

COMPANY NUMBER 02873490

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

AUBOURN FARMING LIMITED

(the "Company")

TUESDAY



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COMPANIES HOUSE

Circulation Date: *29 October* 2019

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 the resolutions numbered 1 and 2 below were duly passed as special resolutions and the resolutions numbered 3 and 4 were duly passed as ordinary resolutions.

SPECIAL RESOLUTION

1. **THAT** the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.
2. **THAT** in accordance with section 570 of the Companies Act 2006 the directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act) pursuant to the authority conferred by resolution 3 below as if section 561(1) of the Companies Act 2006 did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £104.

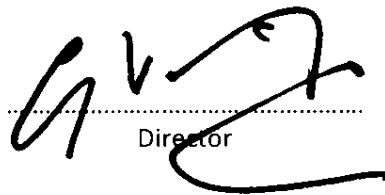
ORDINARY RESOLUTION

3. **THAT** in accordance with section 551 of the Companies Act 2006 the directors of the Company shall be generally and unconditionally authorised to allot shares in the Company up to an aggregate nominal value of £104 provided that such authority

shall, unless renewed, varied or revoked by the Company, expire on 31st December 2019. This authority revokes and replaces all unexercised authorities previously granted to the directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities.

4. **THAT** 100 Ordinary shares of £1.00 each in the capital of the Company be and are hereby re-designated as A ordinary shares of £1.00 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 1.

Dated *29 October* 2019


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Director

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

AUBOURN FARMING LIMITED

COMPANY NUMBER: 02873490

(Adopted by special resolution passed on

29th October 2019

1. **INTERPRETATION**

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

A Shares: the A ordinary shares of £1.00 each in the share capital of the Company.

Act: means the Companies Act 2006.

Allocation Notice: has the meaning given in article 15.11.

Applicant: has the meaning given in article 15.11.

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

B Shares: the B ordinary shares of £1.00 each in the share capital of the Company

Business Day: means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

Conflict: has the meaning given in article 7.1.

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provision of these Articles.

Deferred Payment: has the meaning given in article 15.15.

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

Net Asset Value: in relation to shares, as determined in accordance with article 18.

Family Trust means in relation to an individual shareholder, a trust set up where the beneficiaries include that shareholder and/or any of that shareholder's Privileged Relations.

First Offer Period: has the meaning given in article 15.7.

First Offer Shareholders: the holders of shares in the share capital of the company of any class except for the Seller and excluding any relevant shareholder whose shares are, at the date of the Transfer Notice, the subject of a Deemed Transfer Notice.

Initial Surplus Shares: has the meaning given in article 15.8.3.

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

Original Shareholder means, in relation to an individual shareholder, Christopher James Nevile, and in relation to a corporate shareholder, such corporate shareholder and any member of its Permitted Group.

Permitted Transfer: means a transfer of shares made in accordance with article 16.

Permitted Transferee: means in relation to a corporate shareholder, any member of the same Permitted Group as that shareholder or in relation to an individual shareholder, any of his Privileged Relations or the trustees of his Family Trust(s).

Privileged Relation means the spouse of an individual shareholder, the individual shareholder's children, grandchildren and remoter issue and the individual shareholder's nephews and / or nieces.

Permitted Group means in relation to a company, such company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is a member of the Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to a company at any time will apply to the company as it is at that time.

Proposed Sale Price: has the meaning given in article 15.1.2.

Sale Shares: has the meaning given in article 15.1.

Second Offer Period: has the meaning given in article 15.9.

Second Surplus Shares: has the meaning given in article 15.10.2.

Seller: has the meaning given in article 15.1.

Transfer Notice: has the meaning given in article 15.1.

Transfer Price: has the meaning given in article 15.4.

Valuers: the accountants for the time being of the company or, in the absence thereof or if they decline the instruction, an independent firm of accountants jointly appointed by the company and the Seller or, in the absence of agreement between the company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 20 Business Day period referred to in Article 15.4, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator);

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" or "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.6 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.7 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.8 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.9 Articles 8, 9(1), 11(2) and (3), 13, 14, 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.10 Article 7 of the Model Articles shall be amended by:
- 1.10.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
- 1.10.2 the insertion in article 7(2) of the words "{for so long as he remains the sole director}" after the words "and the director may".
- 1.11 Article 20 of the Model Articles shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 1.12 In Article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".

- 1.14 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.15 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

Directors

2. UNANIMOUS DECISIONS

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

3. CALLING A DIRECTORS' MEETING

- 3.1 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.
- 3.2 The directors shall use reasonable endeavours to call a meeting at least once every six months.

4. QUORUM AND VOTING AT DIRECTORS' MEETINGS

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

5. CASTING VOTE

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

6. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

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

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

6.1.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

6.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

6.1.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;

6.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and

6.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7. **DIRECTORS' CONFLICTS OF INTEREST**

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this article 7 will be effective only if:

- 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
- 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
 - 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and
 - 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

- 7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9. APPOINTMENT AND REMOVAL OF DIRECTORS

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

- 9.2 If any shareholder has the right to appoint a director under these Articles or any shareholders agreement in respect of the Company, any director appointed by such shareholder shall be deemed to have been removed with effect from the relevant shareholder ceasing to hold the requisite number of shares.

10. SECRETARY

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

Shares

11. PURCHASE OF OWN SHARES

- 11.1 Subject to the Act but without prejudice to any other provision of these Articles, the company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

- 11.1.1 £15,000; and

- 11.1.2 the nominal value of 5% of the company's fully paid share capital at the beginning of each financial year of the company.

12. SHARE CAPITAL

- 12.1 The A Shares and B Shares shall rank pari passu in all respects save as set out in these Articles but shall constitute different classes of shares.
- 12.2 If no shares of a class are in issue at any time, these Articles shall be read as if they do not include any reference to that class.
- 12.3 Where the share capital of the company is broken down into more than one class of shares, no variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the company shall mutatis mutandis apply.

VOTING RIGHTS

The holders of the A Shares and the B Shares shall have full and equal rights to receive notice of and to attend and speak at all general meetings.

13. DIVIDEND AND LIQUIDATION PREFERENCE RIGHTS

- 13.1 If the share capital of the company is broken down into more than one class of share, every ordinary resolution or decision of the directors to pay a dividend in respect of the shares in the share capital of the company shall direct that such dividend be paid in respect of one or more classes of shares and shall specify the amount or percentage of dividend payable in respect of each class of shares and such ordinary resolution or decision of the directors may differentiate between classes of shares as to the amount or percentage of dividend payable.
- 13.2 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the company is lawfully able to do so) in the following order of priority: -
- 13.2.1 first in paying to the holders of the A Shares and B Shares in respect of each A Share and B Share held the Issue Price and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A Shares and B Shares pro-rata to the aggregate amounts due under this article to each such A Share and B Share held as if they were one class of share; and

13.2.2 thereafter, in distributing the balance among the holders of the A Shares and B Shares, pro-rata the number of shares held as if they were one class of share.

14. SHARE TRANSFERS: GENERAL

14.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

14.2 No shareholder shall transfer any share except in accordance with these Articles.

14.3 Subject to 14.4, the directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

14.4 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this Article 14.4, the transfer may not be registered unless that deed has been executed and delivered to the company's registered office by the transferee.

14.5 Any transfer of shares by way of a sale that is required to be made under Article 16 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

14.6 Any Transfer Notice served in respect of the transfer of any shares which has not been completed before the date of service in respect of a Deemed Transfer Notice in respect of the same shares shall automatically be revoked by the service of the Deemed Transfer Notice.

14.7 On the transfer of any share are permitted by these Articles:

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

14.7.2 a share transferred to a shareholder shall be automatically re-designated on transfer as a share of the same class as those shares already held by the shareholder. For the purposes

of this Article, where any shareholder holds shares jointly with another shareholder, they shall together be treated as one shareholder.

- 14.8 Any Transfer Notice served in respect of the transfer of any shares (and any related Transfer Notice deemed to have been served by a Permitted Transferee under article 15.3) which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of the Deemed Transfer Notice.

15. **PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 15.1 Except where the provisions of article 16, article 17 or article 19 apply, a shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the company giving details of the proposed transfer including:

- 15.1.1 if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and,
15.1.2 the price (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**).

- 15.2 If a shareholder serves a Transfer Notice under article 15.1, or is deemed to have served a Transfer Notice under article 17, any Permitted Transferee of that shareholder to whom shares have been transferred in accordance with article 16.1 is also deemed to have served a Transfer Notice in respect of all his shares on the same date as the shareholder's Transfer Notice is served or is deemed to have been served (in the case of a Deemed Transfer Notice).

- 15.3 A Transfer Notice (or Deemed Transfer Notice) constitutes the company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.

- 15.4 The **Transfer Price** for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the directors or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice, the Net Asset Value of each Sale Share determined in accordance with article 18. The Transfer Price for each Sale Share of a Permitted Transferee the subject of a Deemed Transfer Notice under article 15.2 shall be the same as the Transfer Price for each Sale Share of the shareholder.

- 15.5 As soon as practicable following the determination of the Transfer Price, the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 15 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

- 15.6 The directors shall offer the Sale Shares in the following order of priority:

- 15.6.1 first to the First Offer Shareholders (if any); and
15.6.2 second, to the company for buyback.

- 15.7 The directors shall offer the Sale Shares first to the First Offer Shareholders (if any) inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 15.8 If:
- 15.8.1 at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares of the class being offered bears to the total number of shares of that class held by the First Offer Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the First Offer Shareholders shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- 15.8.2 not all Sale Shares are allocated following allocations in accordance with article 15.8.1, but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 15.8.1. The procedure set out in this article 15.8.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- 15.8.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with article 15.9.
- 15.9 At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to the company for buyback, inviting it to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares it wishes to buy.
- 15.10 If:
- 15.10.1 at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the company;

- 15.10.2 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the company in accordance with its application (if any). The balance (the **Second Surplus Shares**) may be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 15.14.
- 15.11 The directors shall, when no further offers or allocations are required to be made under article 15.6 to article 15.10 (inclusive), give notice in writing of the allocations made pursuant to such articles, (an **Allocation Notice**) to the Seller and each applicant to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 40 Business Days, but not more than 60 Business Days, after the date of the Allocation Notice).
- 15.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment (or Deferred Payment where appropriate) from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 15.13 If the Seller fails to comply with article 15.12:
- 15.13.1 any director or some other person nominated by a resolution of the directors may, as agent on behalf of the Seller:
- 15.13.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- 15.13.1.2 receive the Transfer Price (or Deferred Payment) and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price (or Deferred Payment)); and
- 15.13.2 (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and
- 15.13.3 the Company shall pay the Transfer Price (or Deferred Payment) into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board may reasonably require to prove good title to those Sale Shares, to the Company.
- 15.14 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the 20 Business Days following the date of service of the Allocation Notice,

transfer the balance to the buyer identified in the Transfer Notice (if any) at a price at least equal to the Transfer Price. The Seller shall not be permitted to transfer any such shares to a third party buyer if that buyer was not identified in the Transfer Notice.

15.15 In the event that Sale Shares are allocated to a First Offer Shareholder that First Offer Shareholder shall be at liberty to pay the Transfer Price in respect of such Sale Shares as are allocated to him in equal monthly instalments over 12 months provided that the first such payment be made within 1 month after completion of the transfer of the Sale Shares in accordance with these Articles (**Deferred Payment**). Interest shall accrue on the Deferred Payment at 3% above the base rate of the company's bank. Interest shall accrue daily and shall be payable in arrears each year at the company's accounting reference date.

15.16 References in articles 15.11 to 15.15 to Sale Shares shall be deemed to include Initial Surplus Shares and Second Surplus Shares where appropriate, as the case may be.

15.17 If there are no First Offer Shareholders, the provisions of article 15 shall apply as though references to the Initial Surplus Shares are references to the Sale Shares and the provisions of article 15 shall apply mutatis mutandis.

16. **PERMITTED TRANSFERS**

16.1 An Original Shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in article 15.

16.2 If an Original Shareholder is an individual, he may only transfer shares to the trustees of a Family Trust if the holder(s) of a majority of the other class of shares are satisfied:

16.2.1 with the terms of the Family Trust and, in particular, with the powers of the trustees;

16.2.2 with the identity of the trustees; and

16.2.3 that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

16.3 Subject to article 16.1, any shareholder holding shares as a result of a Permitted Transfer made by an Original Shareholder in accordance with this article 15.14 may, at any time, transfer his shares back to that Original Shareholder or to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in article 15.

16.4 If a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, that Privileged Relation shall within 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of divorce or otherwise but not by reason

- of death) execute and deliver to the Company a transfer of the shares held by him to the Original Shareholder (or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which he shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 15 and article 17.1.12.
- 16.5 On the death or bankruptcy of a Privileged Relation who is a Shareholder (other than a joint holder), his personal representatives or trustee in bankruptcy (as the case may be) shall offer the shares held by that Privileged Relation for transfer to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, within 20 Business Days after the grant of probate or the making of the bankruptcy order (as the case may be), for such consideration as may be agreed between the Original Shareholder and the personal representatives or trustee in bankruptcy (as the case may be). If:
- 16.5.1 a transfer of the shares has not been executed and delivered within 20 Business Days of the grant of probate or the making of the bankruptcy order (as the case may be); or
- 16.5.2 the Original Shareholder is himself the subject of a bankruptcy order, the personal representatives or trustee in bankruptcy (as the case may be) shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article **Error! Reference source not found.** and article 17.1.12.
- 16.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within 20 Business Days of that Family Trust ceasing to be wholly for the benefit of the Original Shareholder and/or his Privileged Relations execute and deliver to the Company a transfer of the shares held by them or the Family Trust to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, for such consideration as may be agreed between them, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article **Error! Reference source not found.** and article 17.1.12.
- 16.7 On the death of an Original Shareholder, his personal representatives may transfer his shares to a Permitted Transferee without price or other restriction within 6 months of the grant of probate being made in respect of the Original Shareholder's estate. If a transfer of shares has not been executed and delivered within 6 months of the grant of probate the personal representatives of the Original Shareholder shall be deemed to have given a Transfer Notice in respect of the shares in accordance with articles 15 and 17.2.

17. COMPULSORY TRANSFERS

- 17.1 Subject to any other provision of these Articles, a shareholder is deemed to have served a Transfer Notice under article 15.1 immediately before any of the following events:
- 17.1.1 a petition being presented, or an order being made, for the shareholder's bankruptcy; or
 - 17.1.2 an application to the court being made under section 253 of the Insolvency Act 1986 where the shareholder intends to make a proposal to his creditors for a voluntary arrangement; or
 - 17.1.3 the shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986; or
 - 17.1.4 the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
 - 17.1.5 the shareholder being unable to pay his debts as they fall due within the meaning of section 268 or section 123 of the Insolvency Act 1986; or
 - 17.1.6 any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
 - 17.1.7 the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholders group in which a new company assumes (and is capable of assuming) all of the obligations of the shareholder; or
 - 17.1.8 the presentation at court by any competent person of a petition for the winding up of the shareholder; or
 - 17.1.9 the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
 - 17.1.10 the shareholder ceasing to carry on its business or substantially all of its business; or
 - 17.1.11 the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
 - 17.1.12 the shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the holder(s) of a majority of the shares in the share capital of the company (excluding the shareholder in question) requiring such remedy.

17.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the Transfer Price for the Sale Shares shall be the aggregate Net Asset Value of those shares, determined by the Valuers in accordance with article 18.

18. **VALUATION**

18.1 The Valuers shall be requested to determine the Net Asset Value of the Company within 20 Business Days of their appointment and to notify the Company and the Seller in writing of their determination.

18.2 The Net Asset Value for each Sale Share shall be the price per share determined in writing by the Valuers of the value of the Company's aggregate assets less the value of the Company's aggregate liabilities, calculated in accordance with the Company's standard accounting principles and policies and on the following bases and assumptions:

18.2.1 valuing each of the Sale Shares as a rateable percentage of the whole without taking into account any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;

18.2.2 the sale taking place on the date the Valuers were requested to determine the Net Asset Value; and

18.2.3 taking into account of any other factors that the Valuers reasonably believe should be taken into account.

18.3 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.

18.4 To the extent not provided for by this article 18, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.

18.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud).

- 18.6 The cost of obtaining the Valuers' valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuers direct unless the Seller withdraws the relevant Transfer Notice in which case the Seller shall bear the cost.
19. **DRAG ALONG**
- 19.1 If the holder of the B Shares (**Calling Shareholder**) wishes to transfer all (but not some only) of its respective shares to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Calling Shareholder may require the holder of the A Shares (**the Called Shareholder**) to sell and transfer their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 19.2 The Calling Shareholder may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholder (Drag Along Notice) at any time before the transfer of shares held by the Calling Shareholder to the Proposed Buyer. The Drag Along Notice shall specify:
- 19.3 that the relevant Called Shareholder is required to transfer all of his Called Shares pursuant to this clause **Error! Reference source not found.**;
- 19.4 the person to whom the Called Shares are to be transferred;
- 19.5 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Calling Shareholder's shares; and
- 19.6 the proposed date of the transfer.
- 19.7 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Calling Shareholder has not sold its shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Calling Shareholder may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.8 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this clause **Error! Reference source not found.**.
- 19.9 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Calling Shareholder's shares unless:
- 19.10 the Calling Shareholder and the Called Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or

- 19.11 that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 5th Business Day after service of the Drag Along Notice.
- 19.12 The proposed sale of the Calling Shareholder's shares to the Proposed Buyer shall, but the sale of the Called Shares by the Called Shareholders shall not, be subject to the rights of pre-emption set out in clause **Error! Reference source not found.**
- 19.13 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form(s) for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to clause 19.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 19.14 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this clause **Error! Reference source not found.** in respect of their shares.
- 19.15 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with clause 19.13) transfer(s) in respect of all of the Called Shares held by him, that Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Calling Shareholder to be his agent to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this clause 19.15.

Decision making by shareholders

20. **POLL VOTES**

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

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

21. **PROXIES**

21.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".

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

22. **GENERAL MEETINGS**

22.1 Where there are A Shares and B Shares in issue the quorum for a general meeting shall be one holder of A Shares and one holder of B Shares. If there is only one class of shares in issue the quorum for a general meeting shall be any two shareholders, save where there is only one shareholder in the company in which case the quorum shall be that one shareholder.

22.2 The directors shall use reasonable endeavours to call a general meeting at least once every six months.

Administrative arrangements

23. **MEANS OF COMMUNICATION TO BE USED**

23.1 Subject to article 23.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

23.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

23.1.2 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or

- 23.1.3 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- 23.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
- 23.1.5 if deemed receipt under the previous paragraphs of this article 23.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 23.2 To prove service, it is sufficient to prove that:
 - 23.2.1 if delivered by hand the notice was delivered to the correct address; or
 - 23.2.2 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
 - 23.2.3 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 24. **INDEMNITY**
 - 24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 24.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
 - 24.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 24.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
 - 24.2 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.

- 24.3 In this article:
- 24.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 24.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act).
25. **INSURANCE**
- 25.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 25.2 In this article:
- 25.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act);
- 25.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- 25.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.