


Company No. 09872859

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
OF
QUAY DEVELOPMENTS CONWY LIMITED

On 12th August 2016 the following resolutions were duly passed as a written resolution of the Company pursuant to section 288 of the Companies Act 2006

SPECIAL RESOLUTION

- 1 That the articles of association in the attached form be approved and adopted as the articles of association of the Company in substitution for and to the entire exclusion of the Company's existing articles of association and memorandum of association
- 2 That the 1000 ordinary shares of £1 00 each in the capital of the Company be and hereby are re-designated as 500 A ordinary shares of £1 00 each and 500 B ordinary shares of £1 00 each, having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 1


Director



THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
QUAY DEVELOPMENTS CONWY LTD (THE "COMPANY")

1 INTERPRETATION

1 1 In these Articles, unless the context otherwise requires, the following definitions apply

"Act"	the Companies Act 2006,
"Articles"	the Company's articles of association for the time being in force,
"A Shares"	the issued A ordinary shares of £1 00 each in the Company,
"Auditors"	the auditors for the time being of the Company,
"Available Profits"	profits of the Company available for distribution according to Part 23 of the Act,
"B Shares"	the issued B ordinary shares of £1 00 each in the Company,
"business days"	any day (other than a Saturday, Sunday or a bank or public holiday in the United Kingdom) on which clearing banks in the city of London are generally open for business,
"Company"	the company incorporated under the Act and registered in England and Wales in England on 16 November 2015 with company number 09872859,
"Commencement Date"	12 August 2016,
"Compulsory Seller"	means a Shareholder who is served with a Compulsory Transfer Notice,
"Compulsory Transfer Notice"	means a notice served pursuant to Article 20,
"Conflict Situation"	any situation or matter in which any director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company,
"eligible director"	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular

matter),

“Family Trust”

a trust which permits the settled property or the income from it to be applied only for the benefit of an individual Shareholder (the **“Settlor”**) and/or any Privileged Relation of that Settlor and under which no power or control is capable of being exercised over the votes of any shares which are the subject of the trust, by any person other than the trustees or the Settlor or any Privileged Relations of the Settlor,

“Model Articles”

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 on which these Articles become binding on the Company,

“Privileged Relation”

spouse, widow or widower of the Shareholder and the Shareholder’s children and grandchildren (including legitimate, illegitimate, step and adopted children and their issue),

“Qualifying Person”

shall have the meaning given in section 318 of the Act,

“Sale Shares”

means the Shares specified in a Compulsory Transfer Notice or Standard Sale Notice (as the case may be),

“Shareholders”

those persons holding Shares and **“Shareholder”** shall mean such number of them as the context may provide,

“Shareholders’ Agreement”

the agreement from time to time in force between the Company and each of its Shareholders as validly amended or varied,

“Shares”

the A Shares and the B Shares

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 In these Articles, reference to a “subsidiary” or “holding company” is to be construed in accordance with section 1159 of the Act

1 4 Headings in the Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 5 A reference in these Articles to an “Article” is a reference to the relevant article of these Articles unless expressly provided otherwise

1 6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of

1 6 1 any subordinate legislation from time to time made under it, and

1 6 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

1 7 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

1 8 A "person" includes any natural person, individual, company, firm, corporation, foundation, association, organisation, trust, government, state or agency of a state or any undertaking (in each case whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists)

2 MODEL ARTICLES

The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles. If any provisions of these Articles conflict with any provisions of the Model Articles, these Articles shall prevail

3 DIRECTORS – DIRECTORS TO TAKE DECISIONS COLLECTIVELY

3 1 The general rule about decision making is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 4 1

3 2 If the Company has only one director for the time being the general rule does not apply only to the extent necessary to allow for further directors to be appointed and only for so long as such person remains a sole director of the Company without regard to any of the provisions of these Articles relating to directors' decision making

3 3 Paragraph 7 of the Model Articles shall not apply to the Company

4 DIRECTORS – UNANIMOUS DECISIONS

4 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

4 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

4 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

4 4 Paragraph 8 of the Model Articles shall not apply to the Company

5 DIRECTORS – NUMBER AND QUORUM

5 1 Unless otherwise determined by special resolution, the number of directors is not subject to any maximum and the minimum number of directors is three

5 2 Subject to Article 3 2, the quorum for the transaction of business at a meeting of directors may be fixed from time to time by special resolution of the Shareholders but it must never be less than two eligible directors

5 3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 7 to authorise a director's conflict of interest, 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 4 Any director that holds Shares which are subject to a Compulsory Transfer Notice or was appointed by a Shareholder whose Shares are subject to a Compulsory Transfer Notice, shall immediately cease to be a director of the Company on such notice being served and paragraph 18 of the Model Articles shall be modified accordingly

5 5 Paragraph 11(2) and 53 of the Model Articles shall not apply to the Company

6 DIRECTORS – CASTING VOTE

6 1 If the number of votes for and against a proposal at a meeting of directors is equal, the chairman or other director chairing the meeting shall not have a casting vote

6 2 Paragraph 13 of the Model Articles shall not apply to the Company

7 DIRECTORS - POWERS TO AUTHORISE CONFLICTS OF INTEREST

7 1 The directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a director infringing his duty to avoid a Conflict Situation provided that, for this purpose, the director in question and any other interested director are not counted in the quorum at any board meeting at which such matter is authorised and it is agreed to without their voting or would have been agreed to if their votes had not been counted

7 2 Any authorisation given under Article 7 1 may (whether at the time of giving the authorisation or subsequently) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the conflict so authorised

7 3 Where the directors give authority under Article 7 1

7 3 1 they may (whether at the time of giving the authority or subsequently) require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the matter that is the subject of the authorisation and impose upon the relevant director such other terms for the purpose of the authorisation as they think fit and

a) the relevant director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the authorisation, and

b) the relevant director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms,

7 3 2 they may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence, and

7 3 3 the directors may revoke or vary the authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority

7 4 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter which has been authorised by the directors pursuant to Article 7 1 (subject in any case to any limits or conditions to which such approval was subject)

8 DIRECTORS – TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

8 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,

8 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 transaction or arrangement or proposed transaction or arrangement in which he is interested,

8 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 transaction or arrangement or such proposed transaction or arrangement

8 2 Paragraphs 14(1) to 14(4) inclusive of the Model Articles shall not apply to the Company

9 DIRECTORS – METHODS OF APPOINTING 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 For the purposes of Article 9 1, where two 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

9 3 Paragraphs 17(2) and 17(3) of the Model Articles shall not apply to the Company

10 DIRECTORS – ALTERNATE DIRECTORS

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

10 1 1 exercise that director’s powers, and

10 1 2 carry out that director’s responsibilities

in relation to the taking of decisions by the directors in the absence of the alternate’s appointor

- 10 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor or in any other manner approved by the directors
- 10 3 The notice must
- 10 3 1 identify the proposed alternate, and
- 10 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice
- 10 4 An alternate director may act as an alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor
- 10 5 Except as the Articles specify otherwise, alternate directors
- 10 5 1 are deemed for all purposes to be directors,
- 10 5 2 are liable for their own acts and omissions,
- 10 5 3 are subject to the same restrictions as their appointors, and
- 10 5 4 are not deemed to be agents of or for their appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a Shareholder
- 10 6 A person who is an alternate director but not a director
- 10 6 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
- 10 6 2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and
- 10 6 3 shall not be counted as more than one director for the purposes of Articles 10 6 1 and 10 6 2
- 10 7 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
- 10 8 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's appointor's remuneration as the appointor may direct by notice in writing to the Company
- 10 9 An alternate director's appointment as an alternate terminates
- 10 9 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

10 9 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,

10 9 3 on the death of the alternate's appointor, or

10 9 4 when the alternate's appointor's appointment as a director terminates

11 DIRECTORS' EXPENSES

11 1 The Company may pay any reasonable expenses which the directors (including alternate directors and, if it has one, the secretary (but so that nothing in this Article 11 1 shall require the Company to have a secretary) properly incur in connection with their attendance at

11 1 1 meetings of directors or committees of directors,

11 1 2 general meetings, or

11 1 3 separate meetings of any 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

11 2 Paragraph 20 of the Model Articles shall not apply to the Company

12 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. Nothing in this Article 12 shall require the Company to have a secretary

13 SHARE RIGHTS – INCOME AND CAPITAL

13 1 The Available Profits that the Company may determine to distribute ("**Distributable Profits**") shall be distributed and paid in the following order of priority -

13 1 1 the first £350,000 (in aggregate) of the Distributable Profits to be distributed after the Commencement Date (the "**A Dividend**") shall be paid to and amongst the holders of the A Shares in the proportions to which they hold A Shares as a rateable percentage of all A Shares in issue,

13 1 2 only once the A Dividend has been paid, the next £1,150,000 (in aggregate) of the Distributable Profits to be distributed after the Commencement Date (the "**B Dividend**") shall be paid to and amongst the holders of the B Shares in the proportions to which they hold B Shares as a rateable percentage of the total B Shares in issue, and

13 1 3 once the A Dividend and B Dividend has been paid (being an aggregate amount of £1,500,000), all further Distributable Profits to be distributed shall be paid to the holders of the A Shares and the B Shares *pari passu* as if the same were one class of

Share, in the proportions to which they hold Shares as a rateable percentage of the total number Shares in issue

- 13 2 On any return of capital, including any liquidation, redemption or purchase of Shares by the Company, the surplus assets of the Company remaining after the payment of its liabilities and any purchase price paid by the Company (as applicable) shall be applied in accordance with Article 13 1 as though such amounts were Distributable Profits

14 **SHARES**

Save as expressly set out herein the Shares shall rank *pari passu* in all respects whether for voting, dividends or otherwise

15 **ISSUE OF SHARES**

Notwithstanding any other provision of these Articles and subject to any conditions and or procedures set out in these Articles or the Act relating to the issuing of or granting rights to shares in the Company, no further shares may be issued or rights to shares granted, without the written consent of the holder of any charge over shares in the Company securing the capital indebtedness of the Company or the charger of the shares

16 **TRANSFER OF SHARES - GENERAL**

- 16 1 For the purposes of Articles 15, 17 and 20 any reference to a transfer of Shares includes a disposition of any interest in any Share (or the income or capital or other rights thereto) whether legal, beneficial or otherwise, including the entry into any option or other agreement (conditionally or otherwise) for the possible sale or transfer thereof or grant of any security thereover, and whether or not for consideration or by written disposition or otherwise

- 16 2 No Share shall be transferred, and the directors shall not register any transfer of Shares, other than in accordance with these Articles and any transfer or purported transfer of any Share made otherwise than in accordance with these Articles shall be void and of no effect whatsoever Paragraph 26 of the Model Articles shall be modified accordingly

- 16 3 The directors may only, and in their absolute discretion, refuse to register a transfer of shares to an infant, bankrupt or person in respect of whom, by reason of that person's mental health, a court has made an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have Paragraph 26(5) of the Model Articles shall be modified accordingly

- 16 4 Notwithstanding anything contained in these Articles, whether expressly or impliedly contradictory to the provisions of this Article 16 4 (to the effect that any provision contained in this Article shall override any other provision of these Articles)

16 4 1 The directors (or director, if there is only one) shall not decline to register, or suspend registration of, any transfer of shares and the transferor and transferee of shares in the Company shall not be required to comply with any provisions of the Articles which restrict the transfer of shares or which requires any such shares to be first offered to all or any current shareholders of the Company before any transfer may take place, where such transfer -

- a) is to a bank, institution or other person which has been granted a security interest over such shares to secure the capital indebtedness of the Company or the chargor, or to any nominee of such a bank, institution or other person

(or a person acting as agent or security trustee, receiver or manager for such person) ("**Secured Institution**") (and a certificate by any such person or an employee of any such person that a security interest over the shares was so granted and the transfer was so executed shall be conclusive evidence of such facts), or

- b) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares, or
- c) is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under such security,

and the directors shall forthwith register any such transfer of shares upon receipt and furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any shares in the Company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall (in either such case) be required to offer the shares which are or are to be the subject of any transfer as aforesaid to the shareholders for the time being of the Company or any of them and no such shareholder shall have any right under the Articles or otherwise howsoever or require such shares to be transferred to them whether for any valuable consideration or otherwise and any pre-emption rights conferred on existing members or any other person by these Articles shall not apply to such shares

16 4 2 The directors shall not issue any share certificates (whether by way of replacement or otherwise) in respect of any shares where a security interest has been granted over such share in favour of a Secured Institution without the prior written consent of (or on behalf of) all (if any) Secured Institutions (as defined in Article 16 4 1a) above)

16 4 3 No lien (whether present or future) in these Articles or otherwise shall apply to any shares where a security interest has been granted over such share in favour of a Secured Institution (as defined above) and the Company shall not claim any lien (howsoever arising) in respect of such share while such security remains unreleased. A certificate executed by the party to whom such security interest has been granted that such security interest remains unreleased shall be conclusive evidence of such fact

16 4 4 Any variation of this Article shall be deemed to be a variation of the rights of each class of share in the capital of the Company

17 PERMITTED TRANSFERS

17 1 Save for a transfer of shares in accordance with Article 19, a Shareholder may only transfer his Shares

17 1 1 to any person with the prior written consent of all the Shareholders,

17 1 2 to a Privileged Relation or Family Trust,

17 1 3 otherwise pursuant to Article 17 5, or

17 1 4 pursuant to Article 20,

(each a "**Permitted Transfer**")

- 17 2 If a Family Trust ceases for any reason to be a Family Trust any Shares held by such trust shall be transferred (either directly or upon trust) to the Settlor of such Family Trust within 10 business days of so ceasing, failing which the provisions of Article 20 shall apply
- 17 3 If a Privileged Relation to whom Shares have been transferred ceases to be a Privileged Relation of the Shareholder who made the transfer any Shares held by such Privileged Relation shall be transferred to the Shareholder who originally transferred him the Shares, failing which the provisions of Article 20 shall apply
- 17 4 If a Shareholder holds Shares as a result of an earlier transfer under Article 17 2 or 17 3 that Shareholder may only transfer such Shares to the Shareholder who originally transferred him the Shares
- 17 5 Where, under a deceased Shareholder's will (or the laws as to intestacy), the persons legally or beneficially entitled to any Shares (whether immediately or contingently) is a Privileged Relation (or a number of them) of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Shares to those Privileged Relations who are Permitted Transferees, in each case without restriction as to price or otherwise

18 PRE-EMPTION

- 18 1 Any Shareholder who wishes to transfer any Shares in accordance with Article 17 (the "**Standard Seller**") shall, before transferring or agreeing to transfer such Shares and unless Article 20 applies, seek the consent of all of the Shareholders as required by Article 17 and also serve notice in writing (a "**Standard Sale Notice**") on the Company specifying

18 1 1 the number of Shares which he wishes to transfer,

18 1 2 the identity of the person (if any) to whom the Standard Seller wishes to transfer the Sale Shares,

18 1 3 the price per Sale Share at which the Standard Seller wishes to transfer the Sale Shares, and

18 1 4 any other terms relating to the transfer of the Sale Shares

Transfer Price

- 18 2 The Standard Sale Notice will constitute the Company as the agent of the Standard Seller for the transfer of the Sale Shares in accordance with this Article 18 at the price determined in accordance with Article 19 ("**Transfer Price**")

Offer to Shareholders

- 18 3 Within 10 business days after the service of a Standard Sale Notice or Compulsory Transfer Notice or, where later, on the determination of the Transfer Price, the Company (in its capacity as agent for the Seller) will give notice in writing to each of the Shareholders (other than the Seller, Compulsory Seller and any Shareholder in respect of whose Shares a Compulsory Transfer Notice has previously arisen but who still holds Shares following the exhaustion of the pre-emption rights contained in this Article 17 in relation to such Compulsory Transfer Notice) offering the Sale Shares for sale at the Transfer Price in accordance with Article 18 or at nominal value in the case of Default Shares. The notice will specify that those Shareholders in receipt of such notice shall have a period of up to 20

business days from the date of such notice within which to apply for some or all of the Sale Shares

Offer Allocation of Shares

18 4 After the expiry of the offer period specified in Article 18 3, (or, if sooner, upon each Shareholder having applied for the Sale Shares or confirmed that they do not wish to purchase any Sale Shares), the board of directors of the Company will allocate the Sale Shares as follows

18 4 1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, each offeree will be allocated the number applied for in accordance with his application, or

18 4 2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each offeree will be allocated the Sale Shares in such proportions as equal (as nearly as possible) the proportions of all the Shares held by such offerees, and

18 4 3 applications for Sale Shares will be allocated in accordance with such applications or, in the event of competition, among those applying for Sale Shares in such proportions as equal (as nearly as possible) the proportions of all the Shares held by such offerees

Completion of sale and purchase of Sale Shares

18 5 The Company will immediately upon allocating any Sale Shares (pursuant to Article 18 4) give notice in writing ("**Allocation Notice**") to the Seller and to each person to whom Sale Shares have been allocated specifying

18 5 1 the number of Sale Shares so allocated,

18 5 2 the aggregate price payable for them, and

18 5 3 the place and time (being not later than five business days after the date of the Allocation Notice) at which the sale of the Sale Shares will be completed

18 6 Completion of the sale and purchase of Sale Shares in accordance with the Allocation Notice will take place at the place and time specified in the Allocation Notice when the Seller will, upon payment of the due price, transfer those Sale Shares specified in the Allocation Notice and deliver the relevant Share certificates to the persons to whom they have been allocated

Default by the Compulsory Seller

18 7 Except in the case of an acquisition of Sale Shares by the Company, if the Compulsory Seller fails by the due completion date to execute and deliver transfers in respect of any of the Sale Shares which he is due to transfer, the board of directors of the Company may authorise any director to

18 7 1 execute the necessary transfer(s) on the Compulsory Seller's behalf, and

18 7 2 against receipt by the Company of the Transfer Price payable for the relevant Sale Shares (to be held on trust for the Compulsory Seller without interest) (the receipt

being a good discharge to the offeree who will not be bound to see to the application of it), deliver such transfer(s) to the relevant offeree(s)

The board of directors of the Company will authorise registration of the transfer(s), and of the offeree(s) as the holder(s) of the Sale Shares so transferred, once appropriate stamp duty has been paid. After registration, the title of such offeree(s) as registered holder(s) of such Sale Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person.

- 18.8 In the case of an acquisition of Sale Shares by the Company, if the Compulsory Seller fails by the due completion date to transfer and/or to deliver the certificates (or a suitable indemnity) in respect of any Sale Shares, the board of directors of the Company may authorise any director to execute, complete and deliver the necessary transfer and/or indemnity to the Company on the Compulsory Seller's behalf. When that instrument has been duly stamped, the Company will ensure that such share capital is cancelled in accordance with the Act, and will hold the purchase monies on trust (without interest) for the Compulsory Seller.

Exhaustion of pre-emption rights - rights and restrictions with regard to sale to third party

- 18.9 Immediately after the exhaustion of any pre-emption process followed in accordance with these Articles, if any Sale Shares remain unallocated, the Company will notify the Seller of that fact in which event such Seller shall be entitled

18.9.1 in the case of a Compulsory Seller, to retain such Sale Shares (subject always to the provisions of these Articles), or

18.9.2 in the case of a Standard Seller, to transfer such Sale Shares to the person specified in the Standard Sale Notice

19 VALUATION

Determination of "Market Value"

- 19.1 If the Auditors are required to determine Market Value pursuant to Article 18, the provisions set out below will apply

- 19.2 Market Value will be determined by the Auditors or, as the case may be, independent accountants, first valuing the Company as a whole

19.2.1 assuming, if the Company is then carrying on business as a going concern, that it will continue to do so,

19.2.2 assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion,

19.2.3 taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding,

19.2.4 taking account of any bona fide offer for the Company received from an unconnected third party within six months prior to the Standard Sale Notice being served,

19.2.5 taking account of any arrears, accruals or deficiencies of dividend on Shares,

19 2 6 disregarding whether the Shares constitute a majority or minority interest and disregarding any restriction on transferability of the Shares in these Articles, and

19 2 7 taking full account of any debt financing or loans which the Company may be subject to

20 COMPULSORY TRANSFERS

20 1 A Compulsory Transfer Notice shall be deemed to have been served

20 1 1 in respect of Shares held by a Family Trust, by the trustees of that Family Trust where the Shares held by that Family Trust are required to have, but have not been, transferred in accordance with Article 17 2,

20 1 2 in respect of Shares which have been transferred to a Privileged Relation, by that Privileged Relation where the Shares held by that Privileged Relation are required to have, but have not been, transferred in accordance with Article 17 3,

20 1 3 in respect of the relevant Shares held by a Shareholder, if that Shareholder transfers, attempts to transfer or agrees to transfer any Shares otherwise than in accordance with the provisions of these Articles (and so that a Compulsory Transfer Notice shall be deemed served immediately before the transfer, attempt to transfer or agreement to transfer),

20 1 4 in respect of all the Shares held by a Shareholder (and any Shares which have been transferred by that Shareholder to a Privileged Relation or to a Family Trust of which the Shareholder is a Settlor) in any of the following circumstances

a) if that Shareholder is made bankrupt or proposes, or enters into, an individual voluntary arrangement or any other arrangement with his creditors or if a trustee, receiver, administrative receiver, administrator or liquidator or similar officer is appointed in respect of all or any part of the business or assets of that Shareholder, or

b) that Shareholder is in material breach or causes the Company to be in material breach of the Shareholders' Agreement

20 2 A Compulsory Transfer Notice shall be irrevocable, without the express written consent of all Shareholders and once served, the Company (acting by the board of directors) shall be automatically appointed as the agent for the sale of the entire legal and beneficial interest in those Shares subject to the Compulsory Transfer Notice (the "**Default Shares**") and shall

20 2 1 be authorised to transfer, and complete the transfer of those Default Shares (including, without limitation of the generality of the foregoing, to execute and deliver any necessary buy back agreement or stock transfer form in respect thereof),

20 2 2 the Company shall be entitled to transfer the Default Shares at any value, without due consideration to their market value and for an amount no lower than their nominal value, paying any monies received in consideration for the transfer of the Default Shares into a separate account and hold the same on trust for the holder of such shares prior to their transfer,

20 2 3 the Company shall be entitled, if it so chooses, to purchase the Default Shares at nominal value subject to Article 21, causing the Default Shares subject to such a buy

back to be cancelled and, after such cancellation, the validity of the proceedings shall not be questioned by any person, and

20 2 4 the Company shall not be required to pay the monies received in respect of the transfer of the Default Shares to the holder of such shares prior to their transfer, until such person, in respect of the Default Shares, has delivered a share certificate, or suitable indemnity, and necessary documentation (including any buy back agreement, stock transfer or other necessary document) to the Company

20 3 Paragraphs 27(2)(a) and 28 of the Model Articles shall not apply to the Company

21 PURCHASE OF OWN SHARES

Subject to the Act (but without prejudice to any other provisions of these Articles) the Company may purchase its own Shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to an amount in a financial year not exceeding the limit for the time being set out in section 692(1ZA) of the Act

22 PROCEEDINGS AT GENERAL MEETINGS

22 1 No business shall be transacted at a general meeting unless a quorum is present Subject to Article 22 2, three Qualifying Persons shall be a quorum Paragraph 38 of the Model Articles shall not apply to the Company

22 2 If, and for so long as, the Company has only one Shareholder one Qualifying Person shall be a quorum at any general meeting of the Company

22 3 A poll on a resolution may be demanded by any person having the right to vote on the resolution Paragraph 44 of the Model Articles shall be modified accordingly

23 PROXIES

23 1 Proxies may only be validly appointed by a notice in writing (a "proxy notice") which

23 1 1 states the name and address of the shareholder appointing the proxy,

23 1 2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,

23 1 3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and

23 1 4 is delivered to the Company in accordance with the Articles not less than 24 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

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

23 2 Paragraph 45(1) of the Model Articles shall not apply to the Company

24 NOTICES

24 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

24 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending (and the sending party receives a confirmation of delivery from the courier service provider)),

24 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

24 1 3 if properly addressed and sent or supplied by electronic means, two hours after the document or information was sent or supplied, and

24 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purpose of this Article, no account shall be taken of any part of a day that is not a business day

24 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act