

PRIVATE COMPANY LIMITED BY SHARES

15.11.18

WRITTEN RESOLUTION

OF

OLDHAM PROPERTY PARTNERSHIPS LIMITED
(the "Company")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the directors of the Company propose that the following resolutions (the "Resolution") be passed as a special resolution of the Company:

SPECIAL RESOLUTION

THAT, with effect from the passing of this resolution the regulations attached to this resolution are approved and be adopted as the articles of association of the Company (the "New Articles") in substitution for and to the exclusion of all existing articles of association of the Company and furthermore that any and all variations of the rights attaching to each class of shares in the capital of the Company being effected by virtue of the adoption of the New Articles be approved.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, being all the members entitled to vote on the Resolution on 27 June 2018 (the "Circulation Date") hereby irrevocably agree to the Resolution.

Name of member	Signature of member	Date of signature
South Link Developments Limited	 Director For and on behalf of South Link Developments Limited	7/11/2018
Brookhouse Group Limited	 Director For and on behalf of Brookhouse Group Limited	7/11/2018

NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document and returning it to the Company by hand or post to The Directors, Oldham Property Partnerships Limited, Prospect House, 168-170 Washway Road, Sale, Cheshire M33 6RH. 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.
2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement
3. Unless, within 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

FRIDAY



A14 *A7IU2J6R* #357
16/11/2018
COMPANIES HOUSE

No. 2910034

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF

OLDHAM PROPERTY PARTNERSHIPS LIMITED

(adopted by Special Resolution passed on **15th NOVEMBER** 2018)

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15.11.18

[Signature]

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jmw

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CONTENTS

1.	Interpretation	1
2.	Unanimous decisions	3
3.	Number of Directors	3
4.	Calling a Directors' meeting	4
5.	Quorum for Directors' meetings	4
6.	Casting vote.....	4
7.	Transactions or other arrangements with the Company	4
8.	Directors' conflicts of interest	5
9.	Records of decisions to be kept	6
10.	Appointment and removal of Directors	6
11.	Directors' remuneration	6
12.	Appointment and removal of alternate directors	6
13.	Rights and responsibilities of alternate Directors	7
14.	Termination of alternate directorship.....	8
15.	Secretary	8
16.	Classes of shares	8
17.	Class rights.....	8
18.	Variation of rights.....	10
19.	Issue of shares	11
20.	Transfer of shares	12
21.	Voting	13
22.	Poll votes	13
23.	Proxies.....	13
24.	Means of communication to be used.....	13
25.	Indemnity	14
26.	Insurance	15
27.	Winding up.....	15

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OLDHAM PROPERTY PARTNERSHIPS LIMITED

(adopted by Special Resolution passed on **15th NOVEMBER** 2018)

INTRODUCTION

1. Interpretation

1.1 Definitions

In these Articles, unless the context otherwise requires:

"the Act"	the Companies Act 2006;
"Alternate"	has the meaning given in article 12.1;
"Appointor"	has the meaning given in article 12.1;
"Articles"	these articles of association and any other articles of association of the Company from time being in force;
"A Director"	a Director appointed pursuant to article 10.1
"A Shareholder"	a holder of A Shares from time to time;
"A Shareholder Majority"	the holder or holders of a majority in number of A Shares;
"A Shares"	the ordinary A shares of £1 each in the capital of the Company;
"Associate"	in relation to a corporate body a subsidiary or holding company thereof or another subsidiary of any holding company thereof (and "subsidiary" and "holding company" shall have the meanings set out in section 1159 of the Act;
"B Dividend"	has the meaning given in article 17.2.1;
"B Dividend Payment Date"	has the meaning given in article 17.2.2;
"B Shareholder"	a holder of B Shares from time to time;
"B Shares"	the B cumulative redeemable 5% preference shares of £0.50 each in the capital of the Company from time to time;
"business day"	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are

- generally open for business;
- "Conflict"** has the meaning given in article 8.1;
- "C Director"** a director appointed pursuant to article 10.2;
- "C Shareholder"** a holder of C Shares from time to time;
- "C Shareholder Majority"** the holder or holders of a majority in number of C Shares;
- "C Shares"** the ordinary C shares of £1 each in the capital of the Company;
- "Director"** a director of the Company appointed and holding office from time to time pursuant to article 10 and **"Directors"** shall be construed accordingly;
- "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);
- "Interested Director"** has the meaning given in article 8.1;
- "Model Articles"** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;
- "Option Agreement"** a put and call option agreement dated 25 February 2013 between (1) South Link Developments Limited (registered number 2910045) (**"South Link"**) and (2) Brookhouse Group Limited (2221654) (**"Brookhouse"**);
- "Permitted Transferee"** has the meaning given in article 20.1;
- "Relevant B Dividend"** has the meaning given in article 17.2.4;
- "Share"** a share of any class in the capital of the Company;
- "Shareholder"** a holder of Shares from time to time; and
- "Shareholders Agreement"** the shareholders agreement dated on or around the date of these Articles (as amended from time to time) entered into between (1) Brookhouse, (2) South Link and (3) the Company.
- 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, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
- 1.5.1 any subordinate legislation from time to time made under it; and

- 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.8 Articles 8, 9(1), 11(2) and (3), 13, 14, 17(2) and (3), 19(2), (3), (4) and (5), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.9 Article 7 of the Model Articles shall be amended by:
- 1.9.1 the insertion of the words “for the time being” at the end of article 7(2)(a); and
- 1.9.2 the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors) and the secretary” before the words “properly incur”.
- 1.11 In article 25(2)(c) of the Model Articles, the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 1.12 Article 27(3) of the Model Articles shall be amended by the insertion of the words “, subject to article 10,” after the word “But”.
- 1.13 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),” after the words “the transmittee’s name”.
- 1.14 Articles 31(1)(a) to (d) (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”.

DIRECTORS

2. Unanimous decisions

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

3. Number of Directors

The number of Directors shall not be less than two and no more than six. No shareholding qualification for Directors shall apply.

4. Calling a Directors' meeting

Any Director may call a Directors' meeting by giving not less than 5 business days' notice of the meeting (or such lesser notice as all the Directors may agree) to the Directors or by authorising the company secretary (if any) to give such notice.

5. Quorum for Directors' meetings

5.1 Subject to article 5.2, the quorum for the transaction of business at a meeting of Directors is four eligible directors of whom at least three shall be nominated by the A Shareholder or such other numbers as the shareholders shall agree from time to time.

5.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a Director's conflict, if there is only one eligible director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

5.3 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:

5.3.1 to appoint further Directors; or

5.3.2 to call a general meeting so as to enable the shareholders to appoint further Directors.

6. Casting vote

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

7. Transactions or other arrangements with the Company

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

7.1 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;

7.2 shall be an eligible director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested;

7.3 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 contract or proposed contract in which he is interested;

7.4 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;

7.5 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

7.6 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 contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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.

8. Directors' conflicts of interest

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

8.2 Any authorisation under this article 8 will be effective only if:

8.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;

8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

8.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

8.3 Any authorisation of a Conflict under this article 8 may (whether at the time of giving the authorisation or subsequently):

8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

8.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;

8.3.3 provide that the Interested Director may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution related to the Conflict;

8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;

8.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

8.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

8.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.

8.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

8.6 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:

8.6.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or

8.6.2 use or apply any such information in performing his duties as a Director,

where to do so would amount to a breach of that confidence.

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

9. Records of decisions to be kept

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

10. Appointment and removal of Directors

10.1 The A Shareholder Majority shall be entitled to appoint or maintain in office such 5 persons as they may nominate to be A Directors to the Board (and to any committee of the Board) and to remove any A Director so appointed and appoint another person in his place.

10.2 The C Shareholder Majority shall be entitled to appoint or maintain in office such one person as they may nominate to be a C Director to the Board (and to any committee of the Board and to remove any C Director so appointed and appoint another person in his place.

10.3 Any appointment or removal of a Director pursuant to this article shall be in writing and signed by or on behalf of the relevant A Shareholder Majority or C Shareholder Majority and served on each of the other shareholders and the Company at its registered office or delivered to a duly constituted meeting of the Directors of the Company. Any such appointment or removal shall take effect when received by the Company or such later time as shall be specified in such notice.

10.4 The right to appoint and to remove Directors under this article shall be a class right attaching to the A Shares and the C Shares. For the avoidance, the B Shareholder shall not be entitled to appoint any Director to the Board.

10.5 No Director shall be appointed or removed otherwise than pursuant to these articles, save as provided by law.

10.6 The office of the C Director shall be vacated if the C Director (where the C Director has been appointed by pursuant to Article 10.2) ceases to be a member of officer of the C Shareholder, being a local authority.

11. Directors' remuneration

The Directors shall not be entitled to any remuneration.

12. Appointment and removal of alternate directors

- 12.1 Subject to article 12.4, any Director (the "**Appointor**") may appoint as an alternate director (the "**Alternate**") any other Director, or any other person approved by resolution of the Directors, to:
- 12.1.1 exercise that Director's powers; and
 - 12.1.2 carry out that Director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the Alternate's Appointor.
- 12.2 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.
- 12.3 The notice must:
- 12.3.1 identify the proposed Alternate; and
 - 12.3.2 *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.*
- 12.4 Where a Director has been appointed by a local authority, that person may only appoint such person as his Alternate who has been approved by the Chief Executive or other authorised officer.
- 13. Rights and responsibilities of alternate Directors**
- 13.1 An Alternate may act as Alternate to more than one Director and has the same rights in relation to any decision of the Directors as the Alternate's Appointor.
- 13.2 Except as the Articles specify otherwise, Alternate:
- 13.2.1 are deemed for all purposes to be Directors;
 - 13.2.2 are liable for their own acts and omissions;
 - 13.2.3 are subject to the same restrictions as their Appointors; and
 - 13.2.4 are not deemed to be agents of or for their Appointors
- and, in particular (without limitation), each Alternate 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.
- 13.3 A person who is an Alternate but not a Director:
- 13.3.1 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);
 - 13.3.2 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
 - 13.3.3 *shall not be counted as more than one Director for the purposes of articles 13.3.1 and 13.3.2.*
- 13.4 A Director who is also an Alternate is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an eligible director in relation to that decision), but shall not

count as more than one Director for the purposes of determining whether a quorum is present.

- 13.5 An Alternate 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 except such part of the Alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

14. Termination of alternate directorship

An Alternate appointment as an Alternate terminates:

- 14.1.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 14.1.2 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;
- 14.1.3 on the death of the Alternate's Appointor; or
- 14.1.4 when the Alternate's Appointor's appointment as a Director terminates.

15. Secretary

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

SHARES AND DISTRIBUTIONS

16. Classes of shares

The Shares shall entitle the holders thereof to the respective rights and privileges and subject them to the respective restrictions and provisions hereinafter appearing. The Shares shall, except where otherwise provided herein, confer the holders thereof the same rights.

17. Class rights

17.1 Income - A Shares

- 17.1.1 No dividends shall be declared or paid on the A Shares in respect of any financial year of the Company unless and until the B Dividends on the B Shares (together with any Further Dividend) shall have actually been paid in full in respect of that financial year and in respect of any previous financial years of the Company and article 30 of the Model Articles shall have effect subject to the provisions of this article 17.1.1.
- 17.1.2 Subject and without prejudice to the provisions of article 17.1.1, if in respect of any financial year the Company shall determine to distribute any sum by way of a dividend to the A Shareholder, then each sum shall be distributed to the A Shareholder in proportion to the amounts paid up or credited as paid up on the A Shares held by such holders respectively.

17.2 Income - B Shares

- 17.2.1 The B Shares shall confer upon the holders thereof as a class the right in priority to any payment by way of dividend to the holders of any other shares in the capital of the Company to receive an annual fixed cumulative preferential dividend, of an

amount equal to 5% of the nominal value of the B Shares in the issued capital of the Company (the "**B Dividend**").

17.2.2 The B Dividend will be payable quarterly on each of 24 September, 24 December, 24 March and 24 June in each year (each such date to be referred to as the "**B Dividend Payment Date**").

17.2.3 On the B Dividend Payment Date, the B Dividend payable shall *ipso facto* and without any resolution of the Directors of the Company in general meeting (and notwithstanding anything contained in article 30 of the Model Articles) become a debt due from and immediately payable by the Company to the holders of the B Shares.

17.2.4 In the event that, whether by reason of any principle of law or otherwise, the Company is unable to pay in full on any B Dividend Payment Date any B Dividend (for the purpose of this article 17.2.4, referred to as the "**Relevant B Dividend**") then the following provisions shall apply:

- (a) on the B Dividend Payment Date, the Company shall pay to the holders of the B Shares on account of the Relevant B Dividend the maximum sum (if any) which can then consistently with any such principle of law, be properly paid by the Company;
- (b) on every succeeding B Dividend Payment Date, the Company shall pay to the holders of the B Shares on account of the balance of the Relevant B Dividend for the time being remaining outstanding, and until the Relevant B Dividend shall have been paid in full, the maximum sum (if any) which on such succeeding B Dividend Payment Date respectively can, consistently with any such principle of law, be properly paid by the Company; and
- (c) every sum which shall become payable by the Company on any B Dividend Payment Date under this article 17.2.4 shall on that B Dividend Payment Date *ipso facto* and without any resolution of the Directors of the Company in general meeting (and notwithstanding anything contained in article 30 of the Model Articles) become a debt due from and immediately payable by the Company to the holders of the B Shares.

17.2.5 In the event that pursuant to article 17.2.4 or otherwise, any Relevant B Dividend is not paid to the holders of the B Shares, there shall be paid to the holders of the B Shares a further cumulative preference dividend (the "**Further Dividend**"). Any Further Dividend shall be in the amount of £0.50 per month for every £100 of unpaid Relevant B Dividend, shall accrue from day to day and shall be paid on the same date as the Relevant B Dividend. Any Further Dividend shall on such date *ipso facto* and without any resolution of the Directors of the Company in general meeting (and notwithstanding anything contained in article 30 of the Model Articles) become a debt due from and immediately payable by the Company to the holders of the B Shares. PROVIDED THAT this article 17.2.5 shall not apply and no Further Dividend shall be payable if the sole reason for the non-payment of any Relevant B Dividend on any B Dividend Payment Date is compliance by the Company with statutory provisions or regulations regulating the amount or manner or time of payment of dividends.

17.3 Income - C Shares

The holders of the C Shares shall not be entitled to receive any income or dividend on the C Shares.

17.4 Capital

In the event of a winding up of the Company or other return of capital the assets of the Company remaining after payment of its debts and liabilities (exclusive of any debts which have become due in accordance with article 17.2) and of the costs charges and expenses of

such winding up, shall be applied in the following manner and order of priority:

- 17.4.1 firstly, in paying to the holders of the B Shares all unpaid arrears and accruals of B Dividend and any Further Dividend;
 - 17.4.2 secondly, in paying to the holders of the B Shares the amount paid up or credited as paid up on such B Shares together with the amount of any premiums paid or credited as paid on the issue or subscription of such B Shares; and
 - 17.4.3 finally, in distributing the balance amongst the A Shareholder and C Shareholder in proportion to the amounts paid up or credited as paid up on the A Shares and the C Shares held by such holders respectively.
- 17.5 The arrears and accruals referred to in article 17.4.1 shall be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such unpaid arrears or accruals have become due and payable in accordance with any of the provisions of article 17.2.
- 17.6 Voting
- 17.6.1 The A Shares and the C Shares shall confer on the holders thereof the right to receive notice of all general meetings of the Company and shall have the right to attend and vote thereat.
 - 17.6.2 Subject to the provisions of article 17.7.9, the B Shares shall not confer on the holders thereof the right to receive notice of any general meeting of the Company nor shall they have the right to attend or vote thereat.
- 17.7 Redemption
- 17.7.1 The Company shall subject to the provisions of the Act, be entitled on giving at any time to the holders of the B Shares not less than one month's notice (or such shorter time as may be agreed between the Company and the holders of the B Shares) in writing to redeem at par at any time any or all of the B Shares.
 - 17.7.2 The holders of the B Shares shall subject to the provisions of the Act, be entitled to have any or all of their B Shares redeemed by the Company by giving to the Company at least 3 months written notice (or such shorter period as may be agreed in writing by the Company and the holders of the B Shares).
 - 17.7.3 Subject to the Act, the Company shall redeem at par on 31 March 2023 all of the B Shares not previously redeemed.
 - 17.7.4 In accordance with the Act, any redemption of the B Shares may be affected out of the accumulated profits of the Company, out of the proceeds of a fresh issue of shares made for the purpose of such redemption or in any other manner resolved by the Directors and for the time being permitted by law.
 - 17.7.5 The Company shall upon the redemption of any of the B Shares (each a "**Redemption Date**") pay to the holders of the B Shares so redeemed any arrears of the B Preference Dividend and any Further Dividend.
 - 17.7.6 On a Redemption Date, the Company shall pay the original subscription price on each of the B Shares redeemed on such Redemption Date. At the same time, it shall pay any arrears or accruals of the B Preference Dividend together with any interest due on such B Shares, calculated down to but not including the Redemption Date. In the absence of any direction to the contrary by the holder of the relevant B Shares, any amount paid on redemption of those shares shall relate first to the arrears and accruals of the B Preference Dividend. The B Preference Dividends on the redeemed shares shall stop accruing from the day before the date on which the redemption

amount is paid.

17.7.7 On a Redemption Date, each holder B Shares shall surrender to the Company the certificate for the shares that are to be redeemed and upon receipt of such share certificate the Company shall pay to each such holder of B Shares the amount payable (the "**redemption sum**") in respect of such redemption. In the event that a share certificate is not surrendered (for whatever reason) the Company may redeem such shares that are subject to the redemption and receive the redemption sum in trust for the holder of B Shares.

17.7.8 The receipt by the Company of the redemption sum in accordance with Article 17.7.7 shall constitute a good discharge to the holder of B Shares (who shall not be bound to see to the application thereof) and after the redemption of the relevant B Shares the validity of the proceedings shall not be questioned by any person. The Company shall not pay the redemption sum to the holder of the B Shares until he shall have delivered the share certificate(s) or a suitable indemnity (in a form reasonably satisfactory to the Board in respect of any lost share certificate) to the Company. If any certificate (or indemnity) so surrendered includes any shares that are not redeemable at that time, the Company shall issue a new share certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of B Shares, any redemption shall be made among such holders pro rata (as nearly as possible) to their respective holdings.

17.7.9 Notwithstanding the provisions of article 17.6.2, should the Company fail to redeem in accordance with the provisions of articles 17.7.1, 17.7.2 and 17.7.3, for so long as such failure continues, every holder of the B Shares shall be entitled to receive notice of and to attend at all general meetings of the Company and thereat to cast one vote for each B Shares of which it is a holder.

18. Variation of rights

18.1 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

18.2 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:

18.2.1 any alteration in the Articles;

18.2.2 any reduction, subdivision, consolidation, redenomination, purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and

18.2.3 any resolution to put the Company into liquidation.

19. Issue of shares

19.1 Pre-emption on issue

Subject to the provisions of this article 19, any shares in the capital of the Company from time to time shall before they are issued, whether for cash or otherwise, be offered to all the holders of shares in the Company in proportion to the nominal value of the shares held by them respectively (and such offer shall be at the same price and on the same terms to each such holder).

19.2 Procedure for offering

The offer referred to in article 19.1 shall be made by notice specifying the number and class of shares offered, the proportionate entitlement of the relevant shareholder, the price per share and limiting a period (not being less than 15 business days) within which the offer, if not accepted will be deemed to be declined. After the expiration of such time, the Directors shall offer shares which have been declined or are deemed to have been declined to the persons who have within the said period accepted all the shares offered to them. Such further offer shall be on the same terms as the first offer and shall invite each of the holders to state in writing within a period of not less than 10 business days whether he is willing to take any, and if so what maximum, number of the shares so offered. If any shares comprised in such further offer are declined or are deemed to be declined such further offer shall be withdrawn in respect of such shares.

19.3 Allotment of shares after offers

At the expiration of the time limited by the notice or notices the Directors shall allot the shares so offered to or amongst the Shareholders who have notified their willingness to take all or any of such shares in accordance with the terms of the relevant offer. No Shareholder shall be obliged to take more than the maximum number of shares he has indicated his willingness to take.

19.4 Issue other than to shareholder

Any shares not accepted pursuant to the preceding provisions of this article or not being capable of being so offered except by way of fractions and any shares to which this article does not apply shall be at the disposal of the Directors who may allot, grant options over, or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no shares shall be issued at a discount and provided further that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the shareholders.

The discretion of the Directors contained in this article as to the allotment and disposal of and the granting of any option over the Company's shares shall in any event be subject to the provisions of any agreement relating thereto binding on the Company from time to time and any directions contained in any resolution creating such shares.

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).

19.5 No renunciation of allotment

Save with the prior consent of all the shareholders, no shares shall be allotted on the terms that the right to take up the shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a share may direct that such share may be allotted or issued to any other person.

19.6 Designation of shares

Whenever a share is issued to a shareholder holding shares of another class such first mentioned share shall *ipso facto* and forthwith be converted into and redesignated a share of such other class and shares issued other than to a shareholder shall be designated as the Directors shall determine.

20. Permitted transfer of shares

- 20.1 Any shareholder being a corporate body may transfer any or all of its shares to any of its Associates (on terms that before the transferee ceases to be the Associate of the shareholder it shall transfer those shares to the original shareholder or to another Associate of that

shareholder and so on) any such transferee being hereinafter referred to as a "**Permitted Transferee**".

- 20.2 A shareholder may at any time transfer all or any of its shares in accordance with the provisions of the Option Agreement or to any other shareholder, or person with the consent in writing of all the other shareholders or and a transfer of any share pursuant to this article shall only be treated as a Permitted Transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such share free from all liens, charges and other encumbrances.
- 20.3 The Directors shall refuse to register the transfer of any share unless such transfer is permitted by this article 20.
- 20.4 Forthwith upon the transfer of any shares to any other existing shareholder or shareholders the shares so transferred to such other shareholder shall ipso facto and automatically be converted into shares of the same class as the class already held by such other shareholder unless determined otherwise by the Directors.

DECISION MAKING BY SHAREHOLDERS

21. Voting

- 21.1 Subject to article 21.2, at a general meeting, on a show of hands every Shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every Shareholder present in person or by proxy shall have one vote for each Share held; and on a vote on a written resolution every Shareholder has one vote for each Share of which he is the holder.
- 21.2 For the avoidance of doubt, the B Shares do not confer on the holders thereof any entitlement to attend or vote at a meeting of the Shareholders save as provided for by article 17.7.9.

22. Poll votes

- 22.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 22.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

23. Proxies

- 23.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 23.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

24. Conflict and order of priority

If there is any conflict between the provisions of these Articles, the Shareholders Agreement and the Option Agreement, the order of priority as to which provisions shall prevail shall be as

follows:

- 24.1 firstly, the provisions of the Option Agreement shall prevail;
- 24.2 secondly, the provisions of the Shareholders Agreement.; and
- 24.3 finally, the provisions of these Articles.

25. Means of communication to be used

- 25.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:

- 25.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 25.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 25.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 25.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

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

26. Indemnity

- 26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 26.1.1 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:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) 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) (if any),

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

26.1.2 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 18(1)(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

26.3 In this article:

26.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

26.3.2 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).

27. Insurance

27.1 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.

27.2 In this article:

27.2.1 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);

27.2.2 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

27.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

28. Winding up

28.1 If the Company shall be wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by the Act, divide among the shareholders in specie or in kind the whole or any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the shareholders, but so that if any division is resolved on otherwise than in accordance with such rights the shareholders shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 100 of the Insolvency Act 1986. A special resolution sanctioning a transfer or sale to another Company duly passed pursuant to the said section may in like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the shareholders otherwise than in accordance with their existing rights, and any such determination shall be binding upon all shareholders, subject to the right of dissent and consequential rights conferred by the said section.

29. **Subsidiary undertakings**

29.1 The Directors shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiary undertakings so as to secure (but as regards its subsidiary undertakings only insofar as the exercise of such right or powers of control the Directors can secure) that:

29.1.1 no shares or other securities are issued or allotted by any such subsidiary and no rights are granted which might require the issue of any shares or securities otherwise than to the Company or one of its wholly owned subsidiaries; and

29.1.2 neither the Company nor any of its subsidiaries transfers or disposes of any shares or securities of any subsidiary of the Company or any interest therein or any rights attached thereto otherwise than to the Company or one of its fully owned subsidiaries.