 If any such information or evidence referred to in *article 11 6* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and , if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then, unless otherwise directed in writing by the Directors

- (a) the relevant Shares shall cease to confer on the holder of them any rights
 - (i) to vote including in respect of any resolution of any class of Shares,

(ii) to receive dividends or other distributions (other than the amount to which they may be entitled pursuant to the application of *article 10 2*) otherwise attaching to those Shares, and

(b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice)

The Directors may reinstate the rights referred to in *article 11 7(a)* at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to *article 11 7(b)*

11 8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that

(a) it does not contain a Minimum Transfer Condition, and

(b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice)

11 9 Any Transfer Notice (but not an Offer Notice) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice

12. PERMITTED TRANSFERS OF SHARES

12 1 An Original Shareholder may transfer all or any of his or its Shares to a Permitted Transferee

12 2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to

(a) the Original Shareholder,

(b) any Privileged Relation(s) of the Original Shareholder,

(c) subject to *article 12 3*, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor, or

(d) subject to *article 12 3*, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction

12 3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied

(a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s),

(b) with the identity of the proposed trustee(s),

(c) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company

12 4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to

(a) the Original Shareholder, or

(b) a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction if the Permitted Transferee fails to make a transfer in accordance with this *article 12 4*, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 12 4*

12 5 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or
- (b) give a Transfer Notice to the Company in accordance with *article 13*,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 12 5*

12 6 Notwithstanding any other provision of this *article 12*, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors

13. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

13 1 Except where the provisions of *article 12* apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *article 13*

13 2 A Shareholder who wishes to transfer Shares (a Seller) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a Transfer Notice) to the Company specifying

- (a) subject to *article 11 8(b)*, the number of Shares he wishes to transfer (Sale Shares),
- (b) the name of the proposed transferee, if any,
- (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the Proposed Sale Price), and
- (d) subject to *article 11 8(a)*, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a Minimum Transfer Condition)

13 3 Once given, a Transfer Notice may only be withdrawn with the consent of the Directors

13 4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price

13 5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and
- (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 13 3*) offer the Sale Shares for sale in the manner set out in the remaining provisions of this *article 13* at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered

13 6 The Company shall, subject to *article 15*, offer the Sale Shares in the following order of priority

- (a) first, to the other holders of Shares, and
- (b) secondly, to the Company,

in each case on the basis set out in *article 13 7* to *article 13 15* (inclusive)

13 7 The Directors shall offer the Sale Shares in the order of priority referred to in *article 13 6* to the First Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy

13 8 If

- (a) at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all First Offer Shareholders (other than the Seller) Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors) No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
- (b) not all Sale Shares are allocated following allocations in accordance with *article 13 8(a)*, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *article 13 8(a)* The procedure set out in this *article 13 8(b)* shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied, and
- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with *article 13 9*

13 9 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy

13 10 If

- (a) at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second Offer Shareholders (other than the Seller) Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors) No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy,
- (b) not all Initial Surplus Shares are allocated following allocations in accordance with *article 13 10(a)*, but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in *article 13 10(a)* The procedure set out in this *article 13 10(b)* shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied, and

- (c) at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall, subject to *article 13 11*, be offered to any other person in accordance with *article 13 15*
- 13 11 Where the Transfer Notice contains a Minimum Transfer Condition
- (a) any allocation made under *article 13 10* (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition, and
- (b) if the total number of Sale Shares applied for under *article 13 10* (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect
- 13 12 Where either
- (a) the Transfer Notice does not contain a Minimum Transfer Condition, or
- (b) allocations have been made in respect of all the Sale Shares,
- the Directors shall, when no further offers or allocations are required to be made under *article 13 10* (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice)
- 13 13 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice
- 13 14 If the Seller fails to comply with *article 13 13*
- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller
- (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
- (ii) 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
- (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
- (b) 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 has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company
- 13 15 Where a Transfer Notice lapses pursuant to *article 13 11(b)* or an Allocation Notice does not relate to all the Sale Shares, then, subject to *article 13 16*, the Seller may, at any time during the 10 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in

accordance with this *article 13 15* shall continue to be subject to any Minimum Transfer Condition

13 16 The Seller's right to transfer Shares under *article 13 15* does not apply if the Directors reasonably consider that:

- (a) the transferee is a person (or a nominee for a person) who, in the Directors' absolute discretion, is not suitable from a regulatory perspective, or
- (b) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion as to the suitability of the transferee

14 VALUATION

14 1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share

14 2 The Fair Value shall be the price per Sale Share determined by the Independent 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 Transfer Notice was served (or 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 are capable of being transferred without restriction,
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent, and
- (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account

14 3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit

14 4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose

14 5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision

14 6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)

14 7 The Independent Expert shall be requested to determine the Fair Value within 10 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller

14 8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:

- (a) the Seller withdraws the relevant Transfer Notice in accordance with *article 13 3*, or

- (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost

15 COMPULSORY TRANSFERS

- 15 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 Transfer notice in respect of that Share at such time as the Directors may determine
- 15 2 If a holder of Shares 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 Transfer Notice in respect of all Shares held by it at such time as the Directors may determine
- 15 3 Forthwith upon a Transfer Notice being deemed to be served under *article 15* the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights
 - (a) to receive dividends or other distributions otherwise attaching to those Shares,
 - (b) to participate in any future issue of Shares issued in respect of those Shares

The Directors may reinstate the rights referred to in *article 15 3* at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to *article 15*

DECISION-MAKING BY SHAREHOLDERS

16. GENERAL MEETINGS AND VOTING

- 16 1 The Shares shall confer on the holder thereof the right to receive notice of and to attend, speak and vote at general meetings of the Company
- 16 2 A resolution of the holders of the Shares may take the form of a written resolution
- 16 3 References in the Articles or Model Articles to "member", "shareholder" and "holder", in relation to receiving notice of, attending or voting at general meetings of the Company, shall be construed accordingly in relation to *articles 16 1*

17. COMPANY'S LIEN OVER SHARES

- 17 1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future
- 17 2 The Company's Lien over a share
 - (a) takes priority over any third party's interest in that Share, and
 - (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

- 17 3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part

18. ENFORCEMENT OF THE COMPANY'S LIEN

- 18 1 Subject to the provisions of this *article 18*, if

- (a) a Lien Enforcement Notice has been given in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide

18 2 A Lien Enforcement Notice

- (a) may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

18 3 Where Shares are sold under this *article 18*

- (a) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

18 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice

18 5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

ADMINISTRATIVE ARRANGEMENTS

19. MEANS OF COMMUNICATION TO BE USED

19 1 Subject to *article 19 3*, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

- (a) 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
 - (b) if sent by fax, at the time of transmission, or
 - (c) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 00 am on the second Business Day after posting, or
 - (d) if sent or supplied by email, one hour after the notice, document or information was sent or supplied, and
 - (e) if deemed receipt under the previous paragraphs of this *article* 19 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 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
- 19 2 To prove service, it is sufficient to prove that
- (a) if delivered by hand the notice was delivered to the correct address, or
 - (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number, or
 - (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or
 - (d) if sent by email, the notice was properly addressed and sent to the email address of the recipient
- 19 3 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form (other than by fax), or by means of a website
- 19 4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act
- 20. INDEMNITY AND INSURANCE**
- 20 1 Subject to *article* 20 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled
- (a) 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 thereto , and 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 (or other Group Company's) affairs, and
 - (b) 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* 20 1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure
- 20 2 This *article* 20 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law
- 20 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

20.4 In this article 20

- (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 other Group Company), and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company