

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

SALOP BIOGAS LTD

Company No 10015556

(the "Company")

TUESDAY



A08

17/05/2016

#314

COMPANIES HOUSE

5 May 2016

(the "Circulation Date")

We, the undersigned, being the sole member of the Company who (at the date of circulation of this resolution) would be entitled to vote on this resolution, hereby irrevocably agree pursuant to section 288 of the Companies Act 2006 to the passing of the following resolution of the Company, having effect as a special resolution, in accordance with Chapter 2 Part 13 of the Companies Act 2006

1 BACKGROUND

The Company is proposing to enter into a number of agreements in connection with the development and operation of an anaerobic digestion facility at a site in Whitchurch, Shropshire (the "Project")

2 RESOLUTIONS

2 1 "THAT, in order to finance the Project, the Company issues

- (a) £9,472,835 of "A" secured loan stock to Iona Environmental Infrastructure 2 LP, a limited partnership registered in England with no LP014591 acting through its manager, Iona Capital Ltd, a company incorporated in England with registered no 01583260 whose registered office is at 86 Jermyn Street, London SW1Y 6JD ("Iona") on receipt of subscription in cash at par value in accordance with a loan stock instrument to be executed by the Company (the "A Loan Stock Instrument"),
- (b) £1,000,000 of "B" secured loan stock to Grocontinental Limited on receipt of subscription in cash at par value in accordance with a loan stock instrument to be executed by the Company (the "B Loan Stock Instrument"),
- (c) 79 fully paid ordinary A shares in the Company to Iona, 10 fully paid ordinary B shares in the Company to David Grocott and 10 fully paid ordinary B shares in the Company to Linda Grocott on receipt of

- (i) in the case of Iona, £40,000,
- (ii) in the case of David Grocott, £5,000, and
- (iii) in the case of Linda Grocott, £5,000,

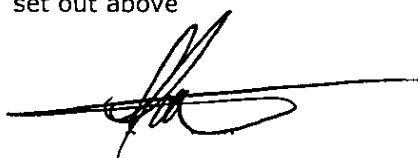
pursuant to a shareholders' agreement to be entered into between (i) the Company, (ii) Iona, (iii) Grocontinental Limited, (iv) David Grocott, and (v) Linda Grocott,

2 2 THAT, in connection with the allotment, to re-designate the sole ordinary share in the Company in existence at the date of this Agreement as an A Share (as defined in the Shareholders' Agreement), and

2 3 THAT, in connection with the Project, the Company adopts new articles of association in the form annexed to this resolution, in substitution for the existing articles of association "

We acknowledge that we are familiar with the background of the Project and its related sub-contracting arrangements, the proposed financing of the Project and the security to be given in support of such financing (including the documents described above and the debenture between the Company and Iona in connection with the A Loan Stock Instrument and the B Loan Stock Instrument)

We further consent to every variation or abrogation of the rights attaching to any class of shares of which we are a holder involved in or proposed to be effected by the passing of the resolutions set out above



Signed by **Iona Environmental Infrastructure 2 LP**

acting through its manager, Iona Capital Ltd

Date **5 May 2016**

NOTES

- 1 If you agree to the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it Ashurst LLP on behalf of the Company
- 2 If you do not agree to the resolution, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the resolution, you may not revoke your agreement
- 4 Unless, by the end of a period of 28 days beginning with the Circulation Date, sufficient agreement has been received for the resolution to pass, it will lapse If you agree to the resolution, please ensure that your agreement reaches us before or during this date
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document



The Companies Act 2006

Articles of Association of Salop Biogas Ltd

Company No 10015556

Private company having a share capital
(Incorporated on 19 February 2016)

Articles of Association adopted by special resolution passed as a written
resolution on 5 May 2016

PRELIMINARY

1

1 1 In these Articles

"A Loan Stock" means the secured loan notes issued by the Company pursuant to the A Loan Stock Instrument,

"A Loan Stock Instrument" means the instrument constituting secured A Loan notes of the Company dated on or around the date of adoption of these articles,

"A Shares" means the A shares of £1 each in the capital of the Company having the rights set out in these articles in issue from time to time,

"Act" means the Companies Act 2006 including any modification or re-enactment thereof for the time being in force,

"Advantage Biogas Limited" means a company incorporated in England with company no 09662571 whose registered office is at Saxon House, Faraday Drive, Bridgnorth, WV15 5BA,

"Affiliate" means in relation to any person, any holding company or subsidiary of that person or any subsidiary of such holding company, and "holding company" and "subsidiary" shall have the meaning given to them in Section 1159 of the Act, save that for the purposes of determining whether one entity is an Affiliate of another any transfer of shares by way of security or to a nominee of the transferor shall be disregarded,

"Articles" means, generally, these articles of association,

"B Loan Stock" means the secured loan notes issued by the Company pursuant to the B Loan Note Instrument,

"B Loan Stock Instrument" means the instrument constituting secured B loan notes of the Company dated on or around the date of adoption of these articles,

"B Shares" means the B shares of £1 each in the capital of the Company having the rights set out in these articles in issue from time to time,

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

"Breach" means any of the following

- (a) a Solvency Breach, or
- (b) a Shareholders' Agreement Breach,

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open in the City of London for the transaction of normal banking business,

"Chairman" means the Chairman appointed pursuant to Article 6 4,

"Chairman of the meeting" has the meaning given in Article 6 4(d),

"Companies Acts" means the Companies Acts as defined in section 2 of the Act, in so far as they apply to the Company,

"Company" means Salop Biogas Ltd, a company incorporated in England with company no 10015556 whose registered office is at 86 Jermyn Street, London SW1Y 6JD,

"Deemed Transfer Notice" has the meaning given to it in Article 8 2,

"Deemed Transfer Price" means the Fair Value of the Shares being transferred determined at the request of the Directors by an Independent Accountant acting as an expert and not an arbitrator,

"Defaulting Member" has the meaning given to it in Article 8 2,

"DG" means David Grocott of The Fields Farm, Loppington, Shrewsbury, Shropshire SY4 5ST,

"Director" means a Director of the Company, and includes any person occupying the position of Director, by whatever name called,

"distribution recipient" has the meaning given in Article 13 5(b),

"document" includes, unless otherwise specified, any document sent or supplied in electronic form,

"electronic form" has the meaning given in section 1168 of the Act,

"Fair Value" means the fair value as would be paid by a willing purchaser to a willing vendor calculated by reference to the whole of the issued share capital of the Company multiplied by the percentage that the number of Shares to be sold or transferred represents with no adjustment as a result of the sale being of a minority or majority stake,

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

"GC Shareholder Group" has the meaning given in the Shareholders' Agreement,

"Grocontinental" means Grocontinental Limited, a company incorporated in England with registered no 01550927 whose registered office is at Shakespeare Way, Whitchurch Business Park, Whitchurch, Shropshire, SY13 1LJ,

"Group" means the Company and each of its group undertakings from time to time and all of them as the context admits and **"Group Company"** means any one of them,

"group undertaking" shall be construed in accordance with section 1161 of the Act,

"hard copy form" has the meaning given in section 1168 of the Act,

"holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares,

"Independent Accountant" means an independent firm of accountants of repute with relevant experience,

"Instrument" means a document in hard copy form,

"Iona" means Iona Environmental Infrastructure 2 LP, a limited partnership registered in England with no LP017032 whose registered office is at 86 Jermyn Street, London SW1Y 6JD acting through its manager Iona Capital,

"Iona Capital" means Iona Capital Ltd, a company incorporated in England with company no 01583260 whose registered office is at 86 Jermyn Street, London SW1Y 6JD,

"Iona Group" means

- (a) Iona Capital, Iona, Advantage Biogas Limited and any Affiliate of Iona Capital,
- (b) a unit trust investment fund partnership or other fund including any investor or potential investor therein of which an entity referred to in paragraph (a) is the general partner, trustee, principal manager or company manager,
- (c) any general partner nominee or trustee of an entity falling within paragraph (a) or (b), and
- (d) limited partners, members or investors in any entity within paragraph (b) but only to the extent that such holders become holders as a result of a distribution in specie to them,

"Iona Shareholder Group" has the meaning given in the Shareholders' Agreement,

"Loan Stock" means the A Loan Stock and the B Loan Stock,

"LG" means Linda Grocott of Oakfields, Coton, Whitchurch, Shropshire, SY13 3LT,

"ordinary resolution" has the meaning given in section 282 of the Companies Act 2006,

"paid" means paid or credited as paid,

"participate", in relation to a Directors' meeting, has the meaning given in Article 3 8,

"Project Documents" has the meaning given in the Shareholders' Agreement,

"Proposing Transferor" has the meaning given to it in Article 9 7 ,

"proxy notice" has the meaning given in Article 14 10,

"Shareholders" means together the holders of the Shares and any other person to whom the Company shall issue Shares or to whom Shares have been properly transferred in accordance with the provisions of these Articles,

"Shareholders' Agreement" means the shareholders' agreement entered into between (i) Iona, (ii) Grocontinental, (iii) David Grocott, (iv) Linda Grocott and (v) the Company dated on or around the date of adoption of these Articles,

"Shareholders' Agreement Breach" means a material breach of any term of the Shareholders' Agreement (being a breach which, in the reasonable opinion of the Shareholder who did not commit the breach, has or could be expected to have a material and adverse effect on (i) the business or financial condition of the Company, or (ii) the ability of the Company to perform and comply with any of its material obligations under the Project Documents),

"Shareholder Group" has the meaning given to it in the Shareholder's Agreement,

"Shares" means the A Shares and the B Shares from time to time,

"Solvency Breach" means

- (a) a petition being presented or a proceeding commenced (and such petition or proceeding not being discharged or dismissed within fifteen (25) Business Days of it being presented or made) or an order being made or an effective resolution passed for the winding-up, insolvency, administration, re-organisation, re-construction, dissolution or bankruptcy of a Shareholder or for the appointment of a liquidator, receiver, administrative receiver, administrator, trustee or similar officer of a Shareholder over all or any part of its business or assets PROVIDED THAT this paragraph shall not apply to any bona fide re-organisation or re-construction of a Shareholder whilst solvent,
- (b) a Shareholder stopping or suspending payments to its creditors generally or being unable to pay its debts as they fall due or seeking to enter into any composition or other arrangement with its creditors or being declared bankrupt or insolvent,
- (c) a creditor taking possession of all or any part of the business or assets of a Shareholder or any execution or other legal process being enforced against the business or any substantial asset of the Shareholder and not being discharged,

"special resolution" has the meaning given in section 283 of the Act,

"subsidiary" has the meaning given in section 1159 of the Act,

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law,

"Transferee" has the meaning given to it in Article 9 1,

"Transfer Notice" has the meaning given to it in Article 9 7,

"Transferor" has the meaning given to it in Article 9 1, and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods whether sent or supplied in electronic form or otherwise

- 1 2 The model articles of association for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229) shall not apply to the Company
- 1 3 These Articles shall replace the articles of association of the Company adopted on 19 February 2016
- 1 4 Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles are adopted

Liability of members

- 1 5 The liability of the members is limited to the amount, if any, unpaid on the Shares held by them

SHARE CAPITAL

- 2 1 The Shares shall rank *pari passu* and shall entitle the holders thereof to one vote per Share, to participate in dividends and distributions made by the Company and on a winding up or other capital distribution to share in the proceeds in proportion to the number of Shares held

DECISION-MAKING BY DIRECTORS

Directors' general authority

- 3 1 Subject to the provisions of these Articles, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company
- 3 2 The quorum for meetings of the board shall be one Director (or their Alternates) appointed by each Shareholder entitled to appoint a Director pursuant to Articles 6 1 or 6 2 present at the commencement and throughout the whole of the meeting. If within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the following Business Day at the same time and place and the quorum for the meeting shall be one Director appointed by Iona
- 3 3 A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, and may otherwise take, or take part in, any decision, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever (whether or not it may conflict with the interests of the Company), and if he shall vote on any such resolution (or take, or take part in, any such decision) his vote shall be counted, and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting. This is subject to section 175 of the Act and to the other provisions of these Articles

Directors may delegate

- 3 4 The Directors may delegate any of the powers which are conferred on them under the Articles
- (a) to such person or committee,
 - (b) by such means (including by power of attorney),
 - (c) to such an extent,
 - (d) in relation to such matters or territories, and
 - (e) on such terms and conditions,
- as they think fit
- 3 5 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated
- 3 6 The Directors may revoke any delegation in whole or part, or alter its terms and conditions

Committees

- 3 7 (a) Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by Directors
- (b) The Directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them

Participation in Directors' meetings

- 3 8 (a) Directors participate in a Directors' meeting, or part of a Directors' meeting, when
- (i) the meeting has been called and takes place in accordance with the Articles, and
 - (ii) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting
- (b) In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other
- (c) If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

Records of decisions to be kept

- 3 9 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors

DIRECTORS' INTERESTS

4

- 4 1 Provided that he has disclosed to the Directors the nature and extent of any interest of his in accordance with and to the extent required by the Act or the interest is deemed disclosed by Article 4 2, a Director notwithstanding his office

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,
- (b) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested or any Group Company or any body corporate in which any Group Company is interested,
- (c) may act, by himself or through a firm in which he is interested, in a professional capacity for the Company or any Group Company or any body corporate in which any Group Company is interested (otherwise than as auditor), and
- (d) may hold any other place of profit with the Company (otherwise than as auditor) in conjunction with his office as the Directors may determine,

and (i) he shall not, by reason of his office or the fiduciary relationship thereby established, be accountable to the Company for any remuneration or other benefit which he or any other person derives from any such office or employment or from any such transaction or arrangement or from acting in a professional capacity or from any interest in any such undertaking or body corporate, and (ii) no such transaction or arrangement shall be liable to be voided on the ground of any such interest or remuneration or other benefit, and (iii) receipt of any such remuneration or other benefit shall not constitute a breach of his duty under section 176 of the Act

- 4 2 For the purposes of this Article a Director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a Director, officer or employee of any Group Company or Shareholder Group in relation to the Company

- 4 3 Directors may undertake any services for the Company that the Directors decide

DIRECTORS' CONFLICT

- 5 1 Subject to this Article 5 1, a Director who to his knowledge is in any way, whether directly or indirectly, interested in a transaction, arrangement or contract or proposed transaction, arrangement or contract with the Company shall declare the nature and extent of his interest at a meeting of the Directors before the Company enters into the proposed transaction, arrangement or contract, or in the case of an existing transaction, arrangement or contract, as soon as reasonably practicable in accordance with the Act. Subject, where applicable, to such disclosure, a Director shall be entitled to vote in respect of any transaction, arrangement or contract or proposed transaction, arrangement or contract in which he is interested and if he shall do so his vote shall be counted and shall be taken into account in ascertaining whether a quorum is present
- 5 2 A Director shall be entitled to abstain from voting or to absent himself from all or any part of any meeting in relation to any matter where he considers that to vote for or against a matter may put him in breach of his duties to the Company (whether at law or by reference to any code of conduct, good governance procedures or otherwise) and if he so abstains or absents himself then he shall not be in breach of his duties as a Director in relation to the matter in question
- 5 3 For the purposes of section 175 of the Act, the Directors shall have the power to authorise, on such terms (including as regards duration and revocation) and subject to such limitations or conditions (if any) as they may determine (a "**Conflict Authorisation**"), any matter proposed to them in accordance with these Articles which would, or might, if not so authorised, constitute or give rise to a situation in which a Director (a "**Relevant Director**") has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (a "**Conflict Situation**") Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised
- 5 4 The quorum for any meeting of the Directors whilst it is considering the grant, alteration or revocation of a Conflict Authorisation shall be reduced by the number of Relevant Directors who are the subject of the Conflict Situation under consideration (subject always to a minimum quorum of one Director)
- 5 5 Where Directors give a Conflict Authorisation
- (a) the terms of the Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded),
 - (b) the Directors may revoke or vary such authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation, and
 - (c) the Relevant Director shall be obliged to act in accordance with any terms, limits or conditions to which such Conflict Authorisation is made subject
- 5 6 Any terms to which a Conflict Authorisation is made subject (the "**Conflict Authorisation Terms**") may include (without limitation to Article 5 3) provision that
- (a) where the Relevant Director obtains (other than in his capacity as a Director of the Company or as its employee or agent, or if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a Director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party,

- (b) the Relevant Director may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions relating to, the relevant matter (whether at any meeting of the Directors or otherwise) and be excused from reviewing documents and information prepared by or for the Directors to the extent that they relate to that matter, and
- (c) the Relevant Director be excluded from the receipt of documents and information, the participation in discussion and/or the making of decisions (whether at Directors' meetings or otherwise) related to the relevant matter,

and anything done (or omitted to be done) by the Relevant Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 5 3) will not constitute a breach by him of his duties under sections 172 to 174 of the Act

5 7 Subject to this Article 5 7 and Article 5 10 but without prejudice to Articles 5 3 to 5 6, authorisation is given by the members of the Company for the time being on the terms of these Articles to each Director in respect of any Conflict Situation that exists as at the date on which these Articles are adopted or that subsequently arises because (in either case) the Director is or becomes a shareholder, investor or other participant in, lender to, guarantor, Director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by the Company and/or any other member (if any) of the Relevant Group (a "**Group Conflict Authorisation**") The Conflict Authorisation Terms applicable to the Group Conflict Authorisation (the "**Group Conflict Authorisation Terms**") are automatically set by this Article 5 7 so that the Director concerned

- (a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a Director of the Company or as its employee or agent or, if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a Director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and

- (b) may (but shall be under no obligation to)

- (i) absent himself from the discussions of, and/or the making of decisions,
- (ii) make arrangements not to receive documents and information,

relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the Director concerned in accordance with the Group Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 of the Act

5 8 A Group Conflict Authorisation given or deemed given under Article 5 7 may be revoked, varied or reduced in its scope or effect by special resolution

5 9 In these Articles "Relevant Group" comprises

- (a) the Company,
- (b) any body corporate which is for the time being a wholly owned subsidiary of the Company,

- (c) any body corporate of which the Company is for the time being a wholly owned subsidiary (a "**Parent**"),
- (d) any body corporate (not falling within any preceding paragraph of this definition) which is for the time being a wholly owned subsidiary of the Parent, and
- (e) any body corporate which is for the time being a member of the Company

5 10 Authorisation is given by the members of the Company for the time being on the terms of these Articles to each Director for the time being (including any alternate) in respect of any Conflict Situation that exists as at the date on which these Articles are adopted or that subsequently arises because (in either case) the Director is or becomes a shareholder, investor or other participant in, lender to, guarantor, Director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by any Relevant Member Entity (a "**Member Conflict Authorisation**") The Conflict Authorisation Terms applicable to the Member Conflict Authorisation (the "**Member Conflict Authorisation Terms**") are automatically set by this Article 5 10 so that the Director

- (a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a Director of the Company or as its employee or agent or in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Member Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a Director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and
- (b) may (but shall be under no obligation to)
 - (i) absent himself from the discussions of, and/or the making of decisions,
 - (ii) make arrangements not to receive documents and information, relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the Director concerned in accordance with the Member Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 of the Act

5 11 In these Articles "Relevant Member Entity" means

- (a) any registered holder of shares in the Company (a "**Member**"),
- (b) any body corporate in which a Member holds for the time being or has ever held or are or may become obliged (whether or not contingently) to make or acquire any investment (whether debt, equity or otherwise), and
- (c) any other body corporate which is in the same group as any Member or with whom the Member (or a member of its group) has or is proposing or considering having any business or commercial dealings or relationship

5 12 Where a Director has declared the nature and extent of his interest in a transaction or arrangement or proposed transaction or arrangement with the Company in accordance with these Articles and/or if (i) a Group Conflict Authorisation, and/or (ii) a Member Conflict Authorisation is given automatically in respect of any Director, then

- (a) such Director shall not, by reason of his office or the fiduciary relationship thereby established, be accountable to the Company for any remuneration or other benefit

which he or any other person derives from any such transaction or arrangement, and

- (b) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest, and
- (c) receipt of any remuneration or other benefit in relation to such interest shall not constitute a breach of duty under section 176 of the Act

APPOINTMENT AND REMOVAL OF DIRECTORS

Appointment and Termination of Director's appointment

6 1 For so long as the Iona Shareholder Group holds in aggregate

- (a) at least 30 per cent of the share capital of the Company on issue immediately following the issue of the Shares described in clause 3 1(a)(ii) of the Shareholders' Agreement, such shareholders shall together be entitled, by notice in writing signed by a duly authorised officer, to appoint two Directors to the Board, and
- (b) an amount of issued share capital of the Company which is less than 30 per cent of the share capital of the Company in issue immediately following the issue of the Shares described in clause 3 1(a)(ii) of the Shareholders' Agreement, such shareholders shall together be entitled, by notice in writing signed by a duly authorised officer, to appoint one Director to the Board,

and by like notice to require the removal of any Director appointed by them and to appoint any other person to act in place of any Director from time to time

6 2 For so long as the GC Shareholder Group holds in aggregate

- (a) at least 10 per cent of the share capital of the Company on issue immediately following the issue of the Shares described in clause 3 1(a)(ii) of the Shareholders' Agreement, such shareholders shall together be entitled, by notice in writing signed by a duly authorised officer, to appoint two Directors to the Board, and
- (b) an amount of issued share capital of the Company which is less than 10 per cent of the share capital of the Company in issue immediately following the issue of the Shares described in clause 3 1(a)(ii) of the Shareholders' Agreement, such shareholders shall together be entitled, by notice in writing signed by a duly authorised officer, to appoint one Director to the Board,

and by like notice to require the removal of any Director appointed by them and to appoint any other person to act in place of any Director from time to time

6 3 A person ceases to be a Director as soon as

- (a) that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months,

- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (f) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms

Notice of any appointment or removal required under Articles 6.1 or 6.2 shall be given to the Company at its registered office

6.4 In respect of the Chairman

- (a) the Chairman shall be a Director appointed by the Shareholder who holds the majority number of Shares,
- (b) the first Chairman of the Company shall hold office for a minimum of 12 months,
- (c) in the event of a deadlock, the Chairman shall have a casting or second vote at any board meeting, and
- (d) if the Chairman is not present at any board meeting or general meeting of the Company then Iona shall nominate a Director to shall act as the Chairman for the purpose of that meeting

6.5 All decisions of a meeting of the Directors shall be passed by majority resolution

Directors to take decisions collectively

6.6 If

- (a) the Company only has one Director, and
- (b) no provision of the Articles requires it to have more than one Director,

then Director may take decisions without regard to any of the provisions of the Articles relating to Directors' decision-making

Calling a Directors' meeting

- 6.7**
- (a) Any Director may determine that a decision or resolution regarding any matter which has been proposed for consideration by the board shall only be taken or passed by way of resolution of the Shareholders in accordance with the Shareholders' Agreement. Any such determination may be made by the relevant Director either
 - (i) by delivering to the secretary of the Company (or the Financial Services Manager, if there is no secretary), a notice in writing specifying the matter in respect of which the determination is being made at any time before the time fixed for the meeting at which such matter is to be considered or at the meeting itself, or
 - (ii) orally during the course of the meeting
 - (b) Following such determination being made, the board shall have no power to take any further action with regard to the matter which shall have been specified
 - (c) Meetings of the board shall be held at Grocontinental's registered office provided that telephone attendance shall be permissible and at such times as the board shall

determine PROVIDED THAT, unless otherwise agreed between the Shareholders, a meeting of the board shall be held at least once every three months and otherwise as any Director shall request. Save in the case of an emergency not less than 10 Business Days' notice (or such other period of notice as may be agreed from time to time by at least one Director appointed by each Shareholder(s) entitled to appoint a Director pursuant to Articles 6.1 and 6.2) of each meeting of the board specifying the date, time and place of the meeting and the business to be transacted thereat shall be given to all Directors save in an emergency where such notice as is reasonable in all the circumstances shall be given.

- (d) All relevant board papers for board meetings will be sent to all Directors five Business Days prior to the board meeting and save in an emergency or as otherwise approved by at least one Director appointed by each of the Shareholder(s) entitled to appoint a Director pursuant to Articles 6.1 and 6.2 no matter shall be discussed at a board meeting of which prior notice has not been given. Minutes will be sent to the Directors within 20 Business Days after the holding of the board meeting.
- 6.8 (a) In any case where, as a result of death, the Company has no Shareholders and no Directors, the personal representatives of the last Shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.
- (b) For the purposes of paragraph (a), 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.

ALTERNATE DIRECTORS

7

7.1 Any Shareholder (the "**appointor**") may appoint as an alternate to a Director it has appointed pursuant to Articles 6.1 or 6.2 (the "**Original Director**") any other Director, or any other person to

(a) exercise the Original Director's powers, and

(b) carry out the Original Director's responsibilities,

in relation to the taking of decisions by the Directors in the absence of the Original Director.

7.2 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.

7.3 The notice must

(a) identify the proposed alternate and the Original Director, and

(b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Original Director to which the notice relates.

7.4 An alternate Director has the same rights, in relation to any Directors' meeting, and all meetings of committees of Directors of which the Original Director is a member, or Directors' written resolution, or other decision of the Directors reached in accordance with Article 6.6 as the Original Director. If a resolution is signed by an alternate Director (or to which an alternate Director has indicated his agreement in writing), it need not also be signed or so agreed to by the Original Director.

- 7 5 Except as the Articles specify otherwise, alternate Directors
- (a) are deemed for all purposes to be Directors,
 - (b) are liable for their own acts and omissions,
 - (c) are subject to the same restrictions as the Original Director, and
 - (d) are not deemed to be agents of or for the Original Director
- 7 6 A person who is an alternate Director but not a Director
- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if the Original Director is not participating), and
 - (b) may sign (or otherwise indicate his agreement in writing to) a written resolution (but only if the Original Director has not signed or otherwise indicated his agreement in writing to such written resolution)
- No alternate may be counted as more than one Director for such purposes
- 7 7 A Director who is an alternate Director may vote for himself and on behalf of each Original Director who is
- (a) not participating in a Directors' meeting, and
 - (b) would have been entitled to vote if they were participating in it
- 7 8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director
- 7 9 An alternate Director's appointment as an alternate terminates
- (a) when the relevant Shareholder revokes the appointment by notice to the Company in writing specifying when it is to terminate,
 - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the Original Director, would result in the termination of the Original Director's appointment as a Director,
 - (c) on the death of the Original Director, or
 - (d) when the Original Director's appointment as a Director terminates

TRANSFERS

- 8 1 The Directors shall register a transfer made in accordance with the provisions of these Articles. The Directors shall refuse to register any transfer unless such transfer has been made in accordance with the provisions of these Articles

OBLIGATORY TRANSFER

- 8 2 If a Shareholder or its Affiliate commits a Breach which is incapable of remedy or, if such Breach is capable of remedy and the Shareholder who is or whose Affiliate is in breach ("**Defaulting Member**") has failed to remedy it within 30 days' of written notice by any other Shareholder ("**Non-Defaulting Member**"), then the Defaulting Member shall be deemed on the occurrence of such event to have given a notice (a "**Deemed Transfer Notice**") in respect of its entire holding of Shares provided that, where the Defaulting Shareholder is a holder of B Shares, the notice shall be deemed to be given in relation to

all B Shares in issue, regardless of the identity of the holder(s) of the B Shares and all holders of B Shares shall be deemed to be Defaulting Shareholders

- 8.3 If a Deemed Transfer Notice is deemed to be given by a Defaulting Member
- (a) the Shares held by the Defaulting Member shall cease to carry any voting rights,
 - (b) the Directors appointed by the Defaulting Member shall not be required in order for there to be a quorum for a Directors' meeting or a Shareholders' meeting, and
 - (c) the Defaulting Shareholder shall transfer its Shares to the Non-Defaulting Shareholders (or a third party nominated by such Non-Defaulting Shareholders), provided that such Non-Defaulting Shareholders have expressly stated their requirement for such transfer. Such transfer shall be implemented in accordance with the Articles pro rata to the Non-Defaulting Shareholders' existing holdings of Shares. The price of such Defaulting Shareholder's Shares shall be the Deemed Transfer Price.
- 8.4 If the Defaulting Member defaults in transferring Shares to be transferred pursuant to Article 8.2 or any other provisions of the Articles or the Shareholders' Agreement (the "**Relevant Securities**")
- (a) the Chairman, or failing him one of the Directors of the Company or some other person duly nominated by a resolution of the board for that purpose, shall be deemed to be the duly appointed agent of the Defaulting Member with full power to execute, complete and deliver in the name and on behalf of the Defaulting Member all documents necessary to give effect to the transfer of the Relevant Securities to the relevant transferee,
 - (b) the board may receive and give a good discharge for the purchase money on behalf of the holder and (subject to the transfer being duly stamped) enter the name of the transferee in the register of members or other appropriate register as the holder by transfer of the Relevant Securities,
 - (c) the board shall forthwith pay the purchase money into a separate bank account in the Company's name and if and when the Defaulting Member shall deliver up his certificate or certificates for the Relevant Securities to the Company (or an indemnity in a form reasonably satisfactory to the board in respect of any lost certificate) he shall thereupon be paid the purchase money, without interest and less any sums owed to the Company by the Defaulting Member pursuant to these Articles or the Shareholders' Agreement or otherwise, and
 - (d) if such certificate shall comprise any Shares which the Defaulting Member has not become bound to transfer as aforesaid the Company shall issue to him a balance certificate for such Shares.

The appointment referred to in Article 8.4(a) shall be irrevocable and is given by way of security for the performance of the obligations of the holder under these Articles

PRE-EMPTION RIGHTS

- 9.1 Subject to the terms of the Project Documents, any Shareholder ("**Transferor**") being a body corporate may transfer at any time any Shares to any member of its Shareholder Group ("**Transferee**"). If a Transferee ceases to be a member of the same Shareholder Group at any time after such transfer then such Transferee shall immediately prior to the time at which it ceases to be a member of the same Shareholder Group transfer the Shares to another member of that Shareholder Group

- 9 2 Any Shareholder ("**Original Member**") being an individual may at any time transfer all or any of his Shares originally allotted to him or any beneficial interest therein for whatever consideration to his or her spouse or adult children or adult stepchildren or in the case of DG to LG and in the case of LG to DG, or to the trustee or trustees (the "**Trustees**") of a family trust set up wholly for the benefit of one or more of the transferor, his or her spouse, children or stepchildren and of which the Shareholder is the settlor (each a "**Permitted Transferee**") and a Permitted Transferee may transfer any of those Shares to any other Permitted Transferee
- 9 3 The Trustees may at any time
- (a) transfer all or any of their Shares to a company of which they hold the whole of the share capital and which is Controlled by them PROVIDED THAT if any such company, while it is a Shareholder, shall cease to be such a company it shall, within 21 days of so ceasing, transfer its Shares back to the Trustees or to a company of which the Trustees hold the whole share capital and which is so Controlled failing which it or the relevant Shareholder(s) (if different) shall be deemed to have given a Transfer Notice pursuant to Article 9 7, or
 - (b) transfer all or any of their Shares to the Original Member or to any other Permitted Transferee
- 9 4 Any person holding Shares transferred to him pursuant to Articles 9 1, 9 2 or 9 3 shall be deemed to have irrevocably appointed the Original Member of such Shares as his proxy in respect of such Shares and no instrument of appointment shall be necessary to be deposited with the Company
- 9 5 In the event that a Permitted Transferee becomes bankrupt, he shall immediately transfer back to the relevant Original Member his Shares
- 9 6 No Shareholder shall
- (a) save in the case of any refinancing of the Loan Stock, pledge, mortgage (whether by way of fixed or floating charge) or otherwise encumber its legal or beneficial interest in its Shares,
 - (b) sell, transfer, grant any options over or otherwise dispose of any Shares (or any interest therein) except as provided under the provisions of these Articles or the Shareholders' Agreement, or
 - (c) save as permitted by the Shareholders' Agreement, transfer any Shares
- 9 7 Subject to Articles 9 1 and 9 2, before transferring or disposing of any Shares or any interest in any Shares any Shareholder proposing to transfer or dispose of the same (the "**Proposing Transferor**") shall give a notice in writing (the "**Transfer Notice**") to the Company that it desires to transfer or dispose of some or all of its Shares (the "**Sale Securities**") The Transfer Notice shall constitute the Company as the Proposing Transferor's agent for the sale of the Sale Securities (together with all rights and obligations attached thereto) at the Prescribed Price (as determined in accordance with Article 9 8) during the Prescribed Period (as defined in Article 9 9 below) and otherwise in accordance with this Article 9 7 The Transfer Notice shall be irrevocable except with the consent of the board or, where the Proposing Transferor is not willing to sell at the Prescribed Price where determined by an Independent Accountant in accordance with Article 9 8(c), the Proposing Transferor has given notice to this effect in accordance with the provisions of Article 9 8
- 9 8 (a) If an offer is made by a bona fide arm's length purchaser to the Proposing Transferor for the Sale Securities, which is agreeable to such Proposing Transferor, then the agreed price per Sale Security shall constitute the "**Prescribed Price**", or

- (b) if no such bona fide offer is made but the Proposing Transferor and the board have agreed a price per Sale Security, (which price is believed by the board to represent the Fair Value thereof) and such agreement was reached not more than one month before the Transfer Notice then such price shall be the "**Prescribed Price**", or
- (c) in all other circumstances on the giving of the Transfer Notice, the board shall request the Chairman to appoint an Independent Accountant acting as an expert and not an arbitrator to determine and certify the Fair Value of the Sale Securities taking into account the rights and regulations attaching to such Sale Securities as at the date of the proposed transfer (the "**Prescribed Price**") on the following assumptions and bases
 - (i) valuing the Sale Securities as on an arm's length sale between a willing vendor and a willing purchaser,
 - (ii) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so, and
 - (iii) valuing the Sale Securities as a rateable proportion of the total market value of all the issued Shares of the same class in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent on the basis that the Sale Securities are capable of being transferred without restriction

If any difficulty shall arise in applying any of the foregoing assumptions or bases then such difficulty shall be resolved by the Independent Accountant in such manner as he shall in his absolute discretion think fit

In any case, there shall be deducted from the Prescribed Price so agreed or determined, save to the extent that such has already been taken into account in calculating the Prescribed Price, any dividend or other distribution or interest declared or made on or paid after the date of the agreement or, as the case may be, determination which is to be retained by the Proposing Transferor. If the Proposing Transferor is not willing to sell at the Prescribed Price, where determined by an Independent Accountant, then the Proposing Transferor may within a period of 15 Business Days following the date of determination of the Prescribed Price withdraw the Sale Securities from sale by serving notice on the Company to that effect. The cost of the Independent Accountant shall be borne by the Proposing Transferor

- 9 9 The Sale Securities shall be offered by the Company by notice in writing (the "**Offer Notice**") to the other Shareholders for purchase at the Prescribed Price. The Offer Notice shall specify a time limit (not being less than 30 Business Days) within which it must be accepted or in default of acceptance will lapse (the "**Prescribed Period**"). Any Shareholder wishing to purchase any Sale Securities shall provide written notice to the Company within the Prescribed Period specifying the number of Sale Securities it wishes to purchase. In the case of competition for the Sale Securities, the Sale Securities shall be sold to Shareholders wishing to accept such offer in proportion (as nearly as may be without involving fractions or increasing the number of Sale Securities sold) to their existing holding of Shares
- 9 10 If the Company shall during the Prescribed Period find Shareholders (the "**Buyers**") to purchase all of the Sale Securities, it shall give notice in writing thereof to the Proposing Transferor who shall be bound upon payment of the Prescribed Price in cash to transfer such Sale Securities to the respective Buyers. Each such notice shall state the name and address of the Buyer and the number of Sale Securities agreed to be purchased by it and the purchase shall be completed at a place and time being not less than 10 Business Days after the date of such notice and as are contained in such notice

- 9 11 If the Company finds Buyers to acquire some but not all of the Sale Securities, the Proposing Transferor shall not be obliged to sell some only of the Sale Securities
- 9 12 If the Company does not find Buyers wishing to purchase all of the Sale Securities, it shall give to the Proposing Transferor a notice in writing that the Company has not found Buyers for all the Sale Securities and then the Proposing Transferor, at any time thereafter up to the expiration of two months after the expiry of the Prescribed Period, shall be at liberty to transfer the Sale Securities to any person on a bona fide sale at any price not being less than the Prescribed Price (after deducting where appropriate any dividend or other distribution or interest paid, declared or made after the date of the Transfer Notice and being retained by the Proposing Transferor and which was not taken into account in the determination of the Prescribed Price), provided that no transfer may be made and the board shall not register a transfer unless this Article 9 and the Shareholders' Agreement have been observed

Share transfers

- 9 13 (a) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor
- (b) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share
- (c) The Company may retain any instrument of transfer which is registered
- (d) The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it

Transmission of Shares

- 9 14 (a) If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share
- (b) A transmittee who produces such evidence of entitlement to Shares as the Directors may properly require
- (i) may, subject to the Articles, choose either to become the holder of those Shares or to have them transferred to another person, and
- (ii) subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had
- (c) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares

Exercise of transmittees' rights

- 9 15 (a) Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish
- (b) If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it
- (c) Any transfer made or executed under this Article 9 15 is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in

respect of the Share, and as if the event which gave rise to the transmission had not occurred

Transmittees bound by prior notices

- 9 16 If a notice is given to a Shareholder in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the Shareholder before the transmittee's name has been entered in the register of members

SECRETARY

- 10 1 The Company may have and appoint a secretary until such time as it determines not to

ALLOTMENT OF SHARES

- 11 1 The Directors are prohibited from exercising any power of the Company to allot Shares or grant rights to subscribe for or convert any security into Shares pursuant to section 550 of the Act but may exercise any power of the Company pursuant to section 551 of the Act if they are authorised to do so by resolution of the Company in accordance with that section
- 11 2 In accordance with section 567 of the Act, the requirements of sections 561 and 562 of the Act are excluded in relation to allotments of equity securities by the Company

PAYMENT OF COMMISSIONS ON SUBSCRIPTION FOR SHARES

- 12 1 The Company may pay any person a commission in consideration for that person
- (a) subscribing, or agreeing to subscribe, for shares, or
 - (b) procuring, or agreeing to procure, subscriptions for shares
- 12 2 Any such commission may be paid
- (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and
 - (b) in respect of a conditional or an absolute subscription

All Shares to be fully paid up

- 12 3 (a) No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue
- (b) This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum

Powers to issue different classes of Share

- 12 4 (a) Without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution
- (b) The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the Directors may determine the terms, conditions and manner of redemption of any such Shares

Company not bound by less than absolute interests

- 12 5 Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it

DIVIDENDS

Procedure for declaring dividends

- 13 1 The Company may by ordinary resolution declare dividends
- 13 2 If the Company's share capital is divided into different classes, no dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear
- 13 3 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- 13 4 If the Directors act in good faith, they do not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights

Payment of dividends and other distributions

- 13 5 (a) Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means
- (i) transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide,
 - (ii) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide,
 - (iii) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide, or
 - (iv) any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide
- (b) In the Articles, "the distribution recipient" means, in respect of a Share in respect of which a dividend or other sum is payable
- (i) the holder of the Share, or
 - (ii) if the Share has two or more joint holders, whichever of them is named first in the register of members, or
 - (iii) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

No interest on distributions

- 13 6 The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by

- (a) the terms on which the Share was issued, or
- (b) the provisions of another agreement between the holder of that Share and the Company

Shareholders' reserve power

- 13 7 (a) The Shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action
- (b) No such special resolution invalidates anything which the Directors have done before the passing of the resolution

Unclaimed distributions

- 13 8 All dividends or other sums which are
- (a) payable in respect of Shares, and
 - (b) unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed
- (c) The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it
- If
- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
 - (b) the distribution recipient has not claimed it,
- the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company

Non-cash distributions

- 13 9 (a) Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, Shares or other securities in any Company)
- (b) For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution
- (i) fixing the value of any assets,
 - (ii) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
 - (iii) vesting any assets in trustees

Waiver of distributions

13 10 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if

- (a) the Share has more than one holder, or
- (b) more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

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

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

13 11 (a) Subject to the Articles, the Directors may, if they are so authorised by an ordinary resolution

- (i) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
- (ii) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions

(b) Capitalised sums must be applied

- (i) on behalf of the persons entitled, and
- (ii) in the same proportions as a dividend would have been distributed to them

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

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

(e) Subject to the Articles the Directors may

- (i) apply capitalised sums in accordance with paragraphs (c) and (d) partly in one way and partly in another,
- (ii) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions (including the issuing of fractional certificates or the making of cash payments), and
- (iii) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them

QUORUM AT GENERAL MEETINGS

14 1 The quorum for general meetings shall comprise the Shareholder(s) who are entitled to appoint a Director under Article 6 or one representative of them if a number are together

entitled to exercise such right. No business other than the appointment of the Chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

- 14.2 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the following Business Day at the same time and place, and the quorum for meeting shall be the Shareholder(s) who are present at the reconvened meeting provided that the quorum includes Iona.

Attendance and speaking at general meetings

- 14.3 (a) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- (b) A person is able to exercise the right to vote at a general meeting when
- (i) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - (ii) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (c) The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (d) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (e) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Chairing general meetings

- 14.4 Article 6.4(d) shall apply.

Attendance and speaking by Directors and non-Shareholders

- 14.5 (a) Directors may attend and speak at general meetings, whether or not they are Shareholders.
- (b) The Chairman of the meeting may permit other persons who are not
- (i) Shareholders of the Company, or
 - (ii) otherwise entitled to exercise the rights of Shareholders in relation to general meetings,
- to attend and speak at a general meeting.

Adjournment

- 14.6 (a) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the meeting must adjourn it.

- (b) The Chairman of the meeting may adjourn a general meeting at which a quorum is present if
 - (i) the meeting consents to an adjournment, or
 - (ii) it appears to the Chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner
- (c) The Chairman of the meeting must adjourn a general meeting if directed to do so by the meeting
- (d) When adjourning a general meeting, the Chairman of the meeting must
 - (i) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors, and
 - (ii) have regard to any directions as to the time and place of any adjournment which have been given by the meeting
- (e) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)
 - (i) to the same persons to whom notice of the Company's general meetings is required to be given, and
 - (ii) containing the same information which such notice is required to contain
- (f) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

Voting: general

- 14 7 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles

Errors and disputes

- 14 8 (a) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid
- (b) Any such objection must be referred to the Chairman of the meeting, whose decision is final

Poll votes

- 14 9 (a) A poll on a resolution may be demanded
- (i) in advance of the general meeting where it is to be put to the vote, or
 - (ii) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared
- (b) A poll may be demanded by

- (i) the Chairman of the meeting,
 - (ii) the Directors,
 - (iii) two or more persons having the right to vote on the resolution, or
 - (iv) a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the resolution
- (c) A demand for a poll may be withdrawn if
- (i) the poll has not yet been taken, and
 - (ii) the Chairman of the meeting consents to the withdrawal
- (d) Polls must be taken immediately and in such manner as the Chairman of the meeting directs

Content of proxy notices

- 14 10 (a) Proxies may only validly be appointed by a notice in writing (a **"proxy notice"**) which
- (i) states the name and address of the Shareholder appointing the proxy,
 - (ii) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed,
 - (iii) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine, and
 - (iv) is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate
- (b) The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- (c) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- (d) Unless a proxy notice indicates otherwise, it must be treated as
- (i) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (ii) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

Delivery of proxy notices

- 14 11 (a) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person
- (b) An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given

- (c) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates
- (d) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

Amendments to resolutions

- 14 12 (a) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
- (i) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the meeting may determine), and
 - (ii) the proposed amendment does not, in the reasonable opinion of the Chairman of the meeting, materially alter the scope of the resolution
- (b) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if
- (i) the Chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (ii) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution
- (c) If the Chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the Chairman's error does not invalidate the vote on that resolution
- 14 13 If the Company is insolvent and a general meeting has been covered for the purposes of passing a resolution for the winding up of the Company then, provided at least one shareholder shall attend the meeting such meeting shall be quorate and the member or members attending shall be entitled together to cast such number of votes as shall be necessary to pass the resolution required to wind up the Company

DEEMED DELIVERY OF DOCUMENTS AND INFORMATION

- 15 1 Any notice, demand or other communication given or made under or in connection with the matters contemplated by these Articles shall be in writing and shall be delivered personally or sent by prepaid first class post (or air mail if posted to or from a place outside the United Kingdom)

Iona

Address 86 Jermyn Street, London SW1Y 6JD
 FAO Michael Dunn

DG

Address Shakespeare Way, Whitchurch, Shropshire, SY13 1LJ

FAO David Grocott

LG

Address Shakespeare Way, Whitchurch, Shropshire, SY13 1LJ

FAO David Grocott

The Company

Address 86 Jermyn Street, London SW1Y 6JD

FAO Alexander Todhunter

and shall be deemed to have been duly given or made as follows

- (a) if personally delivered, upon delivery at the address of the relevant party, and
- (b) if sent by first class post, two Business Days after the date of posting,

provided that if, in accordance with the above provisions, any such notice, demand or other communication would otherwise be deemed to be given or made on a day which is not a Business Day or after 5 00 p m on a Business Day such notice, demand or other communication shall be deemed to be given or made at 9 00 a m on the next Business Day

INDEMNITY AND BENEFITS

- 16 1 Subject to the provisions of the Companies Acts (but so that this Article does not extend to any matter insofar as it would cause this Article or any part of it to be void under the Companies Acts) but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or was at any time a Director of the Company or any Group Company may be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities (together "**Liabilities**") which he may sustain or incur in or about the actual or purported execution and/or discharge of his duties (including those duties, powers and discretions in relation to any Group Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act)) and/or the actual or purported exercise of his powers or discretions and/or otherwise in relation thereto or in connection therewith, including (without prejudice to the generality of the foregoing) any Liability suffered or incurred by him in disputing, defending, investigating or providing evidence in connection with any actual or threatened or alleged claims, demands, investigations, or proceedings, whether civil, criminal, or regulatory or in connection with any application under section 661(3), section 661(4) or section 1157 of the Act
- 16 2 The Company may also provide funds to any Director of the Company or of any Group Company to meet, or do anything to enable a Director of the Company or any Group Company to avoid incurring, expenditure to the extent permitted by the Companies Acts
- 16 3 Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors of the Company, or of any other Group Company or any other body which is or was otherwise associated with the Company or any Group Company or any other body in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, (together with Group Companies, "**Associated**

Companies") or who are or were at any time trustees of (or Directors of trustees of) any pension, superannuation or similar fund, trust or scheme or any employees' share scheme or other scheme or arrangement in which any employees of the Company or of any such other body are interested, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the actual or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body, fund, trust, scheme or arrangement

Company seals

- 17 1 Any common seal may only be used by the authority of the Directors
- 17 2 The Directors may decide by what means and in what form any common seal is to be used
- 17 3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- 17 4 For the purposes of this Article 17 4, an authorised person is
- (a) any Director of the Company,
 - (b) the Company secretary (if any), or
 - (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied

Provision for employees on cessation of business

- 18 The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

Share certificates

- 19 (a) The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds
- (b) Every certificate must specify
- (i) in respect of how many Shares, of what class, it is issued,
 - (ii) the nominal value of those Shares,
 - (iii) that the Shares are fully paid, and
 - (iv) any distinguishing numbers assigned to them
- (c) No certificate may be issued in respect of Shares of more than one class
- (d) If more than one person holds a Share, only one certificate may be issued in respect of it
- (e) Certificates must

- (i) have affixed to them the Company's common seal, or
- (ii) be otherwise executed in accordance with the Companies Acts

Replacement Share certificates

- 20 (a) If a certificate issued in respect of a Shareholder's Shares is
- (i) damaged or defaced, or
 - (ii) said to be lost, stolen or destroyed,
- that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares
- (b) A Shareholder exercising the right to be issued with such a replacement certificate
- (i) may at the same time exercise the right to be issued with a single certificate or separate certificates,
 - (ii) must return the certificate which is to be replaced to the Company if it is damaged or defaced, and
 - (iii) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide