

PRIVATE COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION OF

OAKLEY HOUSE CHILDRENS HOME LIMITED (the "Company")

CIRCULATION DATE: 24 November

2016

Please read the notes at the end of this document

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 the directors of the Company hereby propose that the following resolution be passed as a special resolution (the "**Resolution**")

SPECIAL RESOLUTION

IT WAS RESOLVED THAT

- 1 1 The Company amend its existing articles of association (**Articles**) by
 - 1 1 1 replacing existing article 4 1, with the insertion of a new article 4 1 as follows

The Quorum for the transaction of business at a meeting of directors is any one director
 - 1 1 2 deleting existing article 4 2 of the Articles in its entirety,
 - 1 1 3 replacing existing article 8 1 of the Articles with the insertion of a new article 8 1 as follows

The number of directors (other than alternate directors) shall not be less than 1 and no more than 6
 - 1 1 4 replacing existing article 14 1 of the Articles with the insertion of a new article 14 1 as follows

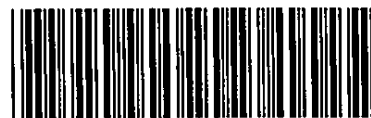
The Share Capital of the Company shall be divided into

 - (a) 51 A ordinary shares of £0 01 each (A shares), and
 - (b) 49 B ordinary shares of £0 01 each (B shares)

AGREEMENT

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

SATURDAY

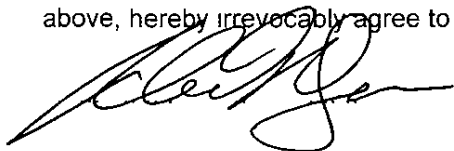


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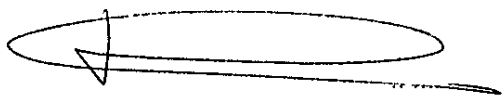
The undersigned, being the members entitled to vote on the Resolutions on the circulation date stated above, hereby irrevocably agree to the Resolution



NPM Business Group Limited

24 November 2016

DATE



Linda Elizabeth Oakley

24 November 2016

DATE

NOTES

1 If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

- By Hand delivering the signed copy to the Company Secretary at the registered office of the Company
- Post returning the signed copy by post to the Company Secretary at the registered office of the Company

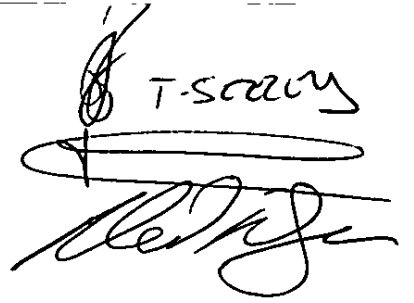
If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply

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

3 Unless, prior to 28 days from the date of the Resolution, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members

5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

 T-SCULLY

Company Number 07786312

The Companies Act 2006
Private Company Limited by Shares

ARTICLES OF ASSOCIATION

of

OAKLEY HOUSE CHILDRENS HOME LIMITED

Incorporated on 26 September 2011

Adopted on *24 November/16* by Special Resolution

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INTRODUCTION

I. INTERPRETATION

1 1 In these Articles, unless the context otherwise requires

Accountants: means the accountants of the Company for the time being

Act: means the Companies Act 2006,

Acting in Concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),

appointor: has the meaning given in article 10 1,

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

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,

Conflict: has the meaning given in article 7 1,

Controlling Interest: shall mean an interest in more than 50% of the Shares in issue for the time being,

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),

Fair Value: means the value of any Shares to be transferred under these Articles, as Determined in accordance with article 20,

Liquidation: means the model of an order or the passing of a resolution for the voluntary winding up of the Company for any purpose whatever but excluding a winding up pursuant to the provisions of section 110 of the Insolvency Act 1986,

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

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 those 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 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

(a) any subordinate legislation from time to time made under it, and

(b) 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 these Articles

- 1 8 Articles 7, 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
- (a) The insertion of the words "for the time being" at the end of the article 7(2)(a), and
 - (b) the insertion of article 7 (2) of the word "(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 before the words "properly incur"
- 1 11 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 12 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 13 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 DECISION

- 2 1 A decision of the directors is taken in accordance with the articles when all eligible directors indicate 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 the article if the eligible directors would not have formed a quorum (as defined in article 4 1) at such a meeting

3 CALLING A DIRECTOR'S MEETING

- 3 1 Any director may call a directors meeting by giving not less than 7 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
- 3 2 Notice of a directors' meeting shall be given to each director in writing in accordance with article 28
- 3 3 Article 9(3) of the Model Articles shall be amended by the addition of the following sentence

"it shall not be necessary to give notice of a meeting to a director or his alternate director, who is absent from the United Kingdom unless he has given to the Company an address within the United Kingdom to which notices should be sent "

4. QUORUM FOR DIRECTORS' MEETINGS

- 4.1 The quorum for the transaction of business at a meeting of directors is any one¹ director
- 4.3 If the directors participating in any meeting are not in the same place, the meeting is deemed to take place where the largest group of those participating are assembled, or if there is no such group, where the chairman of the meeting is present

5. CASTING VOTE

Matters arising at any directors meeting shall be determined by a majority of votes and if the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting 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

- (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 (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- (c) 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 contract or proposed contract 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 (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

¹ As inserted by a Special Resolution of the Company dated *24 November 2016*

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 breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

7.2 Any authorisation under this article will be effective only if

- (a) the matter in question shall have been proposed by any director for consideration at a meeting of directors 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,
- (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question, and
- (c) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted

7.3 Any authorisation of a Conflict under this article may (whether at the time of giving authorisation or subsequently)

- (a) extend to any actual or potential Conflict which may reasonably be expected to arise out of the matter so authorised,
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, and
- (c) be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation

7.4 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to

- (a) disclose such information to the directors or to any director or other officer or employee of the company, or

- (b) use or apply any such information in performing his duties as a director,

where to do so would amount to a breach of that confidence

7.5 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director

- (a) is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,
- (b) is not given any documents or other information relating to the Conflict, and
- (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict,

7 6 Where the directors authorise a Conflict

- (a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict, and
- (b) the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation

7 7 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 is 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. NUMBER OF DIRECTORS

8 1 The number of directors (other than alternate directors) shall be not less than one and no more than six²

8 2 The office of any director shall be vacated in accordance with Model Article 1 8

8 3 Article 18 of the Model Articles shall be amended by the addition of the following

"A person ceases to be a director if, he shall for more than six consecutive months have been absent without permission of the directors, from meetings of directors held during that period and the directors resolve that his office be vacated"

9. 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,

10. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

10 1 Any director (appointor) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

- (a) exercise that directors power, and
- (b) carry out that director's responsibilities,

In relation to the taking of decisions by the directors, in the absence of the alternate appointor

² As inserted by a Special Resolution of the Company dated [24 November 2016

- 10.2 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
- 10.3 The notice must
- (a) identify the proposed alternate, and
 - (b) 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

11. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 11.1 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
- 11.2 Except as the Articles specify otherwise, alternate directors
- (a) are deemed for all purposes to be directors,
 - (b) are liable for their own acts and omissions,
 - (c) are subject to the same restrictions as their appointors, and
 - (d) 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 Shareholder

- 11.3 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 illegible 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
- 11.4 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 might direct by notice in writing made to the company

12. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates

- (a) when the alternate appointor revokes the appointment by notice to the company in writing specifically when it is to terminate,
- (b) 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,
- (b) on the death of the alternate's appointor, or
- (d) when the alternate's appointor appointment as a director terminates

8

13. 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

14. SHARE CAPITAL

14.1 The Share capital of the Company shall be divided into

(a) 51 A ordinary Shares of £0.01 each (**A Shares**), and

(b) 49 B ordinary Shares of £0.01 each (**B Shares**),

(together the **Shares** and the holder of such Shares being a **Shareholder**)³

14.2 The Shares shall have the rights and privileges asset out in these Articles

14.3 The Directors may distribute any profits which the Company determines to be distributed in respect of any financial period to the holders of the A Shares and the B Shares as they think fit

14.4 As regards capital on of assets on liquidation or otherwise, the assets of the Company remaining after payment of its liabilities shall be distributed to the holders of the A Shares and of the B Shares pari-passu as if they represented one class of Share

14.5 Any proceeds of sale (in whatever form and whether in cash, loan notes, shares or otherwise) arising on a sale of the whole of the issued equity share capital to any person or persons whether a private buyer, an institution and/or the public) shall be apportioned and distributed to the members as if they were surplus assets arising (after payment of the Company's liabilities) on a return of assets pursuant to article 14.4 and each member shall be entitled to receive in respect of each share held by him a proportion of the proceeds of sale determined by dividing such proceeds by the number of shares in issue on the relevant date subject to an appropriate adjustment in respect of the B Percentage being distributable to the B shares as a class

14.6 As regards voting, the holders of the A Shares and B Shares shall be entitled to receive notice of all general meetings and shall be entitled to attend and to vote at any general meeting

15. ALLOTMENT OF SHARES

15.1 In accordance with section 567 of the Act, section 561 of the Act shall not apply to the Company

15.2 All Shares which the directors propose to issue shall be comprised of A Shares and B Shares on a pro-rata basis and shall be dealt with in accordance with the following provisions

15.3 Any A Shares proposed to be issued shall first be offered to the holders of the A Shares in proportion (so far as possible) to the number of existing A Shares held by each of them Any B Shares proposed to be issued shall first be offered to the holders of the B Shares in proportion (so far as possible) to the number of existing B Shares held by them, unless the Company shall by special resolution otherwise direct

³ As inserted by a Special Resolution of the Company dated [24] November 2016

- 15 4 The offer will be made by notice specifying the total number of Shares being offered to the holders of each such class of Share. The notice shall require each member to reply in writing within a period (not being if less than 14 business days) after which the offer, if not accepted, will be deemed to be declined.
- 15 5 After the expiration of that period, the Shares deemed to be declined will be offered (again in the proportion to their Shareholding) as follows
- (a) the A Shares will be offered to the A Shareholders, who have within the period specified, accepted all the Shares offered to them pursuant to article 15 3,
 - (b) the B Shares will be offered to the B Shareholders, who have within the period specified, accepted all the Shares offered to them pursuant to article 15 3
- 15 6 Any shares not accepted pursuant to Article 15 4 and Article 15 5 or not capable of being offered except by way of fractions and any shares released from the provisions of this Article by a special resolution of the Company will be under the control of the directors. They may allot, grant options over or otherwise dispose of these shares to such persons, on such terms, and in such manner as they think fit. However, these shares must not be disposed of on terms which are more favourable than the terms on which they are offered to the Shareholders.
- 15 7 All Shares which pursuant to the provisions of the regulations of the Company may be issued to a holder of A Shares or B Shares, shall upon being registered in the name of such holder become A Shares or B Shares respectively.

16, TRANSFER OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 16 1 In this Article, references to a transfer of a Share including the transfer or assignment 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.
- 16 2 Any Shareholder (Vendor) who wishes to transfer any Shares (Sale Shares) shall be subject to the pre-emption rights in this article.
- 16 3 The Vendor shall, before transferring or agreeing to transfer any Shares, give a Transfer Notice to the Company specifying
- (a) the number of Sale Shares,
 - (b) if the Vendor wishes to sell the Sale Shares to a third party, the name of the proposed transferee, and
 - (c) the price (in cash) per share at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Vendor and the Company (**Transfer Price**)).
- 16 4 Once given (or deemed to have been given) under these Articles) a Transfer Notice may not be withdrawn, except with the sanction of the directors.
- 16 5 A Transfer Notice shall comprise one class of Shares only so that a separate Transfer Notice will be required in respect of each different class of Share.
- 16 6 A Transfer Notice appoints the Company as the agent of the Vendor for the sale of the Sale Shares at the Transfer Price.
- 16 7 The Company shall within 7 business days of receiving the Transfer Notice give notice in writing to each of the Shareholders (other than the Vendor) who hold shares of the same

class as those comprised in the Transfer Notice (Continuing Shareholders), invite them to apply in writing within 28 business days of the date of the offer (First Offer Period) for the maximum number of Sale Shares they wish to buy

- 16 8 If, 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 Company shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares Fractional entitlements shall be rounded to the nearest whole number No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy
- 16 9 If, 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 Company shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications The balance (**Initial Surplus Shares**) shall be dealt with in accordance with article 16 11
- 16 10 At the end of the First Offer period, the Company shall offer the initial Surplus Shares to any A Shareholder or any B Shareholder (Member Applicant) , inviting them to apply in writing within 28 business days of the date of the offer (Second Offer Period) for the maximum number of Initial Surplus Shares they wish to buy
- 16 11 If, at the end of the Second Offer Period, the number of initial Surplus Shares applied for exceeds the number of initial Surplus Shares, the Company shall allocate the remaining initial Surplus Shares to each Member Applicant who has applied for bears initial Surplus Shares in the proportion that his existing holding of Shares (including any Sale Shares) bears to the total number of Shares (including any Sale Shares) held by those Member applicants who have applied for initial Surplus Shares during the Second Offer Period fractional entitlements shall be rounded to the nearest whole number No allocation shall be made to a Member Applicant of more than the maximum number of initial Surplus Shares which he has stated he is willing to buy
- 16 12 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of initial Surplus Shares, the company shall allocate the

Initial Surplus Shares to the Member Applicants in accordance with their applications, The balance (Second Surplus Shares) shall be dealt with in accordance with article 16 14

If Shares have been allocated in accordance with this article the Company shall give written notice of allocation (Allocation Notice) to the Vendor and each Continuing Shareholder or Member Applicant (as the case may be) to whom Sale Shares have been allocated (Applicant) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (Consideration) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 28 business days after the date of the Allocation Notice)

- 16 13 On the service of an Allocation Notice, the Vendor shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the allocation Notice

If the Vendor fails to comply with the requirements of the Allocation Notice

- (a) the chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the Company) may, on behalf of the Vendor
- 1 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 Consideration and give a good discharge for it, and
 - iii (subject to the transfers 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 consideration into a separate bank account in the Company's name on trust (but without interest) for the Vendor until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Company, in respect of any lost certificate, together with such other evidence (if any) as the Company may reasonably require to prove good title to those Shares) to the Company
- 16 14 If and Allocation Notice does not relate to all of the Sale Shares or the Company fail to issue an Allocation Notice then, subject to article 16 15 and within 4 weeks following service of the Allocation Notice or the date of the lapse of the Transfer notice (as the case may be), the Vendor may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price
- 16 15 The Vendor's right to transfer Shares under article 16 14 does not apply if the Company reasonably considers that
- (a) the transferee is a person (or a nominee for a person) who is a competitor With (or an Associate of a competitor with) the business of the Company or with a Subsidiary undertaking of the Company, or
 - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
 - (c) the Vendor has failed or refused to provide promptly information available to the Vendor and reasonably requested by the Company to enable it to form the opinion mentioned above
- 16 16 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with the consent of Shareholders who, but for the waiver, would or might have been entitled to have such Shares offered to them in accordance with this Article
- 17. DRAG ALONG**
- 17 1 If the Shareholders of 51 per cent of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in the Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the selling shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**)
- 17 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer The Drag Along Notice shall specify
- (a) that the Called Shareholders are required to transfer all their Shares (Called Shares) pursuant to this article 1 7,
 - (b) the person to whom the Called Shares are to be transferred,

- (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares, and
 - (d) the proposed date of the transfer
- 173 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer 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.
- 174 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 17.
- 175 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless
 - (a) all of the Called Shareholders and the selling Shareholders agree otherwise in which case the completion Date shall be the date agreed in writing by all of the Called Shareholders and the selling Shareholders, or
 - (b) that date is less than 7 business days after the date on which the Drag Along Notice is served, in which case the completion Date shall be the fourteenth business day after delivery of the Drag Along Notice.
- 176 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 177 within 30 business days of the Selling shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer form for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 17 2(c) to the extent that the Proposed buyer, has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 17 2(c) in trust for the Called Shareholders without any obligation to pay interest.
- 178 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to article 17 2(c), the Called Shareholders shall be entitled to the return of the stock forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 17 in respect of their Shares.
- 179 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 17.

18, TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 18.1 The provisions of article 18.2 to article 18.5 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any of the Shares (Proposed Transfer) which would, if carried out, result in any person (Buyer), and any person acting in Concert with the Buyer (or any person connected with any of the foregoing), acquiring a Controlling Interest in the Company
- 18.2 Before making a Proposed Transfer, a Shareholder shall procure that the Buyer makes an offer (Offer) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (Specified Price)
- 18.3 The Offer shall be given by written notice (**Offer Notice**), at least 20 business days (Offer Period) before the proposed sale date (**Sale Date**) To the extent not described in any accompanying documents the Offer notice shall set out
- (a) the identity of the Buyer,
 - (b) the purchase price and other terms and conditions of payment,
 - (c) the Sale Date, and
 - (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**)
- 18.4 If the Buyer fails to make the Offer to all of the Shareholders in the Company in accordance with article 18.3 and article 18.4, the Shareholder shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 18.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders

19, DEEMED TRANSFER

- 19.1 A Shareholder is deemed to have served a Transfer Notice under article 16 immediately before any of the following events
- (a) his death, or
 - (b) a bankruptcy order being made against him) or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors,
 - (c) a Shareholder convening a meeting of its creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of its

creditors generally, or

(d) a Shareholder being unable to pay us debts as they fall due within the meaning of section 268 of the Insolvency Act 1986, or

(e) any encumbrances taking possession of, or a receiver being appointed over or in relation to all or any material part of the Shareholders' assets

19.2 The deemed Transfer notice has the same effect as a transfer Notice except that the Accountants are required to determine the fair Value in accordance with article 17

20. FAIR VALUE

20.1 The Fair Value for any Shares to be transferred under this Agreement is that proportion of the amount the Shareholders or the Shareholders' personal representatives, or should the Shareholders fail to reach agreement within 28 business days the amount the Accountants, consider to be the Fair Value of the entire issued share capital of the Company that the Vendors' Shares bear to the entire issued share capital of the Company (with no discount for the size of the Vendors' Shareholding)

20.2 In determining the Fair Value of the entire issued share capital of the Company, the Shareholders and/or the Accountants rely on the following assumptions

- (a) the sale is between a willing seller and a willing buyer,
- (b) the Shares are sold free of all restrictions, liens, charges and other encumbrances and
- (c) the sale is taking place on the date the Accountants were requested to determine the Fair Value

DECISION MAKING BY SHAREHOLDERS

21. PROCEEDINGS AT GENERAL MEETINGS

21.1 No business shall be transacted at any general meeting unless a quorum of members is present throughout the meeting. A quorum shall consist of two members present in person or by proxy or (in the case of a member being a corporation by a representative) of whom one shall be an A Shareholder and one shall be a B Shareholder, save that

- (a) If and for so long as all the Shares in issue are of one class (subject to article 21.1(b)) two members present in person or by proxy holding Shares of that class shall be a quorum, and
- (b) If and for so long as the Company has only one person as member, one member present in person or by proxy shall be a quorum

21.2 Article 38 of the Model Articles shall not apply to the Company

21.3 If a quorum is not present within half an hour from the time appointed for the general meeting, the general meeting shall stand adjourned to the same day and time the following week or as determined by the directors, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed, therefore such adjourned meeting shall be dissolved. Model article 41 shall not apply to the Company

21.4 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Article 44(2) of the Model Articles shall be altered accordingly

22. VOTES OF MEMBERS

22 1 Article 42 of Model Articles shall be deleted and replaced with the following wording

“Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not himself being a member entitled to vote) shall have one vote or (being a corporate body) is present by a representative or by proxy (not being himself a member entitled to vote) shall have one vote On a poll, each member shall have one vote for each Share of which he is a holder ”

23. POLL VOTES

23 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

23 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

24. PROXIES

24 1 A member shall not be entitled to appoint more than one proxy to attend and vote on the same occasions and s 324(4) of the Act shall not apply to the Company Any such proxy shall be entitled to cast votes to which he is entitled in different ways

24 2 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 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"

24 3 Article 45(1) of the Model Articles shall be amended by the insertion of the words as a new paragraph at the end of that article,

“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”

25. GRATUITIES AND PENSIONS

The directors may exercise any powers of the Company conferred by its Memorandum of Association to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in section 1159 of the Act and the Company and the directors shall be entitled to retain the benefits received by them or any of them by reason of the exercise of such powers

26 CAPITALISATION OF PROFITS

26 1 The words "Special Resolution" shall be substituted for the words Ordinary Resolution" in article 36(1) of the Model Articles

26 2 On any occasion when Shares are allotted and distributed credited as fully paid up, pursuant to this article 36(1), the Shares allotted to holders of A Shares shall forthwith on allotment automatically stand designated as A Shares and the Shares

allotted to holders of B Shares shall forthwith on allotment automatically stand designated as B Shares

27, VARIATION OF CLASS RIGHTS

27 1 During such time as the Share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares for that class) may, whether or not the Company is being wound-up, only be varied with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution of that class of issued Shares passed at a separate general meeting of the holders of the Shares of that class Any action, agreement, resolution, arrangement or understanding on the part of the Company or the directors in contravention of the provisions of this article 27 shall for all purposes be ultra vires and invalid

27 2 The necessary quorum in any general meeting called in respect of article 27 1 shall be one person at least holding or representing by proxy one-third in number of the issued Shares of that class and that any holder of Shares of the present in person or by proxy may demand a poll is present if any such general meeting shall be adjourned owing to the absence of a quorum and if at the adjourned meeting a quorum shall not be present within half an hour from the time appointed for such adjourned meeting the holder or holders of Shares of the class concerned who are present shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place

ADMINISTRATIVE ARRANGEMENTS

28. MEANS OF COMMUNICATION TO BE USED

28 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

- (a) 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,
- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- (e) 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 working day

28 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

29. INDEMNITY

29 1 Subject to article 29 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 to them

- 1 discharge of his duties, or in relation to them,

Including any liability incurred by him in defending any civil or criminal proceedings, in which judgement 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 from neglect, default, breach of duty or breach of trust in relation to the company's (or any associated 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 29 1 (a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

29 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

29 3 In this article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant officer" means any director or other officer 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)

30. INSURANCE

30 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

30 2 In this article

- (a) 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)
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company or any associated company or any pension fund or employees' Share scheme of the company or associated company, and
- (c) companies are associated, if one is a subsidiary of the other or both are subsidiaries of the same body corporate