

Company number: 10747274

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

Batt Holden Limited (the "**Company**")

The following resolutions were duly passed as special resolutions on *6th July* 2017 by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006 (the "**Act**"):

Special Resolutions

1. THAT the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.
2. THAT the 1 ordinary share of £1.00 comprised in the entire issued share capital in the Company ("**Share**") be and is hereby re-designated as an A Ordinary Share with the rights and restrictions set out in the articles of association adopted pursuant to resolution 1 above.

.....
Director

..... *6th July* 2017

TUESDAY



A24 *A6AGCGUO* 11/07/2017 #123
COMPANIES HOUSE

chm

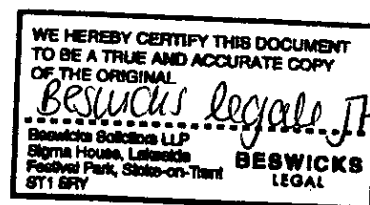
Batt Holden Limited

Articles of Association
adopted on *06th July* 2017

BESWICKS
LEGAL

Beswicks Solicitors LLP
Sigma House
Lakeside
Festival Park
Stoke on Trent
ST1 5RY

T: +44 (0)1782 205000
www.beswicks.com



Company number 10747274

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

Batt Holden Limited

(Adopted by special resolution passed on 06th July 2017)

Introduction

1. Interpretation

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

"A Director" a director nominated as an "A Director" pursuant to article 8.2.3.

"A Consent" the written consent of the holders of an A Majority.

"A Majority" the holder(s) for the time being of not less than a majority in issue from time to time of the A Shares.

"A Share" as defined in article 13.

"Act" means the Companies Act 2006.

"acting in concert" has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

"Adoption Date" the date of adoption of these Articles.

"Appointor" has the meaning given in article 9.1.

"Articles" means the Company's articles of association for the time being in force.

"B Share" as defined in article 13.

"Board" the board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened quorate meeting of the Directors.

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

"C Disposal" the disposal by the Company of the C Engine.

"C Disposal Proceeds" has the meaning given in article 16.3.

"C Engine" the steam locomotive with the identification plate and known by the number "48173".

"C Proportion" 10% of that proportion of the Sale Proceeds or the Disposal Proceeds as the case may be as the A Majority in their absolute discretion determine is attributable to the value of the C Engine.

"C Share" as defined in article 16.

"Company" means Batt Holden Limited (Company number 10747274).

"connected" has the meaning given in section 252 of the Act.

"Controlling Interest" an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

"Deemed Transfer Notice" a Transfer Notice that is deemed to have been served under Article 20.3 or Article 23.1.

"Departing Employee" an Employee who ceases to be a director and/or employee of the Company.

"Director" a director for the time being of the Company

"Disposal" the disposal by the Company of all or a substantial part of its business and assets".

"Disposal Proceeds" has the meaning given in article 16.2.

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

"Employee" a Shareholder holding B Shares or C Shares who is, or has been, a director and/or employee of the Company.

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

"Nominal Price" the nominal value of any Share (for the avoidance of doubt excluding any premium)

"Sale Price" has the meaning given in article 22.5.

"Sale Proceeds" means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale).

"Shares" shares (of any class) in the capital of the Company and **Share** shall be construed accordingly.

"Shareholder" a holder of Shares of any class.

"Share Sale" the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.

"Transfer Notice" has the meaning given in article 21.1.

"Writing or written" 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, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the Company.
- 1.6 A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that statute or statutory provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 2. Adoption of the Model Articles**
- 2.1 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Articles, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 52 and 53 of the Model Articles shall not apply to the company.

- 2.3 Article 7 of the Model Articles shall be amended by:
 - 2.3.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 2.3.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 2.4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 2.5 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.6 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 8," after the word "But".
- 2.7 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 2.8 Article 30(4) of the Model Articles shall be amended by the insertion of the words "whether or not the shares are fully, partly or nil paid" at the end of the article.
- 2.9 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3. Number of Directors

Unless otherwise determined by ordinary resolution, there shall be no maximum number of Directors and the number of Directors shall not be less than two unless there is an A Director who may be a sole Director.

4. Calling a Directors' Meeting

Any director may call a directors' meeting by giving not less than four Business Days' notice of the meeting (or such lesser notice as the A Director, if any, may agree) to the directors.

5. Quorum for Directors' Meetings

5.1 The quorum for the transaction of business at a meeting of directors is any two Eligible directors of whom one shall be an A Director unless there is a single Director who is an A Director in which case that A Director alone shall constitute a quorum.

5.2 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

5.2.1 to call a further Board meeting on such date and at such time and place as they may decide provided that they shall serve written notice on each Director detailing the date, time and place of such adjourned or further meeting together with a written agenda of the business to be transacted no less than two days prior to the date set for the meeting; or

5.2.2 to call a general meeting.

5.3 If at any meeting of the directors called pursuant to article 5.2.1 by not less than four days' written notice a quorum is not present within half an hour of the time appointed for the meeting, the director present, if he is an A Director, shall be a quorum.

6. Chairing of Meetings, Weighted Voting and Casting Vote

6.1 For so long as there is an A Director he (or if more than one such of the A Directors as the A Directors may nominate) shall be the chairman of the directors and shall have such number of votes as enables him or her to carry or defeat any proposal for a resolution of the directors.

6.2 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote.

7. Transactions or Other Arrangements With the Company

- 7.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 7.1.1 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;
- 7.1.2 shall be an Eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.1.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 7.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
- 7.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 7.2 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to

account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a conflict breaching his duty under section 175 of the Act to avoid conflicts of interest which has been authorised by company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8. Appointment of Directors

8.1 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.

8.2 Any member or members holding over 50% of the issued A Shares may at any time by written notice to the Company do all or any of the following:

8.2.1 vary the number of directors;

8.2.2 appoint one or more additional directors;

8.2.3 nominate any director or directors as an "A Director" for the purposes of these Articles; and

8.2.4 remove one or more directors from office (whether appointed pursuant to this Article 8.2 or otherwise).

9. Appointment and Removal of Alternate Directors

9.1 Any director ("**Appointor**") may appoint as an alternate any other director, or any other person approved by A Consent, to:

9.1.1 exercise that director's powers; and

9.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

9.2 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.

9.3 The notice must:

9.3.1 identify the proposed alternate; and

9.3.2 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. Rights and Responsibilities of Alternate Directors

10.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

10.2 Except as the Articles specify otherwise, alternate directors:

10.2.1 are deemed for all purposes to be directors;

10.2.2 are liable for their own acts and omissions;

10.2.3 are subject to the same restrictions as their appointors; and

10.2.4 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 member.

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

10.3.1 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);

- 10.3.2 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
- 10.3.3 shall not be counted as more than one director for the purposes of article 10.3.1 and article 10.3.2.
- 10.4 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).
- 10.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

11. Termination of Alternate Directorship

An alternate director's appointment as an alternate terminates:

- 11.1.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate; or
- 11.1.2 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; or
- 11.1.3 on the death of the alternate's appointor; or
- 11.1.4 when the alternate's appointor's appointment as a director terminates.

Shares

12. Purchase of Own Shares

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

- 12.1.1 £15,000; and
- 12.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

Share Capital

13. Classes

- 13.1 The share capital of the Company is divided into the following classes of shares having the rights and subject to the restrictions set out in these Articles:
 - 13.1.1 A ordinary shares of £1.00 each ("**A Shares**");
 - 13.1.2 B ordinary shares of £1.00 each ("**B Shares**"); and
 - 13.1.3 C ordinary shares of £1.00 each ("**C Shares**").

14. Dividend Rights

- 14.1 Subject to the provisions of the Companies Act, the directors may declare an interim dividend and the Company may by ordinary resolution, upon the recommendation of the directors, declare a final dividend but no dividend shall exceed the amount recommended by the directors.
- 14.2 Every meeting of the directors, a committee of the directors or a general meeting of the Company at which a dividend is declared shall by directors or ordinary resolution (as the case may be) direct that such dividend shall be paid (subject to article 16.2):
 - 14.2.1 in respect of the A Shares or the B Shares or (subject to article 14.3) the C Shares to the exclusion of the other class of such Shares or in respect of all or any two of such classes; and
 - 14.2.2 where such dividend is declared in respect of more than one class of the A Shares, the B Shares and (subject to article 14.3) the C Shares such dividend may differentiate in the amount or percentage of dividend payable in respect of the different classes of Share but in default of such differentiation the Shares in respect of each class in respect of which the

dividend is declared shall be deemed to rank *pari passu* as if they constituted one class of Share in respect of the dividend declared.

- 14.3 The C Shares shall not be entitled to participate in any dividend or distribution other than pursuant to and to the extent provided in article 16.2 or article 16.3.

15. Return of Capital Rights

- 15.1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:

- 15.1.1 first, if a dividend has not been paid in accordance with article 16.2, in paying to the holders of the A Shares, the B Shares and the C Shares an amount equal to the amount of any Disposal Proceeds they would have received under any distribution under article 16.2 and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of such Shares pro rata to the aggregate amounts due under this article; and
- 15.1.2 thereafter, in distributing the balance among the holders of the A Shares pro rata to the number of such Shares held.

16. Exit and Disposal Provisions

- 16.1 On a Share Sale, the Sale Proceeds shall be allocated as follows:
- 16.1.1 as to the C Proportion to the holders of the C Shares pro rata to the number of such Shares held; and
- 16.1.2 as to the balance of the Sale Proceeds among the holders of the A Shares and the holders of the B Shares as if the same constituted the same class of Shares pro rata to the number of such Shares held.
- 16.2 On a Disposal, the proceeds of the Disposal, being the consideration payable to the Company (including any deferred and/or contingent consideration) less any fees, costs and expenses of the Company attributable to the Disposal ("**Disposal Proceeds**") shall be distributed (to

the extent that the Company is lawfully permitted to do so as to the C Proportion among the holders of the C Shares and as to the balance of the Disposal Proceeds among the holders of the A Shares and B Shares parri passu as if the same constituted one class of Shares in each case pro rata to the number of such Shares held.

- 16.3 On a C Disposal, the proceeds of the C Disposal, being the consideration payable to the Company (including any deferred and/or contingent consideration) less any fees, costs and expenses of the Company attributable to the C Disposal ("**C Disposal Proceeds**") shall be distributed (to the extent that the Company is lawfully permitted to do so) as to 90% of the C Disposal Proceeds among the holders of the A Shares and B Shares parri passu as if the same constituted one class of Shares and as to 10% of the Disposal Proceeds among the holders of the C Shares in each case pro rata to the number of such Shares held.

17. Voting Rights

The voting rights attached to each class of Shares shall be as set out in this article:

- 17.1 on a show of hands, every Shareholder holding one or more A Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote; and
- 17.2 on a poll, every Shareholder holding one or more one or more A Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each Share of which he is the holder; and
- 17.3 neither the B Shares nor the C Shares will entitle the holders of such Shares to attend or vote at any general meeting nor to vote on any resolution proposed to be passed as a written resolution but will entitle the holders thereof to receive notice of all general meetings and resolutions proposed to be passed as written resolutions.

18. Variation

Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class.

Issue of Shares

19. Authority to allot

19.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution, the Directors shall not, save with A Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

19.2 Subject to Article 23.1 and the remaining provisions of this Article 19, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

19.2.1 offer or allot;

19.2.2 grant rights to subscribe for or to convert any security into; and

19.2.3 otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

19.3 The authority referred to in Article 19.2:

19.3.1 shall be limited to a maximum nominal amount of £1,002 of Shares;

19.3.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

19.3.3 may only be exercised for a period of 6 months from the Adoption Date save that, subject to these Articles, the Directors may make an offer or

agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

- 19.3.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

Transfers of Shares

20. Transfers of Shares: general

- 20.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 20.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles.
- 20.3 If a Shareholder transfers (or purports to transfer) a Share which is not an A Share other than in accordance with these Articles, he shall, save with A Consent to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 20.4 Any transfer of a Share by way of sale which is required to be made under these Articles shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 20.5 If any Share (other than an A Share) is transferred to a holder of A Shares then on the registration of the transfer the Shares so transferred shall automatically be converted into A Shares.

21. Prohibited and Permitted Transfers

- 21.1 Any person who holds, or becomes entitled to, any Share shall not without A Consent (which for the avoidance of doubt can be given in respect of the transfer of any A Shares held by any person comprised in the A Majority giving the A Consent):

- 21.1.1 serve a Transfer Notice under article 22 (Pre-emption); or
- 21.1.2 effect a transfer, except a transfer in accordance with article 21.2 (Permitted Transfers), article 22 (Pre-emption), article 23 (Compulsory Transfers), article 24 (Drag Along) (by Accepting Shareholders or Other Shareholders) [or article 25 (Tag Along)], of such Shares.
- 21.2 Notwithstanding the provisions of article 22 (Pre-emption) but subject to article 25 (Tag Along) any Shareholder (including any holder of A Shares) may transfer any Shares with A Consent.

22. Pre-emption

- 22.1 Except in the case of a transfer pursuant to article 21.2 (Permitted Transfers), article 23 (Compulsory Transfers), article 24 (Drag Along) or article 25 (Tag Along), a Shareholder other than a holder of A Shares who wishes to transfer any Shares ("**Seller**") shall give notice in writing of such wish to the Company ("**Transfer Notice**"). Each Transfer Notice shall (unless with A Consent):
 - 22.1.1 relate to all the Seller's Shares of whatever class ("**Sale Shares**");
 - 22.1.2 if the Seller wishes to sell the Sale Shares to a third party, specify the identity of the person to whom the Seller wishes to transfer the Sale Shares ("**Proposed Transferee**");
 - 22.1.3 specify the price per Share at which the Seller wishes to transfer the Sale Shares ("**Proposed Sale Price**"); and
 - 22.1.4 not be varied or cancelled (without A Consent).
- 22.2 A Transfer Notice (whether given or deemed to be given) shall constitute the Company as the Seller's agent for the sale of the Sale Shares in the manner prescribed by these articles.
- 22.3 Once given, a Transfer Notice may only be withdrawn by the Seller with the consent of the Board acting with A Consent. A Deemed Transfer Notice may not be withdrawn.

- 22.4 The Seller may provide in the Transfer Notice that unless buyers are found for all or not less than a specified number of the Sale Shares, he shall not be bound to transfer any of such Shares ("**Minimum Transfer Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of this article, if the Transfer Notice contains a Minimum Transfer Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers for the minimum number specified in the Minimum Transfer Condition.
- 22.5 The Sale Price for the Sale Shares the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the Nominal Price of each Sale Share (in cash) unless otherwise agreed with A Consent.
- 22.6 As soon as practicable following the date of the Transfer Notice in any event within 21 Business Days of such date the directors may with an A Consent determine that the Company shall purchase some or all of the Sale Shares at the Sale Price and such number of the Sale Shares as the directors determine that the Company shall purchase shall be allocated to the Company. If all of the Sale Shares are so allocated, the provisions of articles 22.7 to 22.10 (inclusive) shall not apply. If none or some only of the Sale Shares are so allocated, the remaining provisions of this article shall have effect as if references to Sale Shares shall mean those not allocated in accordance with this article.
- 22.7 As soon as practicable following the determination of the date of the Transfer Notice, and in any event within 21 Business Days of such date but subject to Article 22.6 the Company shall give notice in writing to each of the Shareholders (other than the Seller) offering the Sale Shares for sale at the Sale Price. The notice shall specify that the Shareholders shall have a period of 25 Business Days from the date of such notice within which to apply for some or all of the Sale Shares. It shall be a term of the offer that, if Shareholders of more than one class apply for some or all of the Sale Shares, the Sale Shares shall be treated as having been offered, first, to all persons (other than the Seller) holding A Shares in priority to all other classes of Shareholder and thereafter, to the extent

that all of the Sale Shares have not been applied for by a holder of A Shares, the Sale Shares shall be treated as having been offered to all of the other Shareholders as if the classes of Shares held by the other Shareholders were all one class.

22.8 It shall be a further term of the offer that, if there is competition within any class or classes of Shareholder (as determined in accordance with Article 22.7 for the Sale Shares treated as having been offered to that class or those classes, such Sale Shares shall be treated as offered among such class or classes of Shareholder in proportion (as nearly as may be) to their existing holdings of Shares of the class or classes (as the case may be) to which the offer is treated as having been made ("**Proportionate Allocation**"). However, in his application for Sale Shares a Shareholder may, if he so desires, indicate that he would be willing to purchase a particular number of Shares in excess of his Proportionate Allocation ("**Extra Shares**").

22.9 In respect of each of the categories of offeree referred to in article 22.8, the Company shall allocate the Sale Shares as follows:

22.9.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, each Shareholder shall be allocated the number applied for in accordance with his application; or

22.9.2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each Shareholder shall be allocated his Proportionate Allocation or such lesser number of Sale Shares for which he has applied and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the proportions of all the Shares of the same class held by such Shareholders.

22.10 Allocations of Sale Shares made by the Company pursuant to this article shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the

maximum number of Sale Shares that he has indicated to the Company he is willing to purchase.

- 22.11 The Company shall forthwith upon allocating any Sale Shares give notice in writing ("**Sale Notice**") to the Seller and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable for such Sale Shares. Completion of the sale and purchase of those Sale Shares in accordance with the Sale Notice shall take place within five Business Days of the date of the Sale Notice whereupon the Seller shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Sale Notice to the persons to whom they have been allocated and deliver the relevant Share certificates.
- 22.12 Save in the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to article 22.11, the Company may receive such purchase money and may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause the name of the proposed transferee to be entered in the register of members as the holder of such Sale Shares and shall hold the purchase money on trust (without interest) for the Seller. The receipt of the Company for the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the register of members, the validity of the proceedings shall not be questioned by any person. In the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to article 22.11, the Company may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money on trust (without interest) for the Seller.

22.13 If all the Sale Shares are not sold under the pre-emption provisions contained in articles 22.1 to 22.12 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller and the Seller may with A Consent (which consent may be given on such terms as the A Majority may require and may be refused in its absolute discretion) at any time, within three calendar months after receiving such notification, transfer to the Proposed Transferee any unsold Sale Shares at any price not less than the Sale Price.

23. Compulsory Transfers

23.1 If any of the following events set out below ("**Events**") occur in respect of a Shareholder who is not a holder of A Shares then at any time in the period commencing on the date of the occurrence of any of the Events and ending at midnight on the first anniversary of such date the Company shall if directed by an A Consent serve a notice on the relevant Shareholder notifying him that he is, with immediate effect deemed to have served a Transfer Notice in respect of all of his Shares immediately before the Event:

23.1.1 the Shareholder's death;

23.1.2 a bankruptcy petition being presented an order being made for the Shareholder's bankruptcy, or an arrangement or composition being made with any of his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; and

23.1.3 the Shareholder (being an Employee) becoming a Departing Employee, unless the directors have (acting with A Consent) otherwise directed in writing that a Transfer Notice shall not be deemed to have been served.

23.2 A Deemed Transfer Notice deemed to be served under Article 23.1 shall immediately and automatically revoke a Transfer Notice served by the relevant Shareholder before the occurrence of the relevant event giving rise to the Deemed Transfer Notice.

- 23.3 A Deemed Transfer Notice has the same effect as a Transfer Notice and the provisions of Article 22 shall apply, except that:
- 23.3.1 the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Deemed Transfer Notice); and
- 23.3.2 the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Shares.
- 23.4 If the Allocation Notice(s) in respect of the Sale Shares comprised within a Deemed Transfer Notice does not relate to all the Sale Shares, the Seller does not have the right to sell the balance of the Sale Shares to a third party without the prior written consent of the Board (acting with A Consent).
- 23.5 Forthwith upon a Transfer Notice being deemed to be served under article 23.1 the Shares subject to the relevant Deemed Transfer Notice shall cease to confer on the holder of them any rights:
- 23.5.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- 23.5.2 to receive dividends or other distributions otherwise attaching to those Shares; or
- 23.5.3 to participate in any future issue of Shares issued in respect of those Shares provided that,
- the Directors may (with A Consent) reinstate the rights referred to in article 23.5 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 23.1 on completion of such transfer.

24. Drag Along

- 24.1 In these articles a **Qualifying Offer** shall mean an offer in writing by or on behalf of any person ("**Offeror**") to the holders of the entire equity share capital in the Company to acquire all their equity share capital.
- 24.2 If the holders of not less than 55% in nominal value of the equity share capital then in issue ("**Accepting Shareholders**") wish to accept the Qualifying Offer, then the provisions of this article shall apply.
- 24.3 The Accepting Shareholders may give written notice to the remaining holders of the equity share capital ("**Other Shareholders**") of their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Offeror (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders. The Sale Proceeds from a Share Sale pursuant to a Qualifying Offer shall be allocated in accordance with article 16.1.
- 24.4 If any Other Shareholder shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the equity shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any Accepting Shareholder shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.

25. Tag Along

- 25.1 If at any time one or more Shareholders ("**Proposed Sellers**") propose to sell, in one or a series of related transactions, a majority in nominal value of the equity share capital then in issue ("**Majority Holding**") to any person (not being an Offeror for the purposes of article 24.1), the

Proposed Sellers may only sell the Majority Holding if they comply with the provisions of this article.

- 25.2 The Proposed Sellers shall give written notice ("**Proposed Sale Notice**") to the other holders of the equity share capital in the Company of such intended sale at least ten Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer ("**Proposed Buyer**"), the purchase price (which as between the different classes of Shares shall be allocated in accordance with article 16.1) and other terms and conditions of payment, the proposed date of sale ("**Proposed Sale Date**") and the number of Shares proposed to be purchased by the Proposed Buyer ("**Proposed Sale Shares**").
- 25.3 Any other holder of equity share capital in the Company shall be entitled, by written notice given to the Proposed Sellers within five Business Days of receipt of the Proposed Sale Notice, to be permitted to sell all of his Shares to the Proposed Buyer on the terms and conditions as those set out in the Proposed Sale Notice.
- 25.4 If any other holder of equity share capital in the Company is not given the rights accorded him by the provisions of this article, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.

Decision making by shareholders

26. Quorum

- 26.1 The quorum at any general meeting of the Company shall be one person present in person or by proxy, provided he shall be a holder of A Shares or a duly authorised representative of such holder.
- 26.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

Administrative arrangements

27. Means of Communication to be Used

27.1 Subject to article 27.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

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

27.1.2 if sent by fax, at the time of transmission; or

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

27.1.4 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

27.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

27.1.6 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

27.1.7 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; or

27.1.8 if deemed receipt under the previous paragraphs of this article 27.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

27.2 To prove service, it is sufficient to prove that:

27.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

- 27.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- 27.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 27.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

28. Indemnity

28.1 Subject to article 28.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

28.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

28.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

28.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

28.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 28.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 28.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 28.3 In this article:
- 28.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 28.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts *in his capacity as auditor*).
- 29. Insurance**
- 29.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.
- 29.2 In this article:
- 29.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts *in his capacity as auditor*);
- 29.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
- 29.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.