

EVERSHEDS  
SUTHERLAND

**Eversheds Sutherland  
(International) LLP**  
One Wood Street  
London  
EC2V 7WS  
United Kingdom

T: +44 20 7497 9797  
F: +44 20 7919 4919  
DX 154280 Cheapside 8

[eversheds-sutherland.com](http://eversheds-sutherland.com)

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Company No. 1750218

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**Articles of Association of Senior Living (Bramshott Place) Limited**

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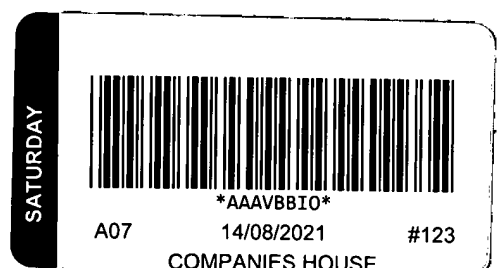
Incorporated on 5 September 1983

Adopted by special resolution passed on 3rd August 2021

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**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**SENIOR LIVING (BRAMSHOTT PLACE) LIMITED**

Adopted by special resolution passed on 3rd August 2021

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**1. PRELIMINARY**

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("**Model Articles**") (a copy of which is attached at **Appendix 1**) apply to the Company except in so far as they are excluded or varied by these Articles.

**2. INTERPRETATION**

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

<b>"2006 Act"</b>	the Companies Act 2006 (as amended from time to time)
<b>"appointor"</b>	has the meaning given in <b>Article 6.1.1</b>
<b>"Articles"</b>	these Articles of Association as amended, supplemented, varied or replaced from time to time
<b>"A1 Director"</b>	any director appointed by the holder of the A1 Shares from time to time
<b>"A2 Director"</b>	any director appointed by the holder of the A2 Shares from time to time
<b>"A Shares"</b>	the A1 Shares and the A2 Shares
<b>"A1 Shares"</b>	the A1 ordinary shares of £0.10 each of the Company having the rights set out in these Articles in respect of Shares of that class
<b>"A2 Shares"</b>	the A2 ordinary shares of £0.10 each in the share capital of the Company having the rights set out in these Articles in respect of Shares of that class
<b>"Accounting Principles and Policies"</b>	the accounting policies, procedures and methodology as more particularly set out in <b>Appendix 3</b>
<b>"Board"</b>	the board of directors of the Company from time to time

<b>"B Shares"</b>	the B ordinary shares of £0.01 each of the Company having the rights set out in these Articles in respect of Shares of that class
<b>"B Shareholders"</b>	has the meaning set out in <b>Article 13.1</b>
<b>"B Shareholder Majority"</b>	the holder of the majority from time to time of the number of B Shares in issue
<b>"B Share Price Cap"</b>	£5,000,000 (five million pounds sterling)
<b>"B Share Purchase"</b>	has the meaning set out in <b>Article 13.1</b>
<b>"Business Day"</b>	any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business
<b>"Business Hours"</b>	means 9am to 5pm on any Business Day
<b>"Business Plan"</b>	the Business Plan of the Company from time to time as adopted by the Board with the prior consent of the Investor Majority
<b>"Call Option Notice"</b>	a notice substantially in the form set out at <b>Appendix 0</b>
<b>"Call Option Price"</b>	has the meaning given to that term at <b>Article 9.1</b>
<b>"Called Shareholders"</b>	has the meaning given to that term at <b>Article 21.1</b>
<b>"Called Shares"</b>	the meaning given to that term at <b>Article 21.1</b>
<b>"Disposal"</b>	<p>The initial disposal by the Company or a subsidiary thereof by way of:</p> <p>(a) completion of the grant of a Residential Lease to a tenant of a Unit; or</p> <p>(b) the grant of an assured shorthold tenancy to a tenant of a Unit provided that the granting of such assured shorthold tenancy is in accordance with the Business Plan</p>
<b>"Drag Along Notice"</b>	the meaning given to that term at <b>Article 21.1</b>
<b>"Drag Along Option"</b>	the meaning given to that term at <b>Article 21.1</b>
<b>"electronic address"</b>	any address or number used for the purposes of sending or receiving documents or information by electronic means
<b>"Employee Trust"</b>	any trust established by the Company for the benefit of employees and/or any of the persons referred to in section 1166 of the 2006 Act with Investor Consent
<b>"Encumbrance"</b>	any mortgage, charge, pledge, lien, assignment, option, restriction, claim, right of pre-emption, right of first refusal, third party right or interest, other encumbrance or security interest of any kind, or other preferential arrangement having similar effects

<b>"Excess Cash"</b>	the amount by which the Relevant Cash Inflows net of Relevant Cash Outflows exceeds the Relevant Cash Hurdle
<b>"Expert"</b>	shall have the meaning given to such term in <b>Article 11.7</b>
<b>"Family Member"</b>	the wife or husband or civil partner (or widow or widower or surviving civil partner), children and grandchildren (including step and adopted children and grandchildren) of a holder
<b>"Family Trust"</b>	in relation to a holder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that holder or any of his Family Members and under which no power of control over the voting powers conferred by any such Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such holder or any of his Family Members
<b>"Financial Year"</b>	shall in respect of the Company have the meaning defined by section 390 of the 2006 Act
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended from time to time)
<b>"Group"</b>	the Company and each of its subsidiary undertakings from time to time and references to " <b>member of the Group</b> " and " <b>Group Company</b> " is to be construed accordingly
<b>"holder"</b>	in respect of any Share, the person or persons for the time being registered by the Company as the holders of that Share but disregarding any Shares held by the Company in treasury and " <b>shareholder</b> " shall be interpreted accordingly
<b>"Hurdle"</b>	IRR of 12%
<b>"IVG"</b>	Inspired Villages Group Limited, a company registered in England and Wales with company number 10876791
<b>"IVG Group"</b>	IVG and each of its subsidiary undertakings from time to time
<b>"Investor Associate"</b>	members of an Investor Group and any company or fund (including any unit trust or investment trust) or partnership (including a limited partnership) which is advised, or the assets of which are managed, (whether solely or jointly with others) from time to time by any Investor or any member of its Investor Group or by any person who advises or manages the assets (or some material part thereof) of that Investor or any member of its Investor Group
<b>"Investor Consent"</b>	the consent in writing of the Investor Majority

**"Investor Group"**

in relation to any Investor:

- (a) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a **"Relevant Person"**); or
- (b) any partnership (or the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser; or
- (c) any unit trust or other fund of which any Relevant Person is trustee, manager, consultant or adviser; or
- (d) any unit trust, partnership or other fund, the managers of which are advised by any Relevant Person; or
- (e) any nominee or trustee of any Relevant Person; or
- (f) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of a Relevant Person including any person who becomes a manager or adviser of an Investor in place of or in addition to such Investor; or
- (g) any co-investment scheme, being a scheme under which certain officers, employees or partners of a Relevant Person or its adviser or manager are entitled or required (as individuals or through a body corporate or any other vehicle) to acquire shares which the Relevant Person would otherwise acquire or has acquired

**"Investor Majority"**

the holders of not less than 75 per cent. by nominal value of the A Shares for the time being (whether through nominees or otherwise)

**"Investor Sellers"**

has the meaning given to that term in **Article 21.1**

**"Investor Sellers' Shares"**

has the meaning given to that term in **Article 21.1**

**"Investors"**

the holders of the A1 Shares and A2 Shares from time to time

**"IRR"**

the discount factor when applied to the Relevant Cash Outflows and Relevant Cash Inflows, produces a net present value of zero and as more particularly determined in accordance with **Article 11**

**"Issue Date"**

- (a) in respect of a holder who is a Manager prior to the date of adoption of these Articles, the

	date such Manager first became a holder; and
	(b) in respect of a holder who becomes a Manager (i) as at the date of adoption of these Articles or (ii) following the date of adoption of these Articles, the date of adoption of these Articles or the date such Manager first becomes a holder (as applicable)
<b>"Issue Price"</b>	in respect of a Share, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium
<b>"Joint Election"</b>	a joint election under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in a form approved by the Investors, such approval being evidenced by the delivery of Investor Consent
<b>"JV Agreement"</b>	the joint venture and shareholders agreement entered into on or around the date of adoption of these Articles and made between, among others, (i) the Company and (ii) the Shareholders (as defined in the JV Agreement) as the same may be amended, novated, supplemented, varied or replaced from time to time
<b>"JV Group"</b>	as defined in the JV Agreement
<b>"Leaver"</b>	a holder who:  (a) is an individual; and  (b) is or was previously a director or employee of, or a consultant to, a member of the Group, or a member of the Investor Group, or of the IVG Group; and  (c) other than a Manager who has Retired, ceases to hold such office or employment or consultancy and as a consequence is no longer a director or employee or consultant of any member of the Group, or of the IVG Group
<b>"Leaving Date"</b>	shall have the meaning given to such term in <b>Article 22.3</b>
<b>"Long Stop Date"</b>	means:  (a) in the event that the development of the Site is not completed in phases, 5 years from the date of Practical Completion of the Site;  (b) in the event that the development of the Site is to be completed in phases, 5 years from the date of Practical Completion of the final development phase of the Site



**"LTIP Framework Agreement"**

the agreement dated on or around the date of adoption of these Articles and made between (i) James Bunce and others and (ii) the Company and others as the same may be amended, supplemented, varied or replaced from time to time

**"Managers"**

any holder of B Shares who is an individual (and for the avoidance of doubt, any holder of B Shares who is an Investor shall be excluded)

**"Operator Termination"**

**Convenience**

the termination of all commercial contracts entered into from time to time between (1) the Company and/or any Group Company and (2) IVG and/or any member of the IVG Group, in each case provided such termination has arisen only due to termination exercised by the Company and/or any Group Company for convenience upon written notice, provided that such contracts are validly terminated in accordance with their terms

**"Operator Fault Termination"**

excluding always Operator Convenience Termination, the termination of any commercial contract entered into from time to time between (1) the Company and/or any Group Company and (2) IVG and/or any member of the IVG Group, provided that such contract is validly terminated in accordance with its terms

**"Permitted Leaver"**

a Manager who has become a Leaver by reason of that Manager giving notice to his relevant employer to terminate his employment and provided that the relevant Manager:

- (a) does not become a director or employee or a consultant or be otherwise engaged with any business which is competitive with the business of the Group and/or the IVG Group for the period of 6 months from the date of termination of his employment; and
- (b) is not a director or employee or a consultant or is otherwise engaged by any business which is competitive with the business of the Group and/or the IVG Group as at the Trigger Date; and
- (c) as at the Leaving Date in respect of the relevant Manager, the following circumstances do not apply:
  - (i) the Manager has not committed any act or omission in relation to his employment with any member of the Group or the IVG Group which would entitle the applicable member of the Group or the IVG Group to terminate the Manager's employment summarily (whether or not the relevant employer has knowledge of such act or omission at the Leaving Date and whether or not any disciplinary

investigation or procedure is ongoing at the Leaving Date); and/or

- (ii) the Manager is not subject to any formal performance improvement process which may result in the termination of the Manager's employment (unless such process commenced after the date on which the Manager gave notice to terminate their employment)

**"Practical Completion"**

the completion of the Works in accordance with the terms of the relevant building contract entered into by the Company or a subsidiary thereof in respect of the Site

**"Purchase Completion Date"**

has the meaning set out in **Article 13.2**

**"Purchase Price"**

has the meaning given to such term in **Article 13.3**

**"Purchase Statement"**

has the meaning set out in **Article 11.2**

**"Relevant Cash Inflows"**

includes the following:

- (a) all cash received by the Company or a subsidiary thereof in relation to Disposals and ancillary commercial activities undertaken by the Group on the Site arising after and including 13 November 2017;
- (b) an amount equal to the Trigger Date Site Valuation as determined in accordance with **Article 10**; and
- (c) all amounts drawn from third party debt providers by the Group or any holding company thereof in relation to the funding of development expenditure of the Site;

but excludes the following:

- (a) any receipt of cash by the Group as debtor pursuant to a loan arrangement with any of the Investor Group

**"Relevant Cash Hurdle"**

the amount at which the Relevant Cash Inflows less the Relevant Cash Outflows achieves the Hurdle as calculated in accordance with the provisions of these Articles

**"Relevant Cash Outflows"**

includes the following:

- (a) all costs incurred in connection with the Site and delivery of the ancillary commercial activities carried out on the Site including (but not limited to):

- (i) acquisition costs in the amount of £15,645,000;
- (ii) capitalised expenditure;
- (iii) company secretarial costs;
- (iv) development management costs;
- (v) land purchases;
- (vi) planning costs;
- (vii) professional costs;
- (viii) sales and marketing costs;
- (ix) service charge void costs; and
- (x) service level costs,

(in each case, whether incurred by the Group or by any party connected with any holder of Shares in the Company where such costs are directly associated with the Group);

- (b) the price (including any premium paid) on the allotment and issue or other acquisition of the Shares;
- (c) any amount paid by or on behalf of any Investor in connection with the acquisition of the Site (including in respect of the discharge of any debt and stamp duty);
- (d) the costs charged to the Investor Group of any Investor by its professional advisers in connection with (b) and (c) above;
- (e) any amount repaid in respect of third party debt including interest and other costs in relation to the provision of such debt;

**"Residential Lease"**

any lease of a Unit which is:

- (a) granted at a premium paid in cash;
- (b) for a term of not less than 125 years from the date of Practical Completion or such other date that the Investors (in their absolute discretion) may designate; and
- (c) with a pre-emption right in favour of the Company or a subsidiary thereof

**"Response Notice"**

has the meaning set out in **Article 11.3**

**"Retired"**

in respect of any Manager, where the IVG remuneration committee (with the consent in writing of the Board) has determined that the relevant

	Manager shall be treated as a Manager who has retired for the purposes of these Articles
<b>"Shares"</b>	shares in the capital of the Company
<b>"Site"</b>	the property as more particularly described at <b>Appendix 2</b> and any other property that the Investors (acting by Investor Majority) shall, in their absolute discretion, determine to form part of the "Site" for the purposes of these Articles
<b>"Site Expert"</b>	has the meaning given to such term in <b>Article 10.1</b>
<b>"Site Valuation"</b>	the valuation of the Site as determined by the Site Expert in accordance with <b>Article 10.1</b>
<b>"Statutes"</b>	the Companies Act as defined in section 2 of the 2006 Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company
<b>"Transfer Event"</b>	the meaning given to that term at <b>Article 22.1</b>
<b>"Transfer"</b>	as defined in the JV Agreement
<b>"Trigger Date"</b>	the date of the Disposal of the last Unit on the Site, or such other earlier date as agreed between the Investors pursuant to the terms of the JV Agreement
<b>"Trigger Date Confirmation Notice"</b>	has the meaning given to such term in <b>Article 9.4</b>
<b>"Unit"</b>	an individual residential unit constructed on the Site that is available for Disposal pursuant to the terms of the Business Plan
<b>"Works"</b>	all demolition, clearance operations, excavations, design and construction work including all associated drainage, infrastructure and ground works required to carry out and complete the development of the Site in accordance with the terms of the relevant building contract entered into by the Company or relevant subsidiary thereof
2.2	Unless the context otherwise requires, words and expressions contained in these Articles bear the same meaning as in the Statutes (but excluding any statutory modification not in force when these Articles become binding on the Company).
2.3	References to Appendices are to appendices to these Articles and will have the same force and effect as if set out in the body of these Articles.
2.4	References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision.
2.5	Reference to a <b>"subsidiary"</b> or <b>"holding company"</b> will have the meanings defined by section 1159 CA 2006 and for the purposes of section 1159(1) a company (the first company) shall be treated as a member of another company if:
2.5.1	any of its subsidiaries is a member of that other company; or

- 2.5.2 any shares in that other company are held by a person acting on behalf of the first company or any of its subsidiaries; or
- 2.5.3 any shares in that other company are registered in the name of a person (or its nominee) by way of security or in connection with the granting of security over those shares by the first company.
- 2.6 Where the word "**address**" appears in these Articles it is deemed to include postal address and, where applicable, electronic address.
- 2.7 Words signifying the singular number only include the plural number and vice versa.

## PROCEEDINGS OF DIRECTORS

### 3. UNANIMOUS DECISIONS OF DIRECTORS

A decision of the directors 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. Model Article 8(2) shall not apply to the Company.

### 4. DIRECTORS' MEETINGS

#### 4.1 Quorum for Director's Meetings

- 4.1.1 The quorum for directors' meetings shall throughout each meeting be one A1 Director (or his alternate) and one A2 Director (or his alternate), save that if any of **Articles 4.1.2** to 4.1.6 or **Article 4.4** applies, in which case the quorum shall be as set out in that Article. Model Article 11 shall not apply to the Company.
- 4.1.2 If, and as a consequence of section 175(6) of the 2006 Act, a director cannot vote or be counted in the quorum at a meeting of the directors the following apply:
  - 4.1.2.1 if the eligible directors participating in the meeting do not constitute a quorum, then the quorum for the purposes of the meeting shall be one eligible director; and
  - 4.1.2.2 if, notwithstanding **Article 4.1.2.1**, the eligible directors participating in the meeting still do not constitute a quorum, then the meeting must be adjourned to enable the holders of the A Shares to authorise any situation in which a director has a conflict of interest.
- 4.1.3 If at any time there are no A1 Directors in office, the quorum for director's meetings shall throughout each meeting be during that time be one director participating in the meeting provided this includes at least one A2 Director.
- 4.1.4 If at any time there are no A2 Directors in office, the quorum for director's meetings shall throughout each meeting be during that time be one director participating in the meeting provided this includes at least one A1 Director.
- 4.1.5 If a quorum is not present within half an hour from the time set for a meeting of the Board or if during the meeting a quorum ceases to be present, the meeting shall be adjourned to a date (not earlier than ten Business Days after the date of the original meeting) as the director or directors participating in the meeting determine, such adjournment to be notified to all directors.
- 4.1.6 If a meeting is adjourned under **Article 4.1.5** and there is no quorum participating within 30 minutes after the time fixed for the adjourned meeting due to the absence of any class of director whose absence caused the previous meeting to be inquorate then those directors present, whatever their number and class, will constitute a quorum.

#### 4.2 Calling a Directors' Meeting

Unless otherwise agreed by an A1 Director and an A2 Director:

- 4.2.1 The Board will meet at least quarterly or more frequently if reasonably requested by any one Investor;
- 4.2.2 Any director may call a meeting of the Board by giving not less than 10 Business Days' notice of the meeting (or such lesser notice as at least one A1 Director and one A2 Director may agree) to the other directors.
- 4.2.3 Notice of any Board meeting must indicate:
  - 4.2.3.1 its proposed date and time;
  - 4.2.3.2 where it is to take place;
  - 4.2.3.3 include a draft agenda, together with any relevant supporting papers (which may follow not less than 4 Business Days' prior to the meeting (or such lesser period as at least one A1 Director and one A2 Director may agree); and
  - 4.2.3.4 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should simultaneously communicate with each other during the meeting.
- 4.2.4 Notice of any Board meeting must be given to each director but need not be in writing. Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 4.2.5 Model Article 9 shall not apply to the Company.

#### 4.3 Voting

- 4.3.1 The A1 Directors shall jointly and severally have one vote and the A2 Directors shall jointly and severally have one vote.
- 4.3.2 Subject to **Article 4.3.3** below and clause 11 of the JV Agreement, any resolution proposed to the Board will be approved if the A1 Directors and the A2 Directors present vote in favour of the resolution.
- 4.3.3 Any resolution proposed to the Board will be approved if more votes are cast for it than against it without the need for a vote in favour of at least one A1 Director and one A2 Director:
  - 4.3.3.1 in the circumstances as set out in **Article 4.1.6** or **Article 4.4**; or
  - 4.3.3.2 if at any time there are either no A1 Directors or no A2 Directors in office, in which case the vote of at least one director of the class of directors of which there are no directors in office at that time will not be necessary.

#### 4.4 Conflicts

- 4.4.1 If any matter to be considered or voted upon at a directors' meeting relates to:
  - 4.4.1.1 any member of the Group enforcing rights or taking any action against an Investor or any member of the Investor Group in respect of that Investor (a "**Counter Party**");

- 4.4.1.2 or any member of the Group defending itself against any action taken against it by a Counter Party,

in each case under or pursuant to any agreement between the Counter Party and any member of the JV Group, then that matter shall be considered at a separate directors' meeting which will only relate to such matter and not cover any other business, and any directors appointed by the relevant Counter Party (or the Investor of which the Counter Party is a member of the Investor Group in respect of that Investor) (the "**Conflicted Directors**") shall not be entitled to:

- 4.4.1.3 attend or participate in any discussion of that matter;
- 4.4.1.4 notwithstanding any other provisions of these Articles, receive information or advice received by the Company or the applicable member of the JV Group on such matter; or
- 4.4.1.5 vote or be counted or required in the quorum at a directors' meeting in relation to such matter.

- 4.4.2 If any matter which falls under the scope of this **Article 4.4** is a matter which falls under clause 11 of the JV Agreement, the relevant matter shall only require the approval of the Investor which is not the relevant Counter Party (or the Investor that is not part of the Investor Group in respect of that Counter Party).

#### 4.5 **Appointment and Removal of Directors**

- 4.5.1 Unless otherwise determined by a special resolution, the Board will consist of up to 5 directors being:
  - 4.5.1.1 up to 2 A1 Directors;
  - 4.5.1.2 up to 2 A2 Directors; and
  - 4.5.1.3 the Chairperson.
- 4.5.2 The holder of the A1 Shares from time to time will be entitled to appoint up to 2 persons as A1 Directors and remove any A1 Director from office and appoint another person in their place. The holder of the A2 Shares from time to time will be entitled to appoint up to 2 persons as A2 Directors and remove any A2 Director from office and appoint another person in their place.
- 4.5.3 Appointments and removals under **Article 4.5.2** will be made by written notice to the Company signed by or on behalf of the holder of the A1 Shares from time to time or the holder of the A2 Shares from time to time (as the case may be) and will take effect once delivered to a meeting of the Board or the registered office address of the Company.
- 4.5.4 Any Investor will be deemed to have served notice under **Article 4.5.3** to remove from office any directors appointed by it (and will not be entitled to appoint any persons as directors in their place) immediately before any Transfer (excluding any Transfer to a Permitted Transferee).
- 4.5.5 Any Investor removing a director appointed by it from office shall be responsible for and shall indemnify the other Investor and the Company from and against any loss, liability or cost that either of them suffers or incurs as a result of or in connection with a claim by that director against the Company arising out of his removal from office or termination of employment.

#### 4.6 **Chairperson**

- 4.6.1 The position of Chairperson of the Board will be held by an independent individual, appointed jointly by the A1 Directors and the A2 Directors. If the Chairperson is either not appointed at the relevant time or otherwise not present at any Board meeting, the A1 Directors and the A2 Directors shall, at alternate meetings, be entitled to appoint any one of their number to act as Chairperson for the purpose of the meeting, and the A1 Directors shall appoint the first Chairperson. The Chairperson will not have a vote.

#### 4.7 **Observers**

- 4.7.1 In addition to the A1 Directors and the A2 Directors, each Investor shall be entitled to appoint one observer to attend and speak (but not vote) at any meeting of a Board (and all meetings of committees). Such observers will be entitled to receive all written materials and other information given to the directors and to members of committees in connection with such meetings at the same time as those materials or information are given to the directors, or as the case may be, to such members of the committees.

### 5. **DIRECTORS' INTERESTS**

- 5.1 Subject to these Articles and the 2006 Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director notwithstanding his office:
  - 5.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
  - 5.1.2 may hold any other office or employment with the Company (other than the office of Auditor);
  - 5.1.3 may be a director or other officer of, or employed by, or be a party to any transaction or arrangement with or otherwise interested in any body corporate in which the Investor Group or the Company is in any way interested;
  - 5.1.4 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested (other than as Auditor); and
  - 5.1.5 shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by **Articles 5.1.1 to 5.1.4** and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 5.2 Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which the director or any other interested director may have or where the terms of authorisation of such conflict of interest provide that the director may not vote in situations prescribed by the Board when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in **Articles 5.1.1 to 5.1.4** (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4).
- 5.3 For the purposes of **Article 5.1**:
  - 5.3.1 a general notice to the Board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
  - 5.3.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and



- 5.3.3 an interest of a person who is for any purpose of the Statutes (excluding any statutory modification not in force at the date of adoption of these Articles) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director.

5.4 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company.

## 6. **ALTERNATE DIRECTORS**

### 6.1 **Appointment and removal of alternates**

- 6.1.1 Any director (the "**appointor**") may appoint as an alternate director any other director, or, if approved by the directors, any other person, to:

- 6.1.1.1 exercise that director's powers; and

- 6.1.1.2 carry out that director's responsibilities,

- in relation to participation in directors' meetings and the taking of decisions by the directors in the absence of the alternate director's appointor, save that no A1 Director will be entitled to appoint as their alternate an A2 Director and no A2 Director will be entitled to appoint as their alternate an A1 Director.

- 6.1.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

- 6.1.3 The notice must:

- 6.1.3.1 identify the proposed alternate director; and

- 6.1.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate director that the proposed alternate director is willing to act as the alternate director of the director giving the notice.

### 6.2 **Rights and responsibilities of alternate directors**

- 6.2.1 An alternate director has the same rights, in relation to participation in directors' meetings and the taking of decisions by the directors and in relation to directors' written resolutions, as the alternate director's appointor. In these Articles, where the context so permits, the term "A1 Director" or "A2 Director" shall include an alternate director appointed by an A1 Director or an A2 Director (as the case may be).

- 6.2.2 An alternate director may act as an alternate director for more than one appointor.

- 6.2.3 Except if these Articles specify otherwise, alternate directors:

- 6.2.3.1 are deemed for all purposes to be directors;

- 6.2.3.2 are liable for their own acts and omissions;

- 6.2.3.3 are subject to the same restrictions as their appointors; and

- 6.2.3.4 are not deemed to be agents of or for their appointors,

- and, each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

6.2.4 A person who is an alternate director but not a director:

6.2.4.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating); and

6.2.4.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate).

No alternate director may be counted as more than one director for such purposes.

6.2.5 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

6.2.6 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate director's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

### 6.3 Termination of alternate directorship

6.3.1 An alternate director's appointment as alternate terminates:

6.3.1.1 when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

6.3.1.2 on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director;

6.3.1.3 on the death of the alternate director's appointor; or

6.3.1.4 when the alternate director's appointor's appointment as a director terminates.

## 7. ALTERNATE DIRECTORS' EXPENSES

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".

## SHARE RIGHTS

### 8. SHARE RIGHTS

The rights attaching to the respective classes of Share shall be as set out below and save as otherwise provided in these Articles, the A1 Shares and the A2 Shares shall be treated *pari passu* and as if they constitute one class of Share.

#### 8.1 Income

As regards income:

8.1.1 the Company may not distribute any profits in respect of any Financial Year unless and until Investor Consent to such distribution shall have been obtained. Subject thereto any profits which the Company may determine to distribute in

respect of any Financial Year shall be applied amongst the holders of the A Shares only according to the number of A Shares held by them respectively.

8.1.2 no dividends shall be payable on the B Shares in any circumstances.

## 8.2 Capital

As regards capital:

8.2.1 on a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:

8.2.1.1 firstly, in paying to each holder of A Shares:

(a) any dividends on the A Shares held by him which have been declared in accordance with **Article 8.1.1** but are unpaid; then

(b) an amount equal to the Issue Price of all the A Shares held by him;

8.2.1.2 secondly, in paying to each holder of the B Shares:

(a) an amount equal to the Issue Price of all of the B Shares held by him; and

thereafter, in distributing the balance of such assets amongst the holders in proportion to the numbers of the A Shares held by them respectively.

## 8.3 Voting

As regards voting:

8.3.1 each holder of A Shares shall be entitled to receive notice of, and to attend and speak, at any general meeting and at any separate class meeting of the Company for A Shares and:

8.3.1.1 on a written resolution, each holder of A Shares, shall have one vote in respect of each A Share they hold; and

8.3.1.2 each holder of A Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll, shall have one vote in respect of each A Share they hold.

8.3.2 the B Shares shall confer no right to receive notice of, attend, speak and/or vote at any general meeting of the Company or to receive or to vote on written resolutions or polls.

## TRIGGER DATE, EXPERT VALUATIONS, THE HURDLE, CALL OPTIONS AND B SHARE PURCHASE

### 9. TRIGGER DATE

9.1 In the event that the Trigger Date has not taken place prior to the Long Stop Date, the holders of the A1 Shares shall have the exclusive right and option to require the holders of the B Shares to sell all of their respective Shares to the holders of the A1 Shares or to such other undertaking or person as the holders of the A1 Shares shall direct at any time following the Long Stop Date for £1.00 in aggregate for all such Shares (the "**Call Option Price**"). Such option shall be exercisable by

the holders of the A1 Shares executing and delivering to the relevant holder a Call Option Notice.

- 9.2 Completion of the sale and purchase of the B Shares the subject of a Call Option Notice ("**Call Option Completion**") will take place at the registered office of the Company on such date and at such time as may be agreed between the holders of the A1 Shares and the relevant holder or, failing agreement, at midday 15 Business Days after the service of the Call Option Notice. At Call Option Completion the provisions of **Article 14** shall apply mutatis mutandis and reference therein to Purchase Completion Date shall be deemed to read the date of Call Option Completion.
- 9.3 The provisions of the following **Articles 9.4 to Article 13** (inclusive) shall apply provided that the Trigger Date takes place prior to the Long Stop Date and subject to **Article 12.3**.
- 9.4 The Board shall procure that as soon as reasonably practical but, in any event, within 10 Business Days following the Trigger Date, the Company will prepare and deliver to each holder of Shares written notice confirming that the Trigger Date has occurred ("**Trigger Date Confirmation Notice**"). The issue of the Trigger Date Confirmation Notice shall be binding on all holders and conclusive as to whether the Trigger Date has taken place.

## 10. **SITE VALUATION**

- 10.1 Immediately following receipt of the Trigger Date Confirmation Notice, the holders of the A1 Shares and the B Shareholder Majority shall have a period of 10 Business Days to agree the identity of a third party expert surveyor who shall be a member of the Royal Institute of Chartered Surveyors appointed to the panel of the holders of the A1 Shares at the Trigger Date (the "**Site Expert**") who shall be required to determine the Site Valuation as at the Trigger Date in accordance with the Accounting Principles and Policies.
- 10.2 In the absence of agreement as to the identity of the Site Expert the matter shall be referred on the application of either the holders of the A1 Shares or the B Shareholder Majority to the president for the time being of the institute of Royal Institution of Chartered Surveyors whose decision as to the appointment of the Site Expert shall be binding on the Company and all the holders provided that such appointed Site Expert shall in any event be a professionally qualified surveyor with at least ten years qualified experience regarding the subject matter to be determined by him under these Articles in an independent and reputable firm of surveyors.
- 10.3 The Site Expert shall be instructed to prepare a written decision of the Site Valuation as at the Trigger Date and give notice (including a copy) of the decision to the Company within 30 Business Days of the matter being referred to him/her. The decision of the Site Expert shall be final and binding on the Company and all the holders (in the absence of fraud or manifest error) for the purposes of determining the Site Valuation as part of the calculation of the Purchase Price in accordance with these Articles. The costs of the Site Expert shall be borne by the Company. The holders of the A Shares, the Managers and the Company shall provide the Site Expert with relevant information in order to enable the Site Expert to undertake its determination.
- 10.4 The Board shall procure that the Company shall prepare and deliver to each holder within 10 Business Days of receipt by the Company of the Site Expert's written decision of the Site Valuation as at the Trigger Date:
  - 10.4.1 written notice of the Site Expert's determination; and
  - 10.4.2 a copy of the Site Expert's written decision.

## 11. PURCHASE PRICE CALCULATION

- 11.1 The Managers will provide the holders of the A1 Shares, the accountants of the A1 shareholders and any Expert appointed in accordance with **Article 11.7** with access to those assets, documents and records within its possession or control which the A1 shareholders or their accountants may reasonably require or request for the purpose of determining the Purchase Price.
- 11.2 Within 60 Business Days after the date of receipt by the holders of the A1 Shares of the written notice referred to at **Article 10.4**, the holders of the A1 Shares will:
  - 11.2.1 determine at the cost of the Company:
    - 11.2.1.1 the Relevant Cash Inflows;
    - 11.2.1.2 the Relevant Cash Outflows;
    - 11.2.1.3 the Relevant Cash Hurdle;
    - 11.2.1.4 the IRR;
    - 11.2.1.5 the Excess Cash; and
    - 11.2.1.6 the Purchase Price;

(together, the "**Purchase Statement**"),

in each case as at the Trigger Date and applying the Accounting Principles and Policies and provisions of these Articles; and
  - 11.2.2 deliver the Purchase Statement to the B Shareholders.
- 11.3 The B Shareholders will review the Purchase Statement, such review to be completed within 20 Business Days of the date of delivery of the Purchase Statement to the B Shareholders. The B Shareholders will notify the holders of the A1 Shares by one written notice signed by all B Shareholders ("**Response Notice**") within such period of 20 Business Days to confirm whether or not they accept the Purchase Statement as complying with these Articles. If the B Shareholders do not give a Response Notice to the holders of the A1 Shares within 20 Business Days of delivery of the Purchase Statement then (in the absence of fraud or manifest error) the Purchase Statement will be deemed to be agreed as final and binding on all holders.
- 11.4 If the B Shareholders give a Response Notice to the holders of the A1 Shares pursuant to **Article 11.3** stating that the B Shareholders do not accept the Purchase Statement as complying with these Articles then at the same time:
  - 11.4.1 the B Shareholders will set out in the Response Notice in reasonable detail their reasons for such non-acceptance and specify the particular line items in the Purchase Statement with which they disagree, the reason for the disagreement and the amount the B Shareholders think should replace such disputed amount;
  - 11.4.2 the B Shareholders will provide the holders of the A1 Shares and their accountants with access to all such documents and working papers relating to their preparation of the Response Notice and proposed adjustments referred to in **Article 11.4.1**; and
  - 11.4.3 the B Shareholders and the holders of the A1 Shares will use all reasonable endeavours to reach agreement upon the adjustments (if any) to be made to the Purchase Statement in light of the reasons for non-acceptance made by the B Shareholders in the Response Notice.

- 11.5 Any line items not identified in the Response Notice as being in dispute will be deemed to be agreed and will therefore (in the absence of fraud or manifest error) be final and binding upon all holders, save where such line item should be changed as a consequence of the agreement or determination of a disputed line item.
- 11.6 Once the B Shareholders have given a Response Notice to the holders of the A1 Shares setting out reasons for non-acceptance and proposed adjustments in accordance with **Article 11.4.1** the B Shareholders will not be entitled to give any further or additional Response Notice nor to raise any new or additional reasons for non-acceptance nor any further or additional proposed adjustments to the Purchase Statement.
- 11.7 If the B Shareholders and the holders of the A1 Shares do not reach agreement as to the adjustments (if any) to be made to the Purchase Statement within 10 Business Days after service of the Response Notice setting out reasons for non-acceptance then either the B Shareholders or the holders of the A1 Shares may refer the matters in dispute to, and for determination by, a partner at an independent firm of chartered accountants agreed upon and appointed by the holders of the A1 Shares and the B Shareholder Majority. If there is no agreement upon the selection and/or a partner at an independent firm of chartered accountants is not appointed after a further 5 Business Days, a partner at an independent firm of chartered accountants will be selected on the application of the holders of the A1 Shares to the President or other senior officer for the time being of the Institute of Chartered Accountants in England and Wales (such person, or a partner at an independent firm of chartered accountants if so agreed upon and appointed pursuant to this **Article 11.7**, the "**Expert**") provided that such appointed Expert must be a qualified accountant with at least ten years of qualified experience in the subject matter to be determined by them under these Articles in an independent and reputable firm of accountants.
- 11.8 The holders of the A1 Shares and the B Shareholders will:
- 11.8.1 co-operate in doing everything that is reasonably necessary to procure the appointment of any Expert selected either by the written agreement or in accordance with **Article 11.7**;
  - 11.8.2 not unreasonably refuse to agree the terms of engagement of any Expert selected either by the written agreement or in accordance with **Article 11.7**, provided such terms are reasonable; and
  - 11.8.3 promptly provide the Expert with all information which the Expert reasonably requires to make his determination.
- 11.9 The Expert will:
- 11.9.1 act as an expert and not as an arbitrator and the decision of the Expert will, in the absence of manifest error, be final and binding;
  - 11.9.2 apply the definitions set out in these Articles together with the Accounting Principles and Policies; and
  - 11.9.3 determine only:
    - 11.9.3.1 the matters in dispute specified in the Response Notice and what adjustments (if any) should be made to the Purchase Statement in respect of such matters; and
    - 11.9.3.2 the payment of the Expert's fees, costs and expenses in accordance with **Article 11.10**,
  - 11.9.4 be requested to provide his written determination within 20 Business Days of his appointment.

- 11.10 The Expert's fees and any costs and expenses incurred in relation to his appointment (including any fees charged by the President or other senior officer for the time being of the Institute of Chartered Accountants in England and Wales for selecting the Expert in accordance with **Article 11.7**) will be borne in such proportions as the Expert will determine and, pending or in the absence of such determination, by all holders equally (for clarity, the proportion borne by the holders of the A1 Shares or the A2 Shares shall be equal to the proportion borne by any one of the other holders of the B Shares).
- 11.11 If agreement is reached or deemed reached on the Purchase Statement whether under **Article 11.3** or the Purchase Statement is otherwise finally determined at any stage in the procedure set out in **Articles 11.3 to 11.10**, the Board will procure that within 5 Business Days of such agreement, deemed agreement or determination, the Company provides to the Investors and all other holders:
- 11.11.1 the final Purchase Statement;
  - 11.11.2 if applicable, a copy of the decision made by the Expert;
  - 11.11.3 if applicable, a copy of the report prepared by the Site Expert;
  - 11.11.4 confirmation of whether the Hurdle has been met (as described in **Article 12.1** below);
  - 11.11.5 (if the Hurdle has been met) the Purchase Price; and
  - 11.11.6 confirmation that the final Purchase Statement and the Purchase Price will be final and binding on the Investors and all other holders.

## 12. **HURDLE**

- 12.1 If the IRR as at the Trigger Date is equal to or greater than the Hurdle, the Hurdle shall have been met for the purposes of these Articles. If the IRR as at the Trigger Date is less than the Hurdle, the Hurdle shall not have been met for the purposes of these Articles.
- 12.2 If the Hurdle is not met, the holders of the A1 Shares shall have the exclusive right and option to require the B Shareholders to sell all of their respective Shares to the holders of the A1 Shares (in such proportion as the holders of the A1 Shares shall determine) or to such other undertaking or person as the holders of the A1 Shares shall direct at any time following the service of the Purchase Statement for £1 in aggregate for all such Shares. Such option shall be exercisable by the holders of the A1 Shares executing and delivering to the relevant holder a Call Option Notice on behalf of the holders of the A1 Shares. Upon service of the Call Option Notice the provisions of **Article 9.2** shall apply mutatis mutandis in respect of the Shares the subject of the Call Option Notice (save that the reference to the Purchase Price in **Article 14.1.2** shall be deemed to state £1 in aggregate for all such Shares).
- 12.3 The provisions of the following **Article 13** shall apply provided that the Hurdle is met.

## 13. **SALE AND PURCHASE OF THE B SHARES**

- 13.1 The holders of the A1 Shares shall purchase from each holder of B Shares (excluding any such Shares which are held by Investors) and each such holder of B Shares (together the "**B Shareholders**") shall sell all of the B Shares held by them respectively on such terms as is more particularly set out in this **Article 13** (the "**B Share Purchase**").

## **TIMING OF COMPLETION OF B SHARE PURCHASE**

- 13.2 Completion of the B Share Purchase shall take place at the registered office of the Company at midday on the fifteenth Business Day following receipt of the final Purchase Statement pursuant to **Article 11.11** (or at such time on such earlier date falling on a Business Day as the Investors and the relevant holder shall agree in writing) such date being the "**Purchase Completion Date**".

#### **PURCHASE PRICE**

- 13.3 Subject always to the terms of the LTIP Framework Agreement and provided always that:

- 13.3.1 the price payable for the B Shares (in aggregate and for the avoidance of doubt for these purposes including B Shares held by each holder including any Investor) pursuant to the provisions of this **Article 13.3** shall in no circumstances exceed an amount equal to the B Share Price Cap,

the price payable (which shall be paid in cash) for each B Share the subject of the B Share Purchase ("**Purchase Price**") shall be an amount equal to 20% of the Excess Cash as at the Trigger Date divided by the total number of B Shares in issue as at the Trigger Date.

- 13.4 Subject always to the terms of the LTIP Framework Agreement, in the event that but for the provisions of **Article 13.3.1** the price payable for the B Shares (in aggregate and for the avoidance of doubt including for these purposes such B Shares held by each holder including any Investor) pursuant to the provisions of **Article 13.3** would exceed an amount equal to the B Share Price Cap, the relevant Purchase Price payable at the Purchase Completion Date to the relevant holder(s) shall be reduced accordingly in order to ensure that the B Share Price Cap is not exceeded which for the avoidance of doubt may result in £nil consideration being payable by the holders of the A1 Shares to the relevant holder for the purchase of the relevant Shares.

#### **14. PURCHASE COMPLETION**

- 14.1 On the Purchase Completion Date:

- 14.1.1 the following items will be produced and delivered by the relevant holder:

14.1.1.1 executed transfer(s) of all of the Shares held by the relevant holder in favour of the holders of the A1 Shares (or their nominee(s)) together with the share certificate(s) for such Shares (or, in the case of any lost certificate, an indemnity satisfactory to the holders of the A1 Shares (acting reasonably) in relation to it);

14.1.1.2 any waiver, consent or other document necessary to entitle the relevant holder to transfer all of his Shares to the holders of the A1 Shares (or their nominee(s)) free of any Encumbrance and to give the holders of the A1 Shares (or their nominee(s)) full legal and beneficial ownership of such Shares the subject of the transfer; and

14.1.1.3 if the holder of the A1 Shares requests, a power of attorney from the relevant holder of Shares which enables the holders of the A1 Shares (or their nominee(s)) to attend and vote at class meetings of the Company until such time as the relevant Shares are registered in the name of the holders of the A1 Shares (or their nominee(s)).

- 14.1.2 The holders of the A1 Shares will procure the payment of the Purchase Price or the Call Option Price (as applicable) by electronic funds transfer to the account as notified to the holders of the A1 Shares or by such other method as may be agreed between the relevant holder and the holders of the A1 Shares.



**15. OPERATOR CONVENIENCE TERMINATION FOLLOWING DISPOSAL OF LAST UNIT ON FIRST PHASE**

15.1 In the event of an Operator Convenience Termination taking place following the disposal of the last Unit on the first phase of the Site but prior to the Trigger Date, then in such circumstances the Trigger Date will be deemed to have taken place on the date of such Operator Convenience Termination and the provisions of **Articles 9.4 to Article 13** (inclusive) shall apply and subject to **Article 12.3**, in each case mutatis mutandis provided that:

15.1.1 the Site Valuation shall be in respect of the first phase of the Site only;

15.1.2 the Relevant Cash Inflows;

15.1.3 the Relevant Cash Outflows;

15.1.4 the Relevant Cash Hurdle;

15.1.5 the IRR;

15.1.6 the Excess Cash; and

15.1.7 the Purchase Price;

shall in each case be calculated by reference to corresponding amounts up to the disposal of the last Unit on the first phase of the Site only; and

15.1.8 the Purchase Price actually payable for each B Share the subject of the B Share Purchase shall be discounted by 75%.

**16. VARIATION OF RIGHTS**

16.1 The class rights attached to classes of Share may from time to time (whether or not the Company is being wound up) be varied or abrogated with the consent in writing of the holders of at least three-quarters in nominal value of the issued Shares of that class or with the sanction of a special resolution passed at a separate class meeting of the holders of that class or, in relation to the variation or abrogation of the A Shares, with Investor Consent.

16.2 For each such separate class meeting all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply mutatis mutandis, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative and holding or representing not less than one-third in nominal value of the issued Shares of the relevant class (excluding any Shares held by the Company as treasury shares), that every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him and that any holder of Shares of the class present in person or by proxy or (being a corporation) by a duly authorised representative may demand a poll. For the purpose of this Article one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

16.3 Any Leavers shall with effect from their Leaving Date and any Defaulting Shareholders shall with effect from the date of their default as described in **Article 23** and any Manager with effect from the date that Manager becomes the subject of a Transfer Event, cease to be entitled to receive notice of, and to attend and speak at any class meeting of the Company for the Shares held by or on behalf of such holder whether on a show of hands, poll, written resolution or otherwise.

## 17. ALLOTMENT OF SHARES

17.1 The directors shall not allot any Shares unless notice in writing is given to each holder of Shares of the relevant class to be allotted specifying:

17.1.1 the number and classes of Shares which are proposed to be issued;

17.1.2 the consideration payable on such issue; and

17.1.3 any other material terms or conditions.

17.2 The notice specified in **Article 17.1** shall invite each holder of the relevant class of Share to state, in writing within 10 Business Days from the date of such notice (which date shall be specified therein), whether he/it is willing to subscribe for any, and if so, how many Shares of that class.

17.3 The Shares proposed to be issued pursuant to **Article 17.1** shall be issued to, a holder accepting the offer, in the same proportion (as nearly as may be) to the proportion which Shares of that class held by such holder bear to the total number of Shares of that class held by all such holders accepting such offer ("**Proportionate Element**") provided that such holder shall not be allocated more Shares than he shall have stated himself willing to take. It shall be open to each such holder of Shares of that class to specify if he/it is willing to subscribe for Shares in excess of his Proportionate Element ("**Additional Shares**") and, if the holder does so specify, he shall state the number of Additional Shares.

17.4 Within three Business Days of the expiry of the invitation made pursuant to the notice given under **Article 17.1** (or sooner if all holders have responded to the invitation and all the Shares proposed to be issued have been accepted in the manner provided for in **Article 17.2**), the Board shall allocate the Shares in the following manner:

17.4.1 if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Company shall allocate the number applied for in accordance with the applications; or

17.4.2 if the total number of Shares applied for is more than the available number of Shares to be issued, each holder shall be allocated his Proportionate Element (or such lesser number of Shares to be issued for which he may have applied) applications for Additional Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Additional Shares in his/its Proportionate Element,

and in either case the Company shall forthwith give notice of each such allocation (an "**Issue Notice**") to each of the persons to whom Shares are to be issued (a "**Member Subscriber**") and shall specify in the Issue Notice the time (being not later than 10 Business Days after the date of the Issue Notice) at which the allotment of the Shares shall be made.

17.5 Upon such allocations being made as set out in **Article 17.4**, the Board shall be bound, on payment of the subscription price, to issue the Shares comprised in the Issue Notice to the Member Subscriber named therein at the time therein specified free from any lien, charge or encumbrance.

17.6 In the event the holders of the B Shares do not accept all of the relevant Shares to be issued in the capital of the Company in accordance with **Articles 17.1 to 17.4**, the proposed Shares will not be allotted unless the consent in writing of the holders of the majority of the B Shares is obtained. For the purposes of this article, a holder of B Shares shall be disregarded (both for the purposes of obtaining consent and establishing whether the majority of holders have consented) where the provisions of **Articles 22 or 23** apply or where a Manager is no longer engaged in any manner by the Company, or any member of its Group or by the IVG Group.

- 17.7 **Article 17.6** shall not apply, and no consent referred to therein shall be required to be obtained where any Shares are proposed to be issued and allotted in connection with any material breach of any positive and negative covenants of the Company requiring Investor Consent (whether set out in these articles of association or otherwise in any agreement made between the Company or its subsidiaries and the Investors) which have not been remedied to the satisfaction of the Investors within any period specified by the Investors.
- 17.8 Notwithstanding any other provisions of this **Article 17**, no Shares shall be allotted to any party unless that party has first entered into a Joint Election if required to do so by the holders of the A1 Shares and a deed of adherence if so required by the JV Agreement and/or the LTIP Framework Agreement.
- 17.9 The provision of **Articles 17.2 to 17.4** shall have no application to any holder who is a Leaver with effect from his Leaving Date or any Manager with effect from the date that Manager becomes the subject of a Transfer Event.
- 17.10 In accordance with section 567(1) and (2) of the 2006 Act, sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act shall not apply to the Company.
- 17.11 References in **Articles 17** to the allotment of shares do not include the transfer of any Shares by the Company out of treasury by way of sale or transfer.

## TRANSFER OF SHARES

### 18. GENERAL

- 18.1 No transfer of any Share shall be made or registered unless such transfer complies with the provisions of these Articles and the transferee has first entered into a Joint Election if required to do so by the holders of the A1 Shares and a deed of adherence if so required by JV Agreement and/or the LTIP Framework Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of Shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles.
- 18.2 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer of Shares:
  - 18.2.1 any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted, issued or transferred to some person other than himself; and
  - 18.2.2 any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument.

### 19. PERMITTED TRANSFERS

Notwithstanding the provisions of any other Article, the transfers set out in this **Article 19** shall be permitted without restriction and the provisions of **Articles 20** (Voluntary Transfers) and **21** (Change of Control) shall have no application in respect of any such transfer or transfers.

#### 19.1 Permitted transfers by Investors

- 19.1.1 Each Investor may transfer the Shares held by them in accordance with the provisions of clause 17.6 of the JV Agreement.

## 19.2 Permitted Transfers by non-Investors

19.2.1 Subject to **Articles 19.2.2 to 19.2.6** inclusive, any holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board and the Investors to be:

19.2.1.1 a Family Member of his; or

19.2.1.2 trustees to be held under a Family Trust in relation to that individual.

19.2.2 Subject to **Article 19.2.4**, no Shares shall be transferred under **Article 19.2.1** by an individual who previously acquired those Shares by way of transfer under **Article 19.2.1** save to another individual who is a Family Member of the original holder of such Shares or to trustees to be held under a Family Trust in relation to the original holder of such Shares.

19.2.3 No transfer of Shares shall be made by a holder under **Article 19.2.1**:

19.2.3.1 unless in the case of a transfer under **Article 19.2.1.2**, Investor Consent has been provided to the Company which shall be in the Investors' absolute discretion; and

19.2.3.2 if the proposed transfer will result in 50 per cent. or more by nominal value of the Shares originally held by the holder being held by that holder's Family Trust and Family Members save to the extent that Investor Consent has been provided to the Company in respect of such transfer.

19.2.4 Where Shares are held by trustees under a Family Trust:

19.2.4.1 those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved by an Investor Consent;

19.2.4.2 those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under **Article 19.2.1** if he had remained the holder of them; and

19.2.4.3 if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Articles 19.2.4.1** or **19.2.4.2**), the trustees shall forthwith transfer all such Shares to the original holder for such consideration as they agree within 15 Business Days of the cessation, or, failing such transfer within that period, the provisions of **Article 23** shall apply.

19.2.5 If:

19.2.5.1 any person has acquired Shares as a Family Member of a holder by way of one or more transfers permitted under this **Article 19.2**;

19.2.5.2 that person ceases to be a Family Member of that holder;

that person shall forthwith transfer all the Shares then held by that person back to that holder, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer within that period, the provisions of **Article 23** shall apply.

19.2.6 Subject to the provisions of **Article 22**, if the personal representatives of a deceased holder are permitted under these Articles to become registered as the

holders of any of the deceased holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under **Article 19.2** to any person to whom the deceased holder could have transferred such Shares under this Article if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this **Article 19**.

19.2.7 The trustees of any Employee Trust may sell or transfer any B Ordinary Shares held by them to the beneficiaries of such Employee Trust with Investor Consent.

19.2.8 The Company may sell or transfer any Shares held by it as treasury shares to such person or persons identified by the Investors with Investor Consent.

**19.3 Permitted Transfers by all Shareholders**

19.3.1 Any holder may at any time transfer any Shares, in accordance with the provisions of the Statutes, to the Company.

19.3.2 Any holder may at any time transfer all or any of his Shares to any other person with Investor Consent.

19.3.3 Any Shares may be transferred pursuant **Articles 21.1** and **21.2** (Drag along).

19.3.4 Shares may be transferred pursuant to the provisions of **Article 13** or the service of a Call Option Notice as more particularly described in these Articles.

**19.4 Notwithstanding any other provision of these Articles:**

- (a) the directors shall not decline to register or delay in registering any transfer of any share;
- (b) no holder of shares in the Company will be required to comply with any provision of these Articles which restricts the transfer of shares or which requires any shares to be first offered to all or any current shareholders of the Company before any transfer may take place; and
- (c) no holder of shares in the Company will have any right under these Articles or otherwise to require such shares to be transferred to them whether for consideration or otherwise,

where such transfer is:

- (i) to any bank, institution or other person to which such shares have been charged by way of security, or to any nominee or delegate of such a bank, institution or other person (or a person acting as agent or security trustee for such person) (a "**Secured Institution**"); or
- (ii) delivered to the Company for registration by a Secured Institution or its nominee or delegate in order to perfect its security over the shares or in order to transfer the shares to a third party upon disposal or realisation of shares following the Secured Institution having become entitled to exercise or enforce its right under such security; or
- (iii) executed by a Secured Institution or its nominee or delegate pursuant to a power of sale or other power existing under such security,

and the directors shall forthwith upon receipt register any such transfer of shares.

## 20. VOLUNTARY TRANSFERS

Except as permitted under **Article 19**, no holder may at any time transfer all or any of his Shares to any other person.

## 21. CHANGE OF CONTROL

### Drag along

- 21.1 If holders of the A Shares (in **Articles 21.1** and **21.2**, the "**Investor Sellers**") wish to transfer all of their Shares ("**Investor Sellers' Shares**") to any independent third party (the "**Buyer**"), pursuant to the terms of a bona fide arm's length transaction, then the Investor Sellers shall also have the option (the "**Drag Along Option**"), exercisable by the Investor Sellers giving written notice to that effect (a "**Drag Along Notice**"), to require all other holders and any persons who would become holders upon the exercise of any options, warrants or other rights to subscribe for Shares which exist at the date the Drag Along Notice is given (the "**Called Shareholders**"), to transfer with full title guarantee free from Encumbrance all their Shares (including any such Shares issued or to be issued pursuant to any options, warrants or rights to subscribe existing at the date the Drag Along Option is exercised) (together the "**Called Shares**") to the Buyer, or as the Buyer directs. The Drag Along Option must provide for terms such that the sale and purchase of the Called Shares and the Investor Sellers' Shares will be completed at the same time. A Drag Along Notice shall be given by the Investor Sellers to each Called Shareholder and shall specify:
- 21.1.1 that the Called Shareholders are, or will, in accordance with this **Article 21.1** and **Articles 21.2** be required to transfer with full title guarantee all their Called Shares free from Encumbrances;
  - 21.1.2 the price at which the Called Shares are to be transferred which shall be at a price per share equal to the net asset value of the Company (as determined by the Board acting reasonably) divided by the total number of Shares.
- 21.2 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Called Shares pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Called Shares ("**a New Member**"), a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall be deemed to have been served upon the New Member who shall thereupon be bound to sell and transfer all such Called Shares acquired by him to the Buyer or as the Buyer may direct and the provisions of this **Article 21.2** shall apply mutatis mutandis to the New Member save that completion of the sale of such Called Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member or, if later, upon the date of completion under the previous Drag Along Notice.
- 21.3 A Drag Along Notice may be revoked at any time prior to the completion of the sale of the Called Shares of a Called Shareholder by the service of a written notice by the Investor Sellers on the Called Shareholder.

## 22. COMPULSORY TRANSFERS

- 22.1 In this **Article 22**, a "**Transfer Event**" means, in relation to any holder of Shares:
- 22.1.1 a holder becoming a Leaver;
  - 22.1.2 a holder who has Retired;
  - 22.1.3 a holder who is an individual becoming bankrupt;
  - 22.1.4 a holder who is an individual making any arrangement or composition with his creditors generally;

- 22.1.5 the appointment of a liquidator, receiver, administrator or administrative receiver in respect of any holder;
  - 22.1.6 the entering into a company voluntary arrangement in accordance with applicable insolvency legislation by any holder;
  - 22.1.7 a holder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles; and/or
  - 22.1.8 a holder failing to make a transfer of Shares required by these Articles.
- 22.2 Subject to **Article 22.4**, following a Transfer Event the holders of the A1 Shares shall have the exclusive right and option to require the relevant holder the subject of the Transfer Event to sell all of their Shares to the holders of the A1 Shares (or to such other undertaking or person as the holders of the A1 Shares shall direct at any time) for £1 in aggregate for all such Shares. Such option shall be exercisable by the holders of the A1 Shares executing and delivering to the relevant holder a Call Option Notice. Upon service of the Call Option Notice the provisions of **Article 9.2** shall apply mutatis mutandis in respect of the Shares the subject of the Call Option Notice (save that the reference to the Purchase Price in **Article 14.1.2** shall be deemed to state £1 in aggregate for all such Shares).
- 22.3 For the purpose of **Article 22.1.1**, the date upon which a relevant holder becomes a Leaver (his "**Leaving Date**") shall be:
- 22.3.1 where a contract of employment or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
  - 22.3.2 where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice;
  - 22.3.3 save as provided in **Article 22.3.1** where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance;
  - 22.3.4 where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event; and
  - 22.3.5 where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in **Articles 22.3.1** to **22.3.4** (inclusive) above, the date on which the action or event giving rise to the termination occurs.
- 22.4 If any Manager is a Permitted Leaver or has Retired, the following provisions shall apply:
- 22.4.1 the relevant holder will be:
    - 22.4.1.1 entitled to retain the relevant number of Shares as specified in **column 2** in the table below (rounded up to the nearest whole number) by reference to the relevant Leaving Date as set out in **column 1**, such Shares to be dealt with in accordance with the provisions as set out in **Articles 12 to 14** and/or
    - 22.4.1.2 required (at the exclusive right and option of the holders of the A1 Shares) to sell the relevant number of Shares as specified in **column 3** in the table below (rounded up to the nearest whole number) by reference to the relevant Leaving Date as set out in

**column 1**, such Shares to be dealt with in accordance with the provisions of **Article 22.2**:

(1)	(2)	(3)
Leaving Date of the relevant Manager	% of the total number of Shares held by the relevant Manager to be retained	% of the total number of Shares held by the relevant Manager to be transferred in accordance with Article 22.2
Before the date of Disposal of one third (rounded up to the nearest whole number) of the total number of Units on the Site	Nil	100% in the case of a Permitted Leaver or a holder who has Retired
On or after the date of Disposal of one third (round up to the nearest whole number) of the total number of Units on the Site but before the date of Disposal of two thirds (rounded up to the nearest whole number) of the total number of Units on the Site	20% in the case of a Permitted Leaver 40% in the case of a holder who has Retired	80% in the case of a Permitted Leaver 60% in the case of a holder who has Retired
On or after the date of Disposal of two thirds (rounded up to the nearest whole number) of the total number of Units on the Site but before the Trigger Date	40% in the case of a Permitted Leaver 80% in the case of a holder who has Retired	60% in the case of a Permitted Leaver 20% in the case of a holder who has Retired
On Trigger Date	100% in the case of Permitted Leaver or a holder who has Retired	Nil

- 22.5 In the event of (i) an Operator Fault Termination at any time or (ii) an Operator Convenience Termination that takes place at any time prior to the date of the Disposal of the last Unit on the first phase of the Site, the holders of the A1 Shares shall have the exclusive right and option to require the holders of the B shares to sell all of their respective Shares to the holders of the A1 Shares (or to such other undertaking or person as the holders of the A1 Shares shall direct at any time) for £1 in aggregate for all such Shares. Such option shall be exercisable by the holders of the A1 Shares executing and delivering to the relevant holder a Call Option Notice. Upon service of the Call Option Notice the provisions of **Article 9.2** shall apply mutatis mutandis in respect of the Shares the subject of the Call Option Notice (save that the reference to the Purchase Price in **Article 14.1.2** shall be deemed to state £1 in aggregate for all such Shares).

## 23. DEFAULT

- 23.1 If any holder shall make any default in transferring their Shares in accordance with the terms of these Articles then such holder (the "**Defaulting Shareholder**") hereby irrevocably and unconditionally appoints the Company (which appointment is made as a security interest and shall bind the successors and assigns of the grantors) as his the duly appointed attorney and in his name to execute, complete and deliver in the his name and on his behalf, a transfer of his any Shares on the terms set out in the Articles and to execute and deliver all such consents, written resolutions and proxies and to execute and deliver all such other deeds and



documents as the attorney shall consider to be necessary or desirable for the purposes of the transfer of any such Shares. Each of the holders hereby gives all necessary consents and waivers which may be required either under the Articles or otherwise to allow the operation of this **Article 23** including:

- 23.1.1 to give good receipts and discharges for all consideration due to the holders following any share sale and to transfer the consideration to the relevant holders in accordance with the provisions of the Articles;
  - 23.1.2 to sign or execute and deliver all stock transfer forms, share certificates and all other deeds, documents and instruments which are necessary or which the Investors (acting reasonably) consider desirable for transferring the Shares in accordance with the Articles;
  - 23.1.3 to agree the terms of any agreements relating to any share sale;
  - 23.1.4 to agree the form of any public announcements in respect of any share sale and/or any related matter.
- 23.2 The power of attorney given in this **Article 23**:
- 23.2.1 shall be irrevocable whilst there remains any matters outstanding in relation to any share sale;
  - 23.2.2 shall only be used in respect of a party if that party shall fail to comply with a request of the Investors within the timescale set by the Investors, acting reasonably and otherwise in accordance with the Articles.
- 23.3 Each of the holders granting the above-mentioned power of attorney hereby agree to ratify and confirm everything done or caused to be done by the attorney in exercising the powers contained in this **Article 23** and to indemnify the attorney against all actions, claims, demands and proceedings taken or made against the attorney and all reasonable costs, damages, expenses, liabilities and losses which the attorney may suffer or incur as a result of such exercise.

## 24. **COMPLIANCE**

- 24.1 For the purpose of ensuring that a transfer of Shares is duly authorised under these Articles, the Board (with Investor Consent) may from time to time require any holder or past holder or the personal representatives, trustee in bankruptcy, receiver, administrative receiver, liquidator, administrator or similar officer of any holder or any person named as transferee in any transfer lodged for registration or such other person as the Board and/or the Investors may reasonably believe to have information relevant to such purpose, to furnish to the Company and the Investors such information and evidence as the Board and/or the Investors may reasonably think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name.

## 25. **PURCHASE OF OWN SHARES**

The Company is authorised to purchase its own shares out of capital up to the annual limit in accordance with section 692 of the 2006 Act.

## 26. **TRANSMITTEES BOUND BY PRIOR NOTICES**

Model Article 29 shall be amended by the insertion of the words ", or the name of any person nominated under Model Article 27(2)", after the words "the transmittee's name".

## **GENERAL MEETINGS**

### **27. NOTICE OF GENERAL MEETINGS**

27.1 Every notice convening a general meeting shall:

27.1.1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies; and

27.1.2 be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website.

27.2 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days' notice but a general meeting can be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting being a majority who together hold not less than 90 per cent. by nominal value of the Shares giving that right. The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting.

### **28. PROCEEDINGS AT GENERAL MEETINGS**

28.1 No resolution shall be voted on and no other business shall be transacted at any general meeting of the Company unless a quorum is present when such vote is taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present. Two persons, being holders present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting.

28.2 If a quorum is not present within half an hour from the time appointed for a general meeting or if, during any general meeting, a quorum ceases to be present, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other place as the directors (with Investor Consent) may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the same the shareholders present shall form a quorum. Model Article 41(1) to (5) inclusive shall not apply to the Company.

### **29. WRITTEN RESOLUTIONS**

29.1 A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date.

29.2 For the purposes of this **Article 29** "circulation date" is the date on which copies of the written resolution are sent or submitted to members or, if copies are sent or submitted on different days, to the first of those days.

### **30. COMMUNICATION PROVISIONS**

30.1 Where:

30.1.1 a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom; and

30.1.2 the Company or the relevant holder (as applicable) is able to show that it was properly addressed, prepaid and posted,

it is deemed to have been received by the intended recipient 24 hours after it was posted.

30.2 Where:

30.2.1 a document or information is sent or supplied by electronic means; and

30.2.2 the Company or the relevant holder (as applicable) is able to show that it was properly addressed,

it is deemed to have been received by the intended recipient immediately after it was sent.

30.3 Where a document or information is sent or supplied by the Company means of a website, it is deemed to have been received by the intended recipient:

30.3.1 when the material was first made available on the website; or

30.3.2 if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

30.4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by **Articles 30.1, 30.2 and 30.3.**

30.5 Subject to any requirements of the 2006 Act only such, documents and notices as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.

31. **INDEMNITIES FOR DIRECTORS**

31.1 Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) shall be entitled to be indemnified by the Company against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or of any associated company and against any such liability incurred by him in connection with the Company's activities as trustee of an occupational pension scheme as defined in section 235(6) of the 2006 Act.

31.2 Subject to the 2006 Act, the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company.

31.3 Subject to, and so far as may be permitted by, the 2006 Act, the Company shall be entitled to fund the expenditure of every director, alternate director or other officer of the Company incurred or to be incurred:

31.3.1 in defending any criminal or civil proceedings; or

31.3.2 in connection with any application under sections 661(3) or 661(4) or under section 1157 of the 2006 Act.

31.4 Model Articles 52 and 53 shall not apply to the Company.

32. **PRIORITY**

32.1 If there is any conflict or inconsistency between the provisions of the JV Agreement relating to the Company and these Articles, the provisions of the JV Agreement shall prevail.

## **APPENDIX 1**

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## PART 1

### INTERPRETATION AND LIMITATION OF LIABILITY

#### **Defined terms**

**1. In the articles, unless the context requires otherwise—**

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“distribution recipient” has the meaning given in article 31;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“fully paid”, in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

“writing” means 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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

### **Liability of members**

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

## **PART 2**

### **DIRECTORS**

#### **DIRECTORS' POWERS AND RESPONSIBILITIES**

##### **Directors' general authority**

3. Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

##### **Shareholders' reserve power**

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.  
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

##### **Directors may delegate**

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
  - (a) to such person or committee;
  - (b) by such means (including by power of attorney);
  - (c) to such an extent;
  - (d) in relation to such matters or territories; and
  - (e) on such terms and conditions;as they think fit.  
(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.  
(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

##### **Committees**

- 6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.



- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

## DECISION-MAKING BY DIRECTORS

### Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If—

(a) the company only has one director, and

(b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

### Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time;

(b) where it is to take place; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

### Participation in directors' meetings

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and

- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

### **Quorum for directors' meetings**

- 11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—
- (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

### **Chairing of directors' meetings**

- 12.—(1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

### **Casting vote**

- 13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

### **Conflicts of interest**

- 14.—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
  - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (c) the director's conflict of interest arises from a permitted cause.

- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
  - (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
  - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **Records of decisions to be kept**

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

#### **Directors' discretion to make further rules**

16. Subject to the articles, 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.

### **APPOINTMENT OF DIRECTORS**

#### **Methods of appointing directors**

- 17.—(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, or
  - (b) by a decision of the directors.
- (2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

#### **Termination of director's appointment**

**18. A person ceases to be a director as soon as—**

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

**Directors' remuneration**

**19.—(1) Directors may undertake any services for the company that the directors decide.**

**(2) Directors are entitled to such remuneration as the directors determine—**

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company.

**(3) Subject to the articles, a director's remuneration may—**

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

**(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.**

**(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.**

**Directors' expenses**

**20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—**

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

**PART 3**

**SHARES AND DISTRIBUTIONS**

**SHARES**

**All shares to be fully paid up**

**21.—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.**

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

### **Powers to issue different classes of share**

**22.**—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

### **Company not bound by less than absolute interests**

**23.** Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

### **Share certificates**

**24.**—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

### **Replacement share certificates**

**25.**—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

### **Share transfers**

- 26.—**(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

### **Transmission of shares**

- 27.—**(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
  - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

### **Exercise of transmittees' rights**

- 28.—**(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

### **Transmittees bound by prior notices**

- 29.** If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

## **DIVIDENDS AND OTHER DISTRIBUTIONS**

### **Procedure for declaring dividends**

- 30.—**(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

(6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

### **Payment of dividends and other distributions**

**31.**—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

(a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

### **No interest on distributions**

**32.** The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

### **Unclaimed distributions**

**33.**—(1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

(a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

(b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

### **Non-cash distributions**

**34.**—(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

(a) fixing the value of any assets;

(b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

(c) vesting any assets in trustees.

### **Waiver of distributions**

**35.** Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

(a) the share has more than one holder, or

(b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

## **CAPITALISATION OF PROFITS**

### **Authority to capitalise and appropriation of capitalised sums**

**36.**—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

(a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

(b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

(a) on behalf of the persons entitled, and

(b) in the same proportions as a dividend would have been distributed to them.



(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and

(c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## PART 4

### DECISION-MAKING BY SHAREHOLDERS

### ORGANISATION OF GENERAL MEETINGS

#### **Attendance and speaking at general meetings**

**37.—**(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

#### **Quorum for general meetings**

**38.** No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

#### **Chairing general meetings**

- 39.—**(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- (2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—
- (a) the directors present, or
  - (b) (if no directors are present), the meeting,
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- (3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

#### **Attendance and speaking by directors and non-shareholders**

- 40.—**(1) Directors may attend and speak at general meetings, whether or not they are shareholders.
- (2) The chairman of the meeting may permit other persons who are not—
- (a) shareholders of the company, or
  - (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,
- to attend and speak at a general meeting.

#### **Adjournment**

- 41.—**(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- (2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—
- (a) the meeting consents to an adjournment, or
  - (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must—
- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
  - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days’ notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
- (a) to the same persons to whom notice of the company’s general meetings is required to be given, and
  - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

#### **VOTING AT GENERAL MEETINGS**

### **Voting: general**

42. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

### **Errors and disputes**

- 43.—(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **Poll votes**

- 44.—(1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
  - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting;
  - (b) the directors;
  - (c) two or more persons having the right to vote on the resolution; or
  - (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
- (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

### **Content of proxy notices**

- 45.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
- (a) states the name and address of the shareholder appointing the proxy;
  - (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

### **Delivery of proxy notices**

- 46.—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

### **Amendments to resolutions**

- 47.—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—
- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
  - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## **PART 5**

### **ADMINISTRATIVE ARRANGEMENTS**

#### **Means of communication to be used**

- 48.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in

connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

### **Company seals**

49.—(1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

(4) For the purposes of this article, an authorised person is—

(a) any director of the company;

(b) the company secretary (if any); or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

### **No right to inspect accounts and other records**

50. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

### **Provision for employees on cessation of business**

51. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

## **DIRECTORS' INDEMNITY AND INSURANCE**

### **Indemnity**

52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

(a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,

(b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),

(c) any other liability incurred by that director as an officer of the company or an associated company.

(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.

(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 director” means any director or former director of the company or an associated company.

### **Insurance**

**53.—**(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

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



APPENDIX 2

The Site

Description	Title Holder	Title number(s)
Land and buildings known as Bramshott Place Retirement Village, Liphook	Senior Living (Bramshott Place) Limited	HP356825 HP404812 SH24933



## APPENDIX 0

### Call Option Notice

To: *For the attention of [NAME]*

Dated: [date]

**[NAME OF COMPANY]**

**(the "Company")**

#### NOTICE OF EXERCISE OF OPTION

[Dear [Sirs]

We refer to the Articles of Association of the Company ("**Articles**"). Terms defined in the Articles bear the same meaning in this notice unless the context requires otherwise.

We hereby notify you of exercise of the option contained in **Article [-]** of the Articles in respect of [details of the shares] ("**Shares**") and request the transfer to [NAME] of the Shares in accordance with the terms of the Articles.

We propose to complete the exercise of the option on [date] by sending you the sum of £1.00, being the price payable under the Articles.

Please reply to acknowledge due exercise of option and to agree arrangements for completion.

.....  
for and on behalf of [NAME]

## **APPENDIX 3**

### **Accounting Principles and Policies**

#### **Part 1 Site Valuation**

##### **1. General**

In preparing, disputing or determination of the Site Valuation, no account is to be taken of events which occur or information that becomes available after the Trigger Date except where events or information which relate to the period before the Trigger Date occur or become available after the Trigger Date and before the date of preparation of the Site Valuation by the Site Expert. No account is to be taken of events which occur or information that becomes available after the date of preparation of the Site Valuation by the Site Expert.

##### **2. Site Valuation**

In calculating the Site Valuation the Expert shall value the Site on the basis of the following assumptions:

- the Property will be valued on the basis of a full RICS Red Book Valuation, but with the Special Assumption (as defined by RICS) that discount rate and yields applied to the cashflows and/or income relating to the Property, will be the discount rate and yields used to determine the IRR approved by the Company in its Development Gateway 1 Business Plan and as set out in such Development Gateway 1 Business Plan;
- the sale and purchase is made by a willing seller and willing buyer and that the buyer is an independent Third Party, acting in good faith and on arm's length terms; and
- no discount is made for the sale of a minority interest or premium applied for the sale of a majority interest.

For the avoidance of doubt, in the event that the Trigger Date occurs on an earlier date than the date of the Disposal of the last Unit on the Site, any remaining Units that have not been Disposed shall be included in the Site Valuation on the basis as set out in this **paragraph 2.**

#### **Part 2 Purchase Price**

##### **1. General**

In preparing, disputing or determination of the figures in the Purchase Statement, no account is to be taken of events which occur or information that becomes available after the Trigger Date except where events or information which relate to the period before the Trigger Date occur or become available after the Trigger Date and before the date of preparation of the draft Purchase Statement by the holders of the A1 Shares. No account is to be taken of events which occur or information that becomes available after the date of preparation of the draft Purchase Statement by the holders of the A1 Shares.

##### **2. IRR**

In calculating the IRR, all Relevant Cash Inflows and Relevant Cash Outflows will be regarded as arising at the end of the month in which they occur or are deemed to occur.

