

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

NORTHWOOD HALL (FREEHOLD) LIMITED

Company No. 11120786

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(Adopted by special resolution passed on 5 March 2018)

Introduction

1. Interpretation

1.1 In these Articles, the following words have the following meanings:

Act: the Companies Act 2006;

Appointor: has the meaning given in article 14.1;

Articles: the Company's articles of association for the time being in force;

Available Profits: profits available for distribution within the meaning of Part 23 of the Act;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

Conflict: a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, save that:

- (a) a director being a Flat Tenant is not to be regarded as giving rise to a Conflict; and
- (b) the entry into the Contemplated Transactions in accordance with the Participation Agreements shall not be regarded as giving rise to a Conflict of any Investor Director;

Contemplated Transactions: the leases and security to be granted by the Company to the Investor or its nominee in accordance with the Participation Agreements;

Development Profits: any profits realised by the Company in connection with:

- (a) any development of any part of the Property;
- (b) the grant of a lease of any part of the Property other than a Flat Lease;
- (c) the grant of a licence to alter any part of the Property other than a Flat;
- (d) the sale, transfer or disposal of any interest in any part of the Property, other than the grant of a Flat Lease.

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

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

Eligible Director: any Eligible Investor Director or Eligible Participant Director (as the case may be);

Flat: a flat forming part of the Property;

Flat Lease: the most inferior long lease of a Flat qualifying for the right to a 90 year extension to the lease under the provisions of the Leasehold Reform, Housing and Urban Development Act 1993 or in the absence of such an interest the 999 year lease granted in respect of a Flat consequent to the enfranchisement of the Property by the Company;

Flat Tenant: the tenant or tenants for the time being of a Flat Lease, but so that whenever two or more persons are for the time being the tenants of a Flat Lease, they shall for all the purposes of these Articles be deemed to constitute a single Flat Tenant;

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

Investor: Lindmead Limited registered in England under number 01321701 whose registered office is at 30 Harbord Street London SW6 6PJ;

Interested Director: has the meaning given in article 9.1;

Investor Director: any director appointed to the Company by holders of the Investor Shares;

Investor Share: an ordinary share of £1 in the capital of the Company designated as an Investor Share;

Investor Shareholder: a person who is the holder of an Investor Share;

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 and reference to a numbered Model Article is a reference to that article of the Model Articles;

Participation Agreements: the Participation Agreements relating to the acquisition of the freehold of the Property by the Company;

Participant Director: any director appointed to the Company by holders of the Participant Shares;

Participant Share: an ordinary share of £1 in the capital of the Company designated as a Participant Share;

Participant Shareholder: a person who is the holder of a Participant Share; and

Property: all that freehold land and buildings known as Northwood Hall, Hornsey Lane, London N6 as is registered under title number AGL167712 or such other title number granted by the Land Registry in substitution for it.

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 those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.

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 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the

membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

- (a) another person (or its nominee), by way of security or in connection with the taking of security; or
- (b) its nominee.

1.6 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.

1.7 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.

1.8 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.

1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

1.10 References to **writing or written** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, other than by fax or text.

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 these Articles 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 Model Articles 6, 7, 8, 9(1), 11(1), 11(2), 11(3)(a), 13, 14, 16, 17, 19, 20, 21, 22, 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) shall not apply to the Company.

2.3 In Model Article 5(1)(a), the words "or committee" shall be deleted.

2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3. Directors' meetings

3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.

3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the

despatch of business, adjourn and otherwise regulate their meetings as they think fit. The directors will aim to meet at least quarterly.

3.3 All decisions made at any meeting of the directors shall be made only by resolution, and no such resolution shall be passed unless more votes are cast for it than against it.

3.4 Except as provided by articles 3.6, 18.2 and 24.3, each director has one vote at a meeting of directors.

3.5 If at any time before or at any meeting of the directors all Investor Directors participating or all Participant Directors participating should request that the meeting be adjourned or reconvened to another time or date (which must be within 15 days of the meeting) (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned or reconvened pursuant to this article more than once.

3.6 If an equal number of Eligible Investor Directors and Eligible Participant Directors (whether participating in person or by an alternate) are not present at any meeting of the directors, then the Eligible Directors present at that meeting shall, except as provided by articles 18.2 and 24.3, be entitled to such additional vote or votes as shall result in all the Eligible Investor Directors so participating having in aggregate an equal number of votes to all the Eligible Participant Directors so participating.

4. Unanimous decisions of directors

4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

5. Number of directors

The number of directors shall not be less than two and no more than four made up of an equal number of Investor Directors and Participant Directors.

6. Calling a directors' meeting

6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least one Investor Director and one Participant Director) to each director or by authorising the Company secretary (if any) to give such notice.

6.2 Notice of any directors' meeting must be accompanied by:

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
- (b) copies of any papers to be discussed at the meeting.

6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised

at a meeting of directors unless all the directors participating in the meeting agree.

7. Quorum for directors' meetings

7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom at least one shall be an Eligible Investor Director (or his alternate) and one an Eligible Participant Director (or his alternate).

7.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting, then the meeting shall be adjourned for seven Business Days at the same time and place.

8. Chairing of directors' meetings

If the directors are unable to decide who should hold the post of chairman of the directors, such post will be held in alternate years by an Investor Director or by a Participant Director. The chairman shall not have a casting vote.

9. Directors' interests

9.1 For the purposes of section 175 of the Act, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.

9.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.

9.3 Any authorisation by the shareholders of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) 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;
- (c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit;
- (e) 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
- (f) 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.

- 9.4 Where the shareholders authorise a Conflict:
- (a) the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict; and
 - (b) the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act, provided he acts in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation.
- 9.5 The shareholders 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.
- 9.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 Any Investor Director or Participant Director shall be entitled from time to time to disclose to the holders of the Investor Shares (in the case of an Investor Director) or the holders of the Participant Shares (in the case of a Participant Director) such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one Investor Shareholder or (as the case may be) Participant Shareholder, the director concerned shall ensure that each of the shareholders of the same class receives the same information on an equal footing.
- 9.8 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 shareholders in accordance with these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation), or which falls within article 9.6, and no contract shall be liable to be avoided on such grounds.
- 9.9 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 9.10 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9.9.
- 9.11 Subject, where applicable, to any terms, limits or conditions imposed by the shareholders in accordance with article 9.3, and provided a director 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:
- (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;

- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors or to participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- (d) 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;
- (e) 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
- (f) 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.

10. 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 a form that enables the Company to retain a copy of such decisions.

11. Appointment and removal of directors

- 11.1 The holders of a majority of the Investor Shares for the time being shall be entitled to appoint up to two persons to be Investor Directors of the Company and the holders of a majority of the Participant Shares for the time being shall be entitled to appoint up to two persons to be Participant Directors of the Company, provided always that any such appointment does not cause the number of directors in office for the time being (excluding alternate directors who are not also directors) to exceed any maximum number fixed in accordance with these Articles.
- 11.2 Any Investor Director may at any time be removed from office by the holders of a majority of the Investor Shares and any Participant Director may at any time be removed from office by the holders of a majority of the Participant Shares.
- 11.3 If any Investor Director or any Participant Director shall die or be removed from or vacate office for any cause, the holders of a majority of the Investor Shares (in the case of an Investor Director) or the holders of a majority of the Participant Shares (in the case of a Participant Director) shall appoint in his place another person to be an Investor Director or a Participant Director (as the case may be).
- 11.4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holders of a majority of the Investor Shares or Participant Shares (as the case may be) and served on the Company at its registered office, marked for the attention of the directors, and on the director, in the case of his removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such

notice.

11.5 The right to appoint and to remove Investor Directors or Participant Directors under this article 11 shall be a class right attaching to the Investor Shares and the Participant Shares respectively.

11.6 No Investor Director or Participant Director may be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

12. Directors' remuneration

Except with the consent of the Company in general meeting, the directors shall not be entitled to any remuneration. Any resolution giving such consent shall specify the amount of remuneration to be paid to the directors and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

13. Directors' expenses

13.1 The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary (if any) properly incur in connection with their attendance at:

- (a) meetings of directors;
- (b) general meetings; or
- (c) separate meetings of the holders of any class of shareholders of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

14. Alternate directors

14.1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director) other than an existing director representing any other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "Investor Director" or "Participant Director" shall include an alternate director appointed by an Investor Director or a Participant Director (as the case may be). A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of shares but not otherwise.

14.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.

14.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

14.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.

14.5 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) 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.

14.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:

- (a) be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
- (b) participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision and does not himself participate).

14.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.

14.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

14.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
- (b) 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
- (c) when the alternate director's Appointor ceases to be a director for whatever reason.

Shares

15. Membership

15.1 No person may be registered as a Participant Shareholder other than a Flat Tenant. For the avoidance of doubt, no nominee of any Flat Tenant may be registered as a Participant Shareholder.

15.2 Where two or more persons are jointly the tenants of a Flat Lease they together shall constitute one shareholder, and the person first named in the register of members may exercise all voting and other rights and powers vested in that shareholder to the exclusion of the other tenants in

respect of that Flat. All such tenants shall be subject jointly and severally to any liability imposed on that shareholder under or pursuant to the Articles.

- 15.3 Where a person is a Flat Tenant of more than one Flat he shall (except where the Articles (including, in particular, article 20.4) provide otherwise) be treated under the Articles as a separate shareholder in respect of each such Flat.

16. Cessation of membership

- 16.1 Without prejudice to the directors' discretion to refuse to register any transfer of a share pursuant to article 24.3, if any Flat Tenant transfers, assigns, disposes of or otherwise parts with his interest in his Flat, or if his interest therein for any reason ceases or determines, he or, in the event of his death, his legal personal representatives shall transfer his Participant Share in the Company to the person or persons becoming the Flat Tenant of the said Flat in his place.

- 16.2 The price to be paid on the transfer of every Participant Share under this article shall, unless the transferor and the transferee otherwise agree, be its nominal value.

- 16.3 If the holder of a Participant Share (or his legal personal representatives) refuse or neglect to transfer it in accordance with this article, any director shall have the full power, as the attorney of the holder, on the holder's behalf and in his name to execute, complete and deliver a transfer of his share to the person or persons to whom the same ought to have been transferred hereunder; and the Company may give a good discharge for the purchase money and enter the name of the transferee of the said share in the register of members as the holder thereof.

- 16.4 If a shareholder (the **Original Shareholder**) shall die, be adjudged bankrupt or, if a corporate shareholder, be insolvent or go into receivership, administrative receivership, administration, liquidation or any other arrangement for its striking-off, dissolution or winding-up, his or its legal personal representatives, trustee in bankruptcy or successor shall be entitled to be registered as a shareholder of the Company, provided (in the case of a Participant Share) he or they shall for the time being be the Flat Tenant of the Flat formerly held by the Original Shareholder.

- 16.5 A Flat Tenant may not cease to be a shareholder except as permitted or required by the Articles.

17. Share capital

- 17.1 The Investor Shares and the Participant Shares shall constitute separate classes of shares having the rights set out in these Articles. Save as provided in these Articles, the Investor Shares and the Participant Shares shall rank *pari passu* in all respects.

- 17.2 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.

- 17.3 Save to the extent authorised by these Articles, or authorised from time to time by a special resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the Company.

- 17.4 Subject to these Articles, the directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:

- (a) offer or allot; or
- (b) otherwise deal in, designate, re-designate or dispose of,

any Investor Shares and/or Participant Shares to any person, at any time and subject to any terms and conditions as the directors think proper.

17.5 The authority referred to in article 17.4:

- (a) shall be limited to a maximum of 388 shares, of which no more than 194 shares may be Investor Shares and no more than 194 shares may be Participant Shares;
- (b) shall not extend to the allotment of an Investor Share to any person who is a Flat Tenant;
- (c) shall not extend to the allotment of a Participant Share to a person who holds an Investor Share;
- (d) shall be limited in respect of the allotment of Investor Shares so that the number of issued Investor Shares at any time equals the number of issued Participant Shares at that time, with the intention that at all times the number of Investor Shares in issue shall equal the number of Participant Shares in issue;
- (e) shall only apply insofar as the Company has not renewed, waived or revoked it by special resolution; and
- (f) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require 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).

17.6 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.

17.7 Subject to section 551 of the Act and these Articles, any equity securities shall be at the disposal of the directors who may allot or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

18. Dividend rights

18.1 The rights as regards income attaching to each class of shares shall be as set out in this article.

18.2 Subject to the board of directors recommending payment of the same (and for such purposes the Investor Directors shall not be entitled to any vote), on such terms and in such manner and at such times as the Participant Directors shall determine, the benefit of all Development Profits shall, without the need for a resolution of the Company in general meeting, be distributed to the holders of the Participant Shares as a class, pro rata to the number of Participant Shares they hold (other than any Participant Shares in relation to which the holder thereof is not entitled to receive dividends pursuant to articles 22, 24.3 or 24.5 or pursuant to the terms and conditions of allotment of those Participant Shares to such holder).

18.3 The Company shall not declare or pay any further dividend unless and until an amount equal to all Development Profits has been paid to the holders of the Participant Shares.

18.4 Subject to the board of directors recommending payment of the same, any further Available Profits (after the distribution of an amount equal to all Development Profits) which the Company may determine to distribute in any financial year shall be distributed among the holders of the Investor Shares pro rata to their respective holdings of Investor Shares.

19. Return of capital rights

19.1 On a return of capital on liquidation or otherwise (except on a purchase by the Company of any shares), the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following manner:

- (a) first, in paying any undistributed Development Profits to the holders of the Participant Shares as a class, and such amounts shall be distributed among the holders of the Participant Shares pro rata to the number of Participant Shares they hold (other than any Participant Shares in relation to which the holder thereof is not entitled to receive dividends pursuant to articles 22, 24.3 or 24.5); and
- (b) thereafter, in distributing the balance (if any) to the holders of the Investor Shares as a class pro rata to their respective holdings of Investor Shares.

20. Voting rights

20.1 The voting rights attached to each class of shares shall be as set out in this article 20.

20.2 Subject to articles 20.5, 22, 24.3, 24.5 and 30.2, at a general meeting, on a show of hands every shareholder holding one or more 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.

20.3 Subject to articles 20.4, 20.5, 22, 24.3, 24.5 and 30.2, on a poll every shareholder holding one or more 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, and on a vote on a written resolution, every shareholder shall have one vote for each share of which he is the holder.

20.4 On a poll, every shareholder holding more than one Participant Share, 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 and, on a vote on a written resolution, every shareholder holding more than one Participant Share, shall only have one vote in respect of all the Participant Shares of which he is the holder.

20.5 No shares of any class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of any other class under a right to appoint which is a class right.

21. Variation of class rights

21.1 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 meeting of that class of shares, the necessary quorum shall (in the case of a meeting of the holders of the Investor Shares) be one holder of the Investor Shares present in person or by proxy or (being a corporation) by a duly authorised representative or by proxy and (in the case of a meeting of the holders of the Participant Shares) be two holders of the Participant Shares present in person or by proxy or (being a corporation) by a duly authorised representative or by proxy.

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

- (a) any alteration in the Articles;

- (b) save as expressly permitted by the Articles, any reduction, sub-division, consolidation, redenomination, re-classification, redesignation, purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company (other than an allotment of Investor Shares or Participant Shares) or of any of the rights attaching to any share capital; and
- (c) the creation of a new class of shares which has preferential rights to one or more existing classes of shares.

22. Suspension of rights

22.1 If a Participant Shareholder:

- (a) does not accept a new lease of a Flat following Completion of the Claim in accordance with any Participation Agreement to which they are a party; or
- (b) withdraws from their participation in the acquisition of the freehold of the Property pursuant to the Participation Agreement to which they are a party,

the directors may, in their absolute discretion, serve a notice on the Participant Shareholder stating that the Participant Shareholder shall not in relation to any share of which they are the holder be entitled to be present or to vote in person or by proxy or by a duly authorised representative at any general meeting of the Company or any meeting of the holders of shares of the same class, or to vote on a written resolution of the shareholders or to receive dividends on those shares. The directors may reinstate these rights at any time. In this article 22, **Completion** and **Claim** have the meanings given in the Participation Agreements.

23. Shareholder protections

23.1 Except with the authority of a special resolution, the Company shall not take any of the following actions:

- (a) enter into or agree to any amendment of any agreement, arrangement, contract or transaction:
 - (i) in respect of which the amounts payable by the Company would exceed £500,000 (exclusive of VAT and any incidental expenses and professional fees);
 - (ii) which is outside the normal course of business of a property development and tenants' management company; or
 - (iii) which is not on arm's length terms;
- (b) develop, or agree to any development of, or grant any consent or permission to any development of, or enter into any agreement, arrangement, contract or transaction with any other person for the development of, any part of the Property (and for these purposes development shall not include any works of repair or anything done in compliance with obligations of the landlord (or any superior landlord) under any Flat Lease);
- (c) grant a lease of any part of the Property other than a Flat Lease;
- (d) grant a licence to alter any part of the Property other than a Flat;
- (e) sell, transfer or otherwise dispose of any interest in any part of the Property, other than the grant of a Flat Lease;
- (f) pass any resolution for its winding up or present any petition for its administration (unless

it has become insolvent),

provided no such special resolution shall be required to authorise the Company to enter into any of the Contemplated Transactions.

23.2 The protections set out in article 23.1 shall be class rights attaching to the Participant Shares.

24. Share transfers

24.1 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.

24.2 No Flat Tenant may transfer any share except in accordance with these Articles and the terms of their Flat Lease.

24.3 The directors may, in their absolute discretion, refuse to register any transfer of a share, and shall so refuse in the case of any transfer made in contravention of these Articles or the terms of any Flat Lease. If the directors refuse to register any transfer of a share, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to those shares be entitled to be present or to vote in person or by proxy or by a duly authorised representative at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares. Such directors may reinstate these rights at any time. For the purposes of this article, the Investor Directors shall not be entitled to any vote in relation to any matter concerning any transfer of any Investor Share, including any resolution to approve or to refuse to register the transfer.

24.4 The directors may, as a condition to the registration of any transfer of shares in the Company, require the transferee to provide the Company with the required particulars under section 790K of the Act if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the Act. If any such condition is imposed in accordance with this article 24.4, the transfer may not be registered unless the Company has received all of the required particulars under section 790K of the Act if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the Act. Notwithstanding that any condition imposed by this article 24.4 may have been complied with, the provisions of this article 24.4 are without prejudice to the directors' discretion to refuse to register any transfer of a share pursuant to article 24.3.

24.5 To enable the directors to determine whether or not to exercise their discretion pursuant to article 24.3, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to those shares be entitled to be present or to vote in person or by proxy or by a duly authorised representative at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to such directors' satisfaction. Such directors may reinstate these rights at any time.

Decision making by shareholders

25. Annual general meetings

25.1 A general meeting shall be held at least once in each calendar year, at such time and place as may be determined by the directors, but no later than 15 months after the previous meeting.

26. Quorum for general meetings

26.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be three persons present in person or by a duly authorised representative or proxy, of whom one shall be a holder of Investor Shares or a duly authorised representative or proxy of such holder and two shall be holders of Participant Shares or duly authorised representatives or proxies of such holders.

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.

27. Chairing general meetings

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder or shareholders who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting.

28. Poll votes

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

28.2 Model Article 44(3) 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.

29. Proxies

29.1 Model Article 45(1)(d) 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 general meeting (or adjourned meeting) to which they relate".

29.2 Model Article 45(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

Administrative arrangements

30. Expenses

30.1 The directors may:

- (a) establish and maintain capital reserves, management funds and any form of sinking fund in order to pay or contribute towards all fees, costs and other expenses incurred in the implementation of the Company's business;
- (b) may require the shareholders (other than any holder of an Investor Share) to contribute towards such reserves or funds at such time, in such amounts and in such manner as the shareholders shall approve by ordinary resolution passed in general meeting, and/or

may require the shareholders (including any holder of an Investor Share) to contribute towards such reserves or funds at such time, in such amounts and in such manner as the shareholders shall approve by special resolution passed in general meeting; and

- (c) may invest and deal in and with such monies not immediately required in such manner as they may from time to time determine.

30.2 The holders of the Investor Shares shall not be entitled to vote on any ordinary resolution referred to in article 30.1.

30.3 If any shareholder fails to pay any amount they are required to contribute pursuant to article 30.1 on the due date for payment:

- (a) interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment (both before and after judgment), either at the rate of 4% above the base rate from time to time of Barclays Bank plc or at the rate of 15% per annum, whichever is the greater, compounded quarterly on 1 January, 1 April, 1 July and 1 October in each year, and such interest shall be payable by the shareholder to the Company on demand by the Company; and
- (b) such shareholder shall fully indemnify the Company against all liabilities, costs, expenses, damages and losses (including but not limited to all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by the Company arising out of or in connection with:
 - (i) such default by such shareholder; and
 - (ii) enforcing (or attempting to do so) such obligation (and the obligation to pay interest under article 30.3(a)) against the shareholder.

31. Accounts

31.1 In respect of each financial year, the Company shall file with the Registrar of Companies and send or supply to each shareholder audited accounts of the Company prepared in accordance with the laws applicable in and the accounting standards, principles and practices generally accepted in the United Kingdom, and the auditor's report on those accounts, within 9 months of the end of the year to which the accounts relate.

32. Means of communication to be used

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

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by pre-paid United Kingdom first class post or another next working day delivery service to an address in the United Kingdom, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service; or
- (c) 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
- (d) 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
- (e) if sent or supplied by email, at the time of transmission; or

- (f) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
- (g) if deemed receipt under the previous paragraphs of this article 32.1 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.

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

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (c) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

32.3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

33. Indemnity and insurance

33.1 Subject to article 33.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and
- (b) 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 33.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

33.2 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.

33.3 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.

33.4 In this article:

- (a) a "relevant officer " means any director or other officer or former director or other officer

of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and

- (b) 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.