

## **Articles of Association**

**Adopted on** 27 January **2023**

**BESA Publications Limited**

LONLIVE\105472008.11\MACDOM

**Stephenson Harwood LLP**  
1 Finsbury Circus, London EC2M 7SH  
T: +44 20 7329 4422 F: +44 20 7329 7100  
DX: 64 Chancery Lane www.shlegal.com

**STEPHENSON**  
HARWOOD  
LLP

## Contents

	Page
<b>Section 1 Interpretation .....</b>	<b>1</b>
1 Model articles .....	1
2 Definitions .....	1
<b>Section 2 Shares .....</b>	<b>9</b>
3 Powers to issue different classes of Share.....	9
4 Classes of Shares.....	9
5 Income.....	9
6 Exit Proceeds .....	10
7 Variation of share rights.....	12
8 New Issues .....	12
9 Company's lien over partly paid shares .....	13
10 Prohibited transfers .....	13
11 Permitted transfers .....	15
12 Compulsory transfers .....	16
13 Valuation .....	18
14 Tag Along Rights.....	19
15 Drag Along .....	20
16 Authority .....	22
17 Purchase of Own Shares .....	22
<b>Section 3 Directors.....</b>	<b>23</b>
18 Number of Directors .....	23
19 Participation in Directors' Meetings .....	23
20 Quorum for Directors' Meetings.....	23
21 Casting Vote .....	23
22 Directors' Written Resolutions .....	23
23 Transactions with the Company .....	24
24 Conflicts of Interest.....	24

25	Director not liable to Account.....	25
26	Declarations of Interest .....	25
27	Methods of Appointing Directors.....	26
28	Termination of Director's Appointment .....	26
29	Rights and Responsibilities of Alternate Directors.....	27
30	Group Companies .....	27
31	Appointment and Removal of Secretary.....	28
<b>Section 4</b>	<b>Decision-Making by Shareholders.....</b>	<b>28</b>
32	Voting - General .....	28
33	Proceedings at General Meetings.....	28
34	Poll Votes .....	29
35	Delivery of Proxy Notices .....	29
36	Indemnity and Insurance .....	29
37	Change of Name .....	30
38	Means of Communication .....	30
39	Winding Up .....	31

**Companies Act 2006**  
**Private Company Limited by Shares**  
**Articles of Association**  
**of**  
**BESA Publications Limited**  
**(the "Company")**

(adopted by Special Resolution of the Company passed on 27 January **2023**)

**Section 1          Interpretation**

**1            Model articles**

- 1.1          The model articles for public companies (as set out in Schedule 3 to the Companies (Model Articles) Regulations 2008 SI No 3229 as amended before the date of adoption of these Articles) (the "**Model Articles**") apply to the Company, except to the extent that they are excluded or modified by these Articles, to the exclusion of the model articles contained in any other enactment.
- 1.2          Model Articles 10, 11, 13.3, 14, 15, 16.1 to 16.4, 20, 21, 26, 37, 39, 41, 46.2, 48, 50, 51, 64, 67.3, 76.2, 80, 81.5-81.7 and 82 do not apply to the Company.

**2            Definitions**

- 2.1          In these Articles the following words and expressions will have the following meanings:
- "**A Share**" means an A ordinary share of £1.00 in the capital of the Company having the rights set out in these Articles;
- "**A Shareholder**" means a registered holder of any A Share;
- "**Adoption Date**" means the date on which these Articles are adopted as the articles of association of the Company;
- "**Acquisition Date**" means, in respect of any B Shares held by a Leaver, the date upon which such Leaver acquired the B Shares in question;
- "**B Share**" means a B1 Share or a B2 Share;
- "**B Share Event**" means the grant of any right to acquire B Shares and/or an issue of any B Shares or, where the Board determines, the transfer of any B Shares;
- "**B Shareholder**" means a registered holder of any B Share;
- "**B1 Share**" means a B1 ordinary share of £1.00 in the capital of the Company having the rights set out in these Articles;
- "**B1 Threshold**" means £8,000,000;

**"B2 Share"** means a B2 ordinary share of £1.00 in the capital of the Company having the rights set out in these Articles;

**"B2 Threshold"** shall be the amount decided by the Board pursuant to Article 8.6;

**"Bad Leaver"** means an Employee who:

- (a) is a Leaver as a result of his voluntary resignation (of his employment, consultancy or other engagement by a Group Company) other than in circumstances constituting Constructive Dismissal;
- (b) is a Leaver as a result of his employment or consultancy being terminated by the Company or any other Group Company in circumstances where Misconduct applies with respect to that Employee;
- (c) is a Leaver and has, notwithstanding any other provisions of these Articles and/or the circumstances in which he became a Leaver, agreed in writing with the Company and the A Shareholders that he shall be determined to be a Bad Leaver;
- (d) is a Leaver where his relevant Cessation Date falls on a date prior to the expiry of any probationary period applicable to his employment or engagement as an Employee as set out in the agreement, contract or offer letter pursuant to which he is employed or engaged as an Employee (as such period may be extended from time to time in accordance with the terms of such agreement or contract or offer letter), irrespective of the circumstances in which he became a Leaver;
- (e) in respect of whom a Subsequent Trigger Event has occurred;

**"Board"** means the board of directors of the Company as constituted from time to time;

**"Business Day"** means a day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday, Sunday or public holiday;

**"CA 2006"** means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

**"Called Shares"** has the meaning given in Article 15.1;

**"Called Shares Price"** has the meaning given in Article 15.4;

**"Called Shareholders"** has the meaning given in Article 15.1;

**"Cessation Date"** means the date on which an Employee becomes a Leaver provided always that where an Employee ceases to be an employee, consultant and/or director in circumstances where he has served notice on a Group Company or a Group Company has served notice on him terminating his employment or engagement, the relevant Cessation Date shall be deemed to be the date of service of such notice and the Employee shall be deemed to be a Leaver with effect from such deemed Cessation Date;

**"Compulsory Sale Notice"** has the meaning given in Article 12.2;

**"Compulsory Sale Securities"** has the meaning given in Article 12.2;

**"Compulsory Seller"** has the meaning given in Article 12.2;

**"Connected Permitted Transferee"** means, in respect of an Employee or a Leaver, a Shareholder who is a Related Party of, or in relation to, such Employee or Leaver and either of the following apply: (i) such Shareholder holds Shares as a result of a transfer (whether by one or a series of transfers) from that Employee or Leaver; or (ii) at the time of issue of any Shares to such Shareholder he or it, as the case may be, was a Related Party of such Employee or Leaver and subscribed for such Shares on behalf of such Employee or Leaver or was otherwise given the opportunity to subscribe for such Shares solely as a result of being a Related Party of such Employee or Leaver;

**"Connected Person"** means a person connected with another within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010;

**"Constructive Dismissal"** means a resignation which an employment tribunal or a court of competent jurisdiction has determined to constitute a constructive dismissal;

**"Controlling Interest"** means an ownership interest conferring more than 50% in aggregate of the total voting rights of a company;

**"Cost Price"** means the issue price (including any premium) of such Shares referred to in any Compulsory Sale Notice (or, where any of the Compulsory Sale Securities were acquired by a Compulsory Seller by way of transfer rather than allotment (other than a transfer between a Compulsory Seller and their Connected Permitted Transferee(s)), the amount paid by such Compulsory Seller on the transfer);

**"Director"** means a director of the Company;

**"Disenfranchised Shares"** has the meaning given in Article 12.6;

**"Disposal"** means the sale of all or substantially all of the business and assets of the Company to any bona fide third party on arm's length terms pursuant to a transaction or series of transactions resulting in that person together with any Connected Persons or person acting in concert (as defined in the City Code on Takeovers and Mergers) acquiring all or substantially all of the business and assets of the Company;

**"Drag Along Documents"** means any or all of the stock transfer form, indemnity for lost share certificate, sale agreement and form of acceptance and any other related documents required by Dragging Shareholders to be executed by Called Shareholders to give effect to the provisions of Article 15;

**"Drag Along Notice"** has the meaning given in Article 15.2;

**"Drag Along Right"** has the meaning given in Article 15.1;

**"Drag Completion"** means the proposed place, date and time of completion of the transfer of the Called Shares as specified in the Drag Along Notice;

**"Dragging Shareholders"** has the meaning given in Article 15.1;

**"Drag Offeror"** has the meaning given in Article 15.1;

**"Employee"** means a director or employee of, or a consultant to, or any person who is otherwise engaged by the Company and/or any member of the Group;

**"Encumbrance"** means any mortgage, charge, restriction, right to acquire or other third party right or encumbrance of whatever nature;

**"Exit"** means a Share Sale, Listing, Disposal or a Winding-Up;

**"Exit Proceeds"** has the meaning given in Article 6.1;

**"Family Member"** means the spouse, civil partner, mother, father, grandmother, grandfather or child (including any step-child or adopted child) of an individual;

**"Family Trust"** means a settlement set up by an individual provided that only such individual and/or Family Members of such individual are capable of being a beneficiary thereof;

**"FSMA"** means the Financial Services and Markets Act 2000;

**"Good Leaver"** means an Employee who:

- (a) is a Leaver in circumstances where he is not a Bad Leaver;
- (b) is a Leaver who would otherwise be a Bad Leaver but is determined in writing by the A Shareholders to be a Good Leaver;

**"Group"** means the Company, its parent undertakings, its subsidiary undertakings and subsidiary undertakings of any of its parent undertakings, in each case, from time to time and as each such term is defined in the CA 2006 and references to a **"member of the Group"**, **"Group Member"** or **"Group Company"** will be construed accordingly;

**"Insolvency Event"** has the meaning given in Article 11.4;

**"Leaver"** means an Employee who ceases to be a director, an employee or consultant of or to a Group Company (or ceases to otherwise be engaged by a Group Company) and who in any such case does not continue as a director, an employee, or consultant of or to another Group Company (or ceases to otherwise be engaged by any other Group Company);

**"Listing"** means:

- (a) the admission of all or any of the Company's equity shares to trading on the London Stock Exchange plc's markets for listed securities becoming effective; or
- (b) the admission of all or any of the Company's equity shares to trading on any other public securities market (including the Alternative Investment Market of the London Stock Exchange plc or any successor market) approved by the Board, becoming effective;

**"Market Value"** has the meaning given in Articles 12 and 13;

**"Misconduct"** means any of the following situations with respect to an Employee:

- (a) the committing of any act of gross misconduct or any act which entitles the employment contract or contract of services of the Employee concerned to be summarily terminated;
- (b) the committing of any material breach or (after warning) repeating or continuing any breach of any obligation under any service agreement or any agreement relating to the provision of services or persistently failing or neglecting to carry out any duties under any such agreement or failing to maintain satisfactory standard of conduct or performance within a reasonable time after receiving written warning from the board of the relevant Group Company relating to such conduct and/or performance;
- (c) being convicted of any criminal offence which, in the opinion of the Board, renders that person unable properly to discharge necessary duties;
- (d) becoming prohibited by law from being a company director;
- (e) the committing of any act of dishonesty or wilful neglect of duty in relation to any Group Company;
- (f) being in breach of any Group Company's anti-corruption, bribery or anti-cartel policy or any law or regulation relating to anti-corruption, bribery or anti-cartel behaviour;
- (g) becoming addicted to or habitually under the influence of alcohol or any drug (other than a drug prescribed for him by a medical practitioner for the treatment of a condition other than drug addiction) the possession of which is controlled by law;
- (h) knowingly committing any deliberate act which amounts to discrimination, victimisation or harassment on any unlawful ground of any Employee and/or in relation to any Group Company;
- (i) in the reasonable opinion of the Board, committing (by act or omission) any act which brings or would tend to bring any Group Company into material disrepute;
- (j) conducting himself in a manner which is materially adverse to the interests of any Group Company; or
- (k) committing (whether by act or omission) any material or persistent breach of the provisions of these Articles or any breach of any obligation in favour of any Group Company in relation to confidentiality, non-competition, non-solicitation of employees or otherwise a breach of any other type of restrictive covenant provided for in any contract of employment with, or contract pursuant to which any services are provided to, any Group Company and expressed in favour of any Group Company;

**"New Shares"** means Shares or rights to subscribe for or to convert into Shares which, in either case, the Company proposes to allot or grant (as the case may be) after the Adoption Date;



**"Permitted Issue"** means the issue, with the written consent of the Board, of B Shares to Employees;

**"Permitted Transfer"** means a transfer of Shares permitted by Article 11.1;

**"Permitted Transferee"** means a person who holds shares pursuant to a Permitted Transfer;

**"Related Party"** means, in respect of any person:

- (a) any Family Member of that person;
- (b) the trustee(s) of a Family Trust of that person;
- (c) the personal representatives of that person, or of any Family Member of that person; and
- (d) any nominee of that person or of any of the persons described in limbs (a), (b) or (c) of this definition;

**"Relevant Situation"** means 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 (other than a situation that cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of interest arising in relation to a transaction or arrangement with the Company);

**"Share"** means a share in the capital of the Company;

**"Shareholder"** means a registered holder of any Share as recorded in the Company's register of members from time to time;

**"Share Sale"** means the sale of any Shares to any person pursuant to a transaction or series of transactions resulting in that person together with any Connected Persons or person acting in concert (as defined in the City Code on Takeovers and Mergers) holding a Controlling Interest in the Company, and persons who are holders of shares at the Adoption Date shall not be deemed to be acting in concert with each other;

**"Subsequent Trigger Event"** means the Board becoming aware, after a Leaver's Cessation Date but prior to an Exit, that the Leaver concerned has at any time (whether before, on or after the relevant Cessation Date) acted in a manner which if known at the Cessation Date (and, where applicable, if such acts had occurred prior to the Cessation Date), would have caused that Leaver to be categorised as a Bad Leaver on that date;

**"Tag Along Documents"** means any or all of the stock transfer form, indemnity for lost share certificate, sale agreement and form of acceptance and any other related documents required by Tag Offeror to be executed by the Shareholders who have accepted the Tag Offer to give effect to the provisions of Article 14;

**"Tag Offer"** has the meaning given in Article 14.1;

**"Tag Offeror"** has the meaning given in Article 14.1;

**"Tag Seller"** has the meaning given in Article 14.1; and

**"Unconnected Third Party"** means a person who does not, and whose Connected Persons do not, hold shares in the capital of a Group Member at the relevant time;

**"Unvested B Shares"** means:

- (a) in respect of a Bad Leaver, all B Shares registered in his, or any such Connected Person's or Connected Permitted Transferee's name or to which he or any of his Connected Persons or Connected Permitted Transferees is or may become entitled whether as a result of his holding of B Shares or otherwise;
- (a) in respect of a Good Leaver, all B Shares registered in his, or any such Connected Person's or Connected Permitted Transferee's name or to which he or any of his Connected Persons or Connected Permitted Transferees is or may become entitled whether as a result of his holding of B Shares or otherwise other than the Vested B Shares;

**"Vested B Shares"** means, in respect of a Good Leaver, the following proportion of all the B Shares registered in his, or any such Connected Person's or Connected Permitted Transferee's name according to the number of whole months that has passed from the Acquisition Date until the Cessation Date in each case applicable to that Leaver:

Number of whole months from the Acquisition Date until the Cessation Date	Proportion of B Shares that are Vested B Shares
3	1/12
6	2/12
9	3/12
12	4/12
15	5/12
18	6/12
21	7/12
24	8/12
27	9/12
30	10/12
33	11/12
36	12/12

provided that:

- (a) the vesting shall be on a "cliff basis" upon completion of each period of three whole months and there shall be no incremental vesting within each such period;
- (b) any partial months shall be disregarded for the purposes of determining the number of Vested B Shares; and
- (c) if the proportion of B Shares that are Vested B Shares equates to a number of Vested B Shares that is not a whole number, the number of Vested B Shares shall be rounded down to the nearest whole number.

**"Winding-Up"** means any distribution pursuant to or in contemplation of a winding-up, dissolution or liquidation of the Company (including following a Disposal).

2.2 Words and phrases which are defined or referred to in or for the purposes of the CA 2006 as it is in force on the Adoption Date, have the same meanings in these Articles (unless otherwise expressly defined in these Articles).

2.3 In these Articles, (unless the context otherwise requires):

2.3.1 words which refer to the singular number include the plural number and vice versa, words which refer to one gender include all genders, and words which refer to persons include bodies corporate and unincorporated associations;

2.3.2 reference to a **"statute"** or a **"statutory provision"** includes reference to:

(a) the statute or statutory provision as modified or re-enacted or both from time to time; and

(b) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out above),

except, in each to the extent that any amendment or re-enactment coming into force, or Legislation made, on or after the Adoption Date would create or increase a liability of any member or the Company;

2.3.3 reference to an Article is to a provision of these Articles;

2.3.4 reference to a **"group undertaking"** means, in relation to any undertaking, its holding company (if any) and its subsidiaries (as such terms are defined by sections 1159 and 1161 of the CA 2006) and any other subsidiaries of its holding company;

2.3.5 reference to **"written"** or **"in writing"** includes any method of representing or reproducing words in a legible form; and

2.3.6 where the consent, approval, determination, discretion or other action is required of the A Shareholders, such consent, approval, determination, discretion or other action may be given or invoked or taken (as the case may be) in writing by those A Shareholders who together hold in excess of 50% in nominal amount of the A Shares in issue at that time.

2.4 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount, whether in relation to Market Value of any Shares under Articles 12 or 13 or otherwise pursuant to these Articles, will be referred promptly to an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement within fifteen Business Days, appointed by the incumbent president of the Institute of Chartered Accountants in England and Wales. The independent accountants will act as expert and not as arbitrator and their costs will be borne as directed by the Article in question or, if the Article is silent on the point, as directed by the independent accountants. In the absence of any such direction, such costs will be borne equally between the parties concerned. The written certificate of the independent accountants will be conclusive and binding on the Company and the Shareholders (except in the case of fraud or

manifest error). Each of the relevant parties shall be entitled to make a written statement to the independent accountant, together with any relevant supporting documentation, and each other party shall be entitled to receive copies of the same (so far as practicable on a simultaneous basis) and to make one set of written comments thereon; subject to the above provisions of this Article 2.4 the independent accountant shall be entitled to determine the procedures to be followed in relation to its determination of Market Value of the relevant Shares.

2.5 The headings in these Articles are included for convenience only and do not affect the meaning of these Articles.

2.6 Where, for any purpose, an ordinary resolution of the Company is required, a special resolution is also effective for that purpose.

## **Section 2        Shares**

### **General Provisions**

#### **3        Powers to issue different classes of Share**

Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue A Shares and B Shares with the rights and restrictions set out in these Articles and any other Shares with such rights or restrictions as may be determined by ordinary resolution (including for the avoidance of doubt, rights to income and/or capital ranking in priority, *pari passu* or otherwise to any other class of Shares).

#### **4        Classes of Shares**

4.1 The A Shares and the B Shares shall constitute separate classes of Shares. Except as otherwise expressly provided in these Articles and subject to Article 4.2, the A Shares and the B Shares will rank equally for all purposes.

4.2 The B1 Shares and B2 Shares will rank equally for all purposes save as expressly provided in these Articles.

#### **5        Income**

5.1 The balance of any profits of the Company resolved by the Board to be distributed in any financial year or period shall be paid to the holders of A Shares pro rata to the number of A Shares held by them.

5.2 Notwithstanding any other provision of these Articles, no B Shareholder shall be entitled to receive payment of any dividend in respect of any B Shares of which he or she is the registered holder.

5.3 If at any time it is not possible to determine the amount of any dividend or payment by reference to any filed annual accounts, such amount will be determined by reference to the latest available management accounts. Any dispute as to such amount will be determined in accordance with Article 2.4, whose provisions will apply as if set out in full in this Article.

## **6 Exit Proceeds**

6.1 On any Exit the total of all and any form of consideration received or receivable by the Shareholders at any time in respect of the Shares held by them, or which, in the case of a Share Sale, are the subject of a Share Sale ("**Exit Proceeds**") shall be allocated between them (subject to Article 6.6) so as to ensure the total of all or any form of consideration received or receivable by them will be applied in the following manner and order of priority:

6.1.1 first, in paying to the A Shareholders the Exit Proceeds up to an amount equal to the B1 Threshold;

6.1.2 second:

(a) in the event that there are no B2 Shares in issue at the time of the occurrence of the Exit in question, in paying to the A Shareholders and the B Shareholders the balance of Exit Proceeds over the B1 Threshold following the distribution set out in Article 6.1.1 such that:

(i) the B Shareholders, in aggregate as a class, receive an amount equal to 10.5% of such Exit Proceeds referred to in Article 6.1.2(a); and

(ii) the A Shareholders receive the balance of such Exit Proceeds;

(b) in the event that there are B2 Shares in issue at the time of the occurrence of the Exit in question, in paying to the A Shareholders and the holders of B1 Shares following the distribution set out in Article 6.1.1 an amount of Exit Proceeds equal to the difference between the B2 Threshold and the B1 Threshold such that:

(i) the holders of B1 Shares, in aggregate as a class, receive an amount equal to 10.5% of such Exit Proceeds referred to in Article 6.1.2(b); and

(ii) the A Shareholders receive the balance of such Exit Proceeds;

6.1.3 finally, in the event that there are B2 Shares in issue at the time of the occurrence of the Exit in question, in paying to the A Shareholders and the B Shareholders (being, for the avoidance of doubt for these purposes, the holders of all of the B1 Shares and all of the B2 Shares), the balance of Exit Proceeds over the B2 Threshold following the distributions set out in Articles 6.1.1 and 6.1.2(b) such that:

(a) the B Shareholders, in aggregate as a class, receive an amount equal to 10.5% of such Exit Proceeds referred to in Article 6.1.3; and

(b) the A Shareholders receive the balance of such Exit Proceeds.

- 6.2 If a Listing occurs, the provisions of Article 6.1 shall apply mutatis mutandis to the value attributable to the Shares for the purpose of any reorganisation of the Company's share capital for the purpose of the Listing.
- 6.3 If a Disposal occurs, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 6.1 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these articles, the holders of Shares shall take any action required by the Board (including, but without prejudice to the generality of this Article 6.3, actions that may be necessary to put the Company into voluntary liquidation) so that Article 6.1 applies.
- 6.4 Any return on any Shares of a particular class will be made amongst their holders pro rata as nearly as possible to their respective holdings of Shares of that class.
- 6.5 In the event that a B Shareholder is a Leaver and retains any B Shares as at the date of a Share Sale or Listing, the relevant B Shareholder hereby irrevocably and unconditionally appoints each Director as his agent to execute any and all documents (including, without limitation, powers of attorney) and to do all acts and things in his name in connection with such Share Sale or Listing, so long as the value of consideration, per B1 Share/ B2 Share held by the relevant B Shareholder in respect of such Share Sale or Listing is equivalent to the consideration, per such B1 Share/ B2 Share, for the other B1 Shares or B2 Shares as applicable. For these purposes, the B Shareholder agrees that where securities form some or all of the consideration payable for a B Share to certain B Shareholders, the value of such consideration offered to the B Shareholder shall be deemed to be equivalent to that offered to other B Shareholders if it is cash consideration equal to the subscription price of any such securities as at the date of the Share Sale or Listing (and for the avoidance of doubt, a B Shareholder shall not have a right to receive the same form of consideration as the other B Shareholders as long as the value of such consideration is equivalent).
- 6.6 In the event of a Share Sale which does not constitute a sale of the entire issued share capital of the Company (including, without limitation, such a Share Sale pursuant to Article 14 (*Tag Along Rights*) or Article 15 (*Drag Along Rights*)), this Article 6 shall apply only in respect of those Shares being sold and, for the purposes of (i) determining whether any Exit Proceeds are to be allocated to the B Shares and (ii) calculating the amount of Exit Proceeds to be allocated to each Share being transferred, a hypothetical adjusted figure for Exit Proceeds (the "**Adjusted Exit Proceeds**") shall be used and the amount of Exit Proceeds to be allocated to each Share sold shall be calculated as if all the Shares in issue were being sold for an aggregate amount equal to the Adjusted Equity Proceeds. The Adjusted Exit Proceeds shall be such amount as is determined by the A Shareholder(s) as representing what the Exit Proceeds would be if the entire issued share capital of the Company were being sold to the acquirer(s) of the Shares on the relevant Share Sale, having regard to the offer made by such acquirer(s) and the proportion of the share capital of the Company to which such offer relates. The determination shall be made at the absolute discretion of the A Shareholder(s) and shall be final and binding on all Shareholders and any and all other relevant parties except in the case of fraud and may not be challenged on any basis whatsoever by any Shareholder or any other person except in the case of fraud.

## **7 Variation of share rights**

- 7.1 The rights attached to the A Shares and the B Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with the prior consent in writing of the holders of 75 per cent or more of that class (excluding any B Shares which are, at such time, Disenfranchised Shares) or by a special resolution passed at a separate general meeting of the holders of the Shares of that class (excluding any B Shares which are, at such time, Disenfranchised Shares) or by a written resolution of the holders of not less than 75 per cent in nominal value of the Shares of that class (excluding any B Shares which are, at such time, Disenfranchised Shares).
- 7.2 Without prejudice to the general effect of Article 7.1 the passing of any resolution to alter the B1 Threshold definition or Article 8.7 will be deemed to constitute a variation of the rights attached to the B Shares.
- 7.3 All the provisions of these Articles relating to general meetings of the Company or to the proceedings at general meetings will apply, with changes where appropriate, to separate general meetings referred to in Article 7.1, except that:
- 7.3.1 the quorum at a separate general meeting will be two Shareholders holding at least one-third in nominal value of the issued shares of the class in question present in person or by proxy or by corporate representative (unless there is only one Shareholder of the relevant class in which case it will be one);
  - 7.3.2 a poll may be demanded by the chairman or by any Shareholder of the class present in person or by proxy or by corporate representative; and
  - 7.3.3 every Shareholder of the class will, on a poll, have one vote in respect of every share of the class held by him.

## **Issue of Shares**

### **8 New Issues**

- 8.1 Except for any Permitted Issue, any New Shares will be offered by the Directors for subscription to the holders of the A Shares in the same proportion (as nearly as possible) as the number of A Shares they hold.
- 8.2 The offer will be made by notice specifying the number and class of Shares offered, the price per Share, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined.
- 8.3 Any Shares not taken up at the end of the procedure set out in Articles 8.1 and 8.2 will 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 as they think fit.
- 8.4 In accordance with section 567(1) of the CA 2006, sections 561 and 562 of the CA 2006 shall not apply to an allotment of equity securities (within the meaning of section 560 of the CA 2006) by the Company.
- 8.5 The B Shares issued on or around the Adoption Date shall be B1 Shares.

- 8.6 For subsequent B Share Events, the Board may make the decision that further B1 Shares shall be issued. Alternatively, the Board may make the decision that B2 Shares shall be issued in which case the B2 Threshold shall be such amount as is decided by the Board provided that the B2 Threshold shall not be lower than the B1 Threshold. Decisions of the Board for this purpose shall be recorded in a written board minute or written resolution of the Board passed in accordance with the provisions of these Articles.
- 8.7 The aggregate number of B Shares in issue from time to time shall not exceed 11,732 B Shares.

## **9 Company's lien over partly paid shares**

- 9.1 The Company has a lien (the "**Company's lien**") over every Share which is partly paid for any part of:
- 9.1.1 that Share's nominal value;
  - 9.1.2 any premium at which it was issued; and
  - 9.1.3 all other monies due to the Company from the holder of that Share or his estate, whether solely or jointly with any other person (whether a Shareholder or not),
- which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it. Model Article 52(1) shall not apply.
- 9.2 The Board may accept from any Shareholder the whole or any part of the amount remaining unpaid on any Share held by him even though no part of that amount has been called up.
- 9.3 The liability of a person who is in default of a call shall be increased by the addition, at the end of Model Article 57(1), of the words "and that person must pay all expenses that may have been incurred by the Company by reason of such failure".

## **Transfer and Transmission of Shares**

### **10 Prohibited transfers**

- 10.1 The Board will not register any transfer of Shares to any of the following:
- 10.1.1 any person who, in the reasonable opinion of the Board is carrying on business directly or indirectly in competition with the Company or any other member of the Group, except that this restriction will not apply to any transfer of Shares pursuant to Articles 14 or 15 (Tag Along Rights and Drag Along Rights respectively); or
  - 10.1.2 any person who does not have legal capacity to comply fully with the provisions of these Articles.
- 10.2 Subject to Article 10.1, the Board will not register a transfer of Shares unless the transfer is a Permitted Transfer.



10.3 For the purpose of ensuring that:

10.3.1 a transfer of Shares is permitted under these Articles; or

10.3.2 no circumstances have arisen pursuant to which Article 10.6 or Article 11.3 would apply,

the Board may require any Shareholder to take all reasonable steps to procure (so far as that Shareholder is legally able) that any person whom the Board reasonably believe(s) to have information relevant to such purpose to provide the Company with such information and evidence as the Board reasonably requests. Pending the provision of such information the Board will be entitled to refuse to register any relevant transfer.

10.4 If the relevant Shareholder fails to comply with Article 10.3, or if as a result of such information and evidence the Board is reasonably satisfied that such breach has occurred, the Board may notify the holder of such Shares in writing of that fact and, if the holder fails to provide such information or evidence or remedy such breach within 10 Business Days of receipt of such written notice, then the relevant Shares shall cease to confer upon the holder thereof (or any proxy thereof) any rights:

10.4.1 to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question) or on any written resolutions of shareholders or of separate classes of shareholders; or

10.4.2 to receive dividends or other distributions (other than the amount paid-up (including any premium)); or

10.4.3 otherwise attaching to such Shares; or

10.4.4 to any further Shares issued in respect of such Shares in pursuance of an offer made to the relevant holder,

and the holder may be required (by notice in writing to such holder from the Board) at any time following such notice to transfer some or all of his Shares to such person(s) and at a price determined by the Board (acting reasonably and in good faith) which in any event shall not be lower than the price that would be payable if such person was a Bad Leaver.

10.5 The rights referred to in Article 10.4 shall be reinstated by the Board once the failure to provide information satisfactory to the Board, or to remedy the breach, is remedied or, if earlier, upon the completion of any transfer referred to in Article 10.4 above and may be reinstated by the Board at any time.

10.6 If a Shareholder defaults in transferring Shares to be transferred pursuant to Article 10.4 (the "**Relevant Shares**"), the defaulting Shareholder will be deemed to have irrevocably appointed any Director to be his agent to execute, complete and deliver a transfer of the Relevant Shares in favour of the proposed purchaser against receipt by the Company of the consideration due for the Relevant Shares. The Company's receipt of the consideration will be a good discharge to the purchaser, who will not be bound to see its application. The Company will hold the consideration on trust for the relevant Shareholder(s) without any obligation to pay interest. Subject to stamping, the

Directors will without delay register the transfers, after which the validity of such proceedings will not be questioned by any person. Each Shareholder will surrender his share certificate(s) (or, where appropriate provide an indemnity in respect of (it) (them) in a form satisfactory to the Board) although it will be no impediment to registration of Shares under this Article that no share certificate has been produced. On such surrender or provision, the defaulting Shareholder(s) will be entitled to the consideration for the Relevant Shares transferred on his or its behalf, without interest.

## **11 Permitted transfers**

11.1 The legal or beneficial interest in any Share may at any time be transferred:

11.1.1 with the prior written consent of the Board and the A Shareholders, but provided that, where such transfer represents a Share Sale, the provisions of Article 14 (*Tag Along Rights*) shall apply to such transfer; or

11.1.2 in the case of A Shares, to another Group Member; or

11.1.3 when required by, and in accordance with, Article 12 (*Compulsory Transfers*); or

11.1.4 in the case of B Shares, to a Family Member or the trustees of his Family Trust, in each case, for *bona fide* tax planning purpose; or

11.1.5 in the case of B Shares held by the trustees of a Family Trust, to new trustees of that Family Trust; or

11.1.6 in the case of any Shares transferred pursuant to this Article 11.1, back to the original transferor or to any other person to whom the original transferor, if it still held such Shares, would have been able to transfer them under this Article 11.1; or

11.1.7 to a Tag Offeror pursuant to Article 14 (*Tag Along Rights*) or to a Drag Offeror pursuant to Article 15 (*Drag Along Rights*),

in relation to any transfers referred to in Articles 11.1.4 and 11.1.5 in each case provided that the proposed Permitted Transferee, prior to any such transfer, enters into documentation in a form approved by and if required by the Board to ensure that the transferring Shareholder will retain the right to vote for any Shares so transferred and the original person who subscribed for the Shares being transferred guarantees as primary obligor the obligations of the transferee and each subsequent holder thereof who would constitute a Related Party of such original person in relation to or otherwise in connection with each and every provision of these Articles (any such guarantee being governed by the laws of England and Wales).

11.2 If any Family Trust whose trustees hold Shares ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and shall transfer such Shares back to the individual who originally set up the Family Trust or to such other person if any (designated by that individual) to whom such individual, if it still held such Shares, would have been able to transfer them under Article 11.1. If the trustees fail to transfer the Shares pursuant to this Article 11.2, within 10 Business Days of such event, the provisions of Article 10.6 (references therein to the holder,

Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply *mutatis mutandis*.

- 11.3 Save in the case of transfers made in accordance with Article 11.1, in the event that any person to whom Shares are transferred pursuant to Article 11.1 ceases to be within the required relationship to the original holder of such Shares, the holder of such Shares shall without delay notify the Company that such change of relationship has occurred and transfer such Shares back to the Shareholder who originally held them or to such other person if any (designated by such original Shareholder) to whom such original Shareholder, if it still held such Shares, would have been able to transfer them under Article 11.1. If the holder of such Shares fails to transfer the Shares pursuant to this Article 11.1 within 10 Business Days of such change of relationship, the provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply *mutatis mutandis*.
- 11.4 In the event of bankruptcy or insolvency ("**Insolvency Event**") in relation to any Shareholder which is an undertaking holding Shares transferred to it pursuant to Article 11.1.1, that Shareholder shall without delay notify the Company of such event and transfer such Shares back to the Shareholder who originally held such Shares or to such other person if any (designated by such Shareholder) to whom such original Shareholder, if it still held such Shares, could transfer such Shares pursuant to Article 11.1. If the holder of such Shares fails to transfer the Shares pursuant to this Article 11.4 within 10 Business Days of such event, the provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply *mutatis mutandis*.
- 11.5 Subject to Article 11.4, if an Insolvency Event occurs in relation to any Shareholder (an "**Affected Shareholder**"), the Affected Shareholder shall without delay notify the Board of such Insolvency Event. Within 10 days of the date on which such notice is received by the Board (or the date on which the Board becomes aware of the Insolvency Event if the Affected Shareholder fails to give such notice) the Board may in its absolute discretion require the Affected Shareholder to transfer some or all of his Shares to such person(s) as the Board shall determine. The price at which such Shares shall be transferred shall be the Market Value as at the Business Day immediately following the occurrence of the relevant Insolvency Event. If the Affected Shareholder defaults in transferring Shares to be transferred pursuant to this Article 11.4, the provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article 11.4) shall apply *mutatis mutandis*.

## **12 Compulsory transfers**

- 12.1 This Article 12 applies when an Employee becomes a Leaver.
- 12.2 At any time from and including the Cessation Date the A Shareholders may serve notice (a "**Compulsory Sale Notice**") on the Employee (a "**Compulsory Seller**") requiring such person and his or her Connected Persons and/or Connected Permitted Transferees to offer the Unvested B Shares ("**Compulsory Sale Securities**") to the following persons (excluding, for the avoidance of doubt, any Leavers):
- 12.2.1 any existing or future Employee; or

12.2.2 to the Company, provided such Shares are cancelled by the Company,  
in either case, as directed by the A Shareholders.

12.3 The relevant Compulsory Seller, his Connected Persons and all of his Connected Permitted Transferees will transfer the Compulsory Sale Securities that they are directed to transfer free from all Encumbrances and together with all rights attaching to them on the terms set out in this Article 12. The price of the Compulsory Sale Securities to be transferred pursuant to Article 12.2, irrespective of whether he is a Good Leaver or a Bad Leaver, shall be the lower of their Cost Price and their Market Value on the Cessation Date, which shall be payable in cash.

12.4 "**Market Value**" for the purposes of this Article 12 will be:

12.4.1 the price agreed between the Compulsory Seller(s) and Board; or

12.4.2 if they fail to agree a price within 15 Business Days of the date of service of the Compulsory Sale Notice, the price determined by an independent accountant (if they fail to agree the appointment of an independent accountant, the provisions of Article 2.4 shall apply in respect of the appointment of such independent accountant) to be the Market Value of such Shares on the Cessation Date, according to the principles set out in Article 13,

provided that the Board shall be entitled to determine that the Market Value is the Cost Price in which case no agreement under Article 12.4.1 or determination under Article 12.4.2 shall be required.

12.5 If a Shareholder defaults in transferring Shares to be transferred pursuant to Article 12.3, the Compulsory Seller will be deemed to have irrevocably appointed any Director to be his agent to execute, complete and deliver a transfer of the relevant Compulsory Sale Securities in favour of the proposed purchaser and provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article 12.5) shall apply mutatis mutandis.

12.6 Notwithstanding any other provisions of these Articles, unless the A Shareholders direct otherwise in writing, any B Shares held by a Leaver (and his or her Connected Persons and/or Connected Permitted Transferees) on the Cessation Date will, with effect from the Cessation Date:

12.6.1 cease to confer the right to receive notice of, attend and vote at any general meeting of the Company, or any meeting of the holders of that class of Shares;

12.6.2 cease to confer the right to receive any written resolution of any Shareholders or class of Shareholders or to vote in respect of any such written resolution;

12.6.3 not be counted in determining the total number of votes which may be cast at any such meeting, or for the purposes of a written resolution of any Shareholders or class of Shareholders;

12.6.4 be "**Disenfranchised Shares**" for the purposes of these Articles,

provided that, if any such Disenfranchised Shares are Compulsory Sale Securities and a transfer of such Compulsory Sale Securities is made in accordance with this Article 12 then, upon the Company registering such transfer of Compulsory Sale Securities, the rights referred to in this Article 12.6 will be restored immediately for those Compulsory Sale Securities that have been transferred and they shall cease to be Disenfranchised Shares.

- 12.7 In the event a Subsequent Trigger Event occurs in relation to a Leaver who has prior to the Subsequent Trigger Event transferred any Compulsory Sale Securities held by him pursuant to this Article 12 on the basis of being categorised as a Good Leaver, then the Leaver shall, and shall procure (if applicable) that each Connected Permitted Transferee or Connected Person shall, in each case forthwith on demand by the Board transfer some or all of any B Shares retained by such persons as if they were Compulsory Sale Securities in accordance with the provisions of this Article 12.
- 12.8 For the avoidance of doubt, in the event a Subsequent Trigger Event occurs in relation to a Leaver who has prior to the Subsequent Trigger Event not yet transferred any Compulsory Sale Securities held by him pursuant to this Article 12 then, unless they are subsequently determined by the A Shareholders in writing to be a Good Leaver notwithstanding the Subsequent Trigger Event having occurred, they shall be a Bad Leaver and the provisions of this Article 12 shall apply accordingly.

### **13 Valuation**

- 13.1 If the independent accountants are required to determine Market Value pursuant to Article 13 the provisions set out below will apply.
- 13.2 Market Value will be determined by the independent accountants, first valuing the Company as a whole:
- 13.2.1 assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;
  - 13.2.2 assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion; and
  - 13.2.3 taking account of any Shares which may be allotted and/or issued pursuant to options which have been granted by any Group Company and which are still outstanding.
- 13.3 Having valued the Company as a whole, the independent accountants will determine the Market Value of the Shares concerned:
- 13.3.1 having regard for the order of priority on any return of capital as set out in Article 6.1;
  - 13.3.2 not having regard to whether the Shares concerned represent a majority or a minority interest; and
  - 13.3.3 not having regard to the rights and restrictions attached to the Shares concerned in respect of transfers.

13.4 The costs and expenses of the independent accountants for reporting on their opinion of the Market Value will be borne:

13.4.1 by the Company if the price certified by the independent accountants exceeds the last price proposed by the Board before the matter was referred to the independent accountants by 10% or more;

13.4.2 otherwise, as to 50% by the relevant transferor and 50% by the Company.

## **14 Tag Along Rights**

14.1 In the event of a Share Sale by one or more Shareholders (the "**Tag Seller(s)**") to a person or persons that are not Permitted Transferees of such Tag Sellers (the "**Tag Offeror**"), such Tag Seller(s) will not be entitled to transfer any such Shares and no such Shares shall be capable of being purchased or transferred unless the Tag Offeror shall have offered (the "**Tag Offer**") to purchase from each other Shareholder all of the Shares held by such other Shareholders.

14.2 The Tag Offer will be made on the terms set out in Article 14.3 (unless, in the case of a particular Shareholder, less favourable terms are agreed in writing by the Shareholder with that Tag Offeror).

14.3 The terms of the Tag Offer will be that:

14.3.1 it will be open for acceptance for not less than 20 Business Days from the date on which the Tag Offeror makes a Tag Offer, and will be deemed to have been rejected if not accepted during such period;

14.3.2 the value of such consideration will be equivalent to that offered by the Tag Offeror to the Tag Seller(s), save that Article 6.1 and subject to Article 6.6 shall apply to the allocation of the consideration amongst the Shares; and

14.3.3 each Shareholder who is subject to the Tag Offer shall transfer all of the Shares held by him free from all Encumbrances and together with all rights then attaching to them subject to the terms of the Tag Along Documents (if any) relating to the relevant Share Sale (copies of which will be sent to each relevant Shareholder at their address shown on the Company's register of members).

For the purposes of this Article 14.3, where a Tag Seller is being offered securities by way of consideration, the value of such consideration offered to the other Shareholders will be deemed equivalent to that offered by the Tag Offeror to the Tag Seller(s) if it is cash consideration equal to the amount of the subscription price attributable to such securities at the date of the Share Sale (and for the avoidance of doubt, such other Shareholders do not have the right to receive the same form of consideration as the Tag Seller(s) as long as the value of such consideration is equivalent).

14.4 Completion of the transfers pursuant to the Tag Offer will take place on the same date as the date proposed for completion of the Tag Seller(s) Shares (unless any other Shareholders who wish to accept the Tag Offer and the Tag Offeror agree otherwise) and each such transfer will be subject to the relevant Shareholder who is the subject of the Tag Offer delivering duly executed Tag Along Documents in respect of himself to the Company on or before completion of the relevant Share Sale.

- 14.5 Any transfer of Shares made in accordance with this Article 14 will not be subject to any other restrictions on transfer contained in these Articles.

## **15 Drag Along**

- 15.1 If Shareholders holding a Controlling Interest in the Company wish to sell a Controlling Interest in the Company, whether by one transaction or a series of transactions, to an Unconnected Third Party and any of its Connected Persons (together the "**Drag Offeror**"), those Shareholders (the "**Dragging Shareholders**") will have the right (the "**Drag Along Right**") to require all of the other Shareholders (the "**Called Shareholders**") to sell and transfer all of their Shares (the "**Called Shares**") to the Drag Offeror, or as the Drag Offeror may direct, free from all Encumbrances and together with all rights then attaching to them.
- 15.2 The Drag Along Right will be exercisable by the Dragging Shareholders by giving written notice of their intention to exercise the Drag Along Right to the Company prior to the transfer of the Dragging Shareholders' Shares to the Drag Offeror (the "**Drag Along Notice**"). The Drag Along Notice will specify:
- 15.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article 15;
  - 15.2.2 any terms of sale to which Called Shareholders are required to adhere and will enclose copies of the Drag Along Documents (if any) relating to it;
  - 15.2.3 the identity of the Drag Offeror;
  - 15.2.4 the proposed price to be paid by the Drag Offeror for each class of the Called Shares; and
  - 15.2.5 the proposed place, date and time of Drag Completion.
- 15.3 The Company will send copies of the Drag Along Notice and Drag Along Documents (if any) to each of the Called Shareholders at their address shown on the Company's register of members and require all of them to sell and transfer to the Drag Offeror, or as the Drag Offeror may direct, at Drag Completion all of their Called Shares on the terms set out in the Drag Along Notice.
- 15.4 The value of such consideration for each Called Share will be equivalent to that offered for each Share being transferred by the Dragging Shareholders to the Drag Offeror (the "**Called Shares Price**") save that Article 6 (including, without limitation, Article 6.6) shall apply to the allocation of the consideration amongst the Shares. The Called Shares Price will be expressed net of any transaction costs that are for the account of the Dragging Shareholders and Called Shareholders which, in the absence of agreement otherwise, will be borne by each of the Dragging Shareholders and Called Shareholders in proportion to their respective entitlements to the consideration payable under the transaction. For the purposes of this Article 15.4, where a Dragging Shareholder is being offered securities by way of consideration, the value of such consideration offered to the Called Shareholders shall be equivalent to that offered by the Drag Offeror to that Dragging Shareholder if it is cash consideration equal to the amount of the subscription price attributable to such securities at the date of the sale (and for the avoidance of doubt, the Called Shareholders do not have the right to

receive the same form of consideration as the Dragging Shareholders as long as the value of such consideration is equivalent).

15.5 Drag Along Notices will be irrevocable but will lapse if the sale of the Dragging Shareholders' Shares to the Drag Offeror does not proceed either:

15.5.1 due to the expiry or non-fulfilment of any conditions to the sale (unless the conditions have been waived in accordance with the terms of the sale documentation); or

15.5.2 if there are no conditions to the sale, within 60 calendar days after the date of service by the Dragging Shareholders of the Drag Along Notice on the Company; or

15.5.3 if, with the consent of the Dragging Shareholders, notices are issued under section 979 of the CA 2006 in respect of the Called Shares,

and, in the case of Articles 15.5.1 and 15.5.2, the Dragging Shareholders will be entitled to serve further Drag Along Notices no earlier than seven calendar days following the lapse of any previous Drag Along Notice.

15.6 Drag Completion will take place on the same date as the date proposed for completion of the sale of the Dragging Shareholders' Shares unless the Dragging Shareholders elect otherwise in which case Drag Completion will take place on a date to be specified by the Dragging Shareholders that is no more than 20 Business Days later than the date upon which the Dragging Shareholders sell their Shares.

15.7 On or before Drag Completion, each Called Shareholders will deliver duly executed Drag Along Documents in respect of his Called Shares to the Company. Subject always to receipt of the Drag Along Documents, on Drag Completion the Company will pay each Called Shareholders, on behalf of the Drag Offeror, the Called Shares Price due, to the extent only that the Drag Offeror has put the Company in the requisite cleared funds or other form of consideration. Payment to a Called Shareholders will be made to its address on the Company's register of members. The Company's receipt for the Called Shares Price due will be a good discharge to the relevant Drag Offeror who will not be bound to see its application. Pending compliance by the Called Shareholders with the obligations in this Article 15, the Company will hold any funds or other form of consideration received from the Drag Offeror in respect of the Called Shares on trust for the defaulting Called Shareholders, without any obligation to pay interest.

15.8 If, following the issue of a Drag Along Notice, either: (a) a person becomes a Shareholder pursuant to the exercise of a pre-existing option to acquire Shares or the exercise of another right or option or otherwise; or (b) additional Shares are issued to an existing Shareholder pursuant to the exercise of a pre-existing option to acquire Shares or the exercise of another right or option or otherwise (each an "**Option Shareholder**"), in each case, a Drag Along Notice will be deemed to have been served on the Option Shareholder on the date he acquired such Shares and on the same terms as the previous Drag Along Notice. The Option Shareholders will be bound to sell and transfer all the Shares so acquired by him to the Drag Offeror, or as the Drag Offeror may direct, and the provisions of this Article 15 will apply (with changes where appropriate) to the Option Shareholders as if references to Called Shareholders



included the Option Shareholders except that completion of the sale of the Shares will take place on such date as the Drag Offeror will determine.

- 15.9 If any Called Shareholders does not transfer the Called Shares registered in his name and execute all of the Drag Along Documents (if any), the Called Shareholders will be deemed to have irrevocably appointed any Director to be his agent to execute, complete and deliver a transfer of the relevant Shares in favour of the proposed purchaser and the provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article 15) shall apply *mutatis mutandis*.
- 15.10 The Company will be entitled to hold the Called Shares Price payable to any Called Shareholder on behalf of any Dragging Shareholder without any obligation to pay interest for so long as the Called Shareholder does not execute all of the Drag Along Documents to the satisfaction of the Directors.
- 15.11 Subject to Article 15.12, any Called Shares held by a Called Shareholder on the date of a Drag Along Notice (and any Shares subsequently acquired by an Option Shareholder) will:
- 15.11.1 automatically cease to confer the right to receive notice of or to attend or vote (either in person or by proxy and whether on a poll or on a show of hands) at any general meeting of the Company or (subject to the CA 2006) at any meeting of the holders of any class of Shares, or to receive a copy of any proposed written resolution, or vote on a written resolution with effect from the date of the Drag Along Notice (or the date of acquisition of such Shares, if later);
  - 15.11.2 not be counted in determining the total number of votes which may be cast at any such meeting, or required for the purposes of a written resolution of any Shareholders or any class of Shareholders, or for the purposes of any other consent required under these Articles; and
  - 15.11.3 notwithstanding any other provisions in these Articles, not be transferred otherwise than under this Article 15.
- 15.12 Article 15.11 will cease to apply upon the transfer of the Called Shares in accordance with this Article 15.
- 15.13 Any transfer of Shares made by the Dragging Shareholders or Called Shareholders in accordance with this Article 15 will not be subject to any restrictions on transfer contained in these Articles.

## **16 Authority**

The Shareholders acknowledge and agree that the authorities conferred under Articles 10.6 and 12.5 are necessary as security for the performance by the relevant Shareholder(s) of their obligations under these Articles.

## **17 Purchase of Own Shares**

- 17.1 Subject to CA 2006 but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of CA

2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

17.1.1 £15,000; and

17.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

### **Section 3 Directors**

#### **Decision Making by Directors**

##### **18 Number of Directors**

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate directors) will not be subject to any maximum.

##### **19 Participation in Directors' Meetings**

If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is. In the absence of agreement it will be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is.

##### **20 Quorum for Directors' Meetings**

20.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

20.2 The quorum for meetings of the Directors will be three.

20.3 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:

20.3.1 to appoint further Directors; or

20.3.2 to call a general meeting so as to enable the Shareholders to appoint further Directors.

##### **21 Casting Vote**

If at a meeting of the Directors, the numbers of votes for and against a proposal are equal, any appointed chairman shall not have a casting vote.

##### **22 Directors' Written Resolutions**

22.1 Notice of a proposed Directors' written resolution must indicate:

22.1.1 the proposed resolution; and

22.1.2 the time by which it is proposed that the Directors should adopt it, failing which the resolution shall lapse. Model Articles 17(4) and 18(2) shall not apply.

- 22.2 A proposed Directors' written resolution is adopted when a majority of the Directors who would have been entitled to vote on the resolution at a Directors' meeting have signed one or more copies of it, provided that those Directors would have formed a quorum at such a meeting.

## **23 Transactions with the Company**

- 23.1 Provided that he has declared to the other Directors the nature and extent of any interest of his, a Director notwithstanding his office may be a party to, or otherwise directly or indirectly interested in, any proposed or existing transaction or arrangement with the Company.
- 23.2 Provided that he has declared to the other Directors the nature and extent of any interest of his, a Director may participate in the decision-making process and count in the quorum and vote if a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which the Director is interested.

## **24 Conflicts of Interest**

- 24.1 If a Relevant Situation arises a Director may elect to deal with the Relevant Situation in the following manner if the matter has not previously been duly authorised:
- 24.1.1 he will declare to the other Directors the nature and extent of his interest in the Relevant Situation (except to the extent that Article 24.1.4 applies) and that he intends to deal with the Relevant Situation in accordance with this Article 24.1; and
  - 24.1.2 he will not vote (and will not be counted in the quorum at a meeting of the Directors) in respect of a resolution of the Directors relating to the subject matter of the Relevant Situation; and/or
  - 24.1.3 he may elect to be excluded from all information and discussion by the Company relating to the subject matter of the Relevant Situation; and
  - 24.1.4 if he obtains (other than through his position as a Director) information that is confidential to a third party, or in respect of which he owes a duty of confidentiality to a third party, or the disclosure of which would amount to a breach of applicable law or regulation, he may elect not to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence or a breach of applicable law or regulation,

and for the purposes of Articles 24.1.2 and 24.1.3 any other provisions of these Articles that would require him to be present for the quorum requirement for meetings of the Directors to be met will not apply.

*Independent Directors may authorise conflicts*

- 24.2 Without prejudice to the provisions of Article 24.1, the Directors may authorise in accordance with section 175(5)(a) of the CA 2006 a Relevant Situation in respect of any Director and the continuing performance by the relevant Director of his duties as a Director on such terms as they may determine (including any of such terms as are

set out in Article 24.1). For the avoidance of doubt, such terms may permit the interested Director to continue to participate in the decision making process and vote and count in the quorum at a meeting of the Directors or of a committee of the Directors in respect of resolutions relating to the subject matter of the Relevant Situation. Authorisation of a Relevant Situation may be withdrawn, and the terms of authorisation may be varied or subsequently imposed, at any time. Any resolution of the Directors for the purposes of providing, varying the terms of or withdrawing such authorisation will not be effective unless:

24.2.1 the requirement as to the quorum at the meeting at which the resolution is proposed is met without counting the interested Director or any other interested Director; and

24.2.2 the resolution is passed without the interested Director or any other interested Director voting or would have been passed if their votes had not been counted,

but otherwise will be dealt with in the same way as any other matter may be proposed to and resolved upon by the Directors in accordance with the provisions of these Articles. An interested Director must act in accordance with any terms determined by the Directors under this Article 24.2.

*Director to vote and count in quorum*

24.3 Provided that a Relevant Situation has been duly authorised by the Directors or the Company (or it is dealt with in accordance with Article 24.1 and its nature and extent has been disclosed under Article 26), a Director may participate in the decision making process and count in the quorum and vote if a proposed decision of the Directors is concerned with such situation (subject to any restrictions imposed under the terms on which it was authorised).

*Nature of interests*

24.4 References in these Articles to a conflict of interest include a conflict of interest and duty and a conflict of duties, and an interest includes both a direct and an indirect interest.

## **25 Director not liable to Account**

A Director will not, by reason of his holding office as a Director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from any situation or interest permitted under Articles 23 or 24 duly authorised by the Directors or the Company, nor will the receipt of such remuneration, profit or other benefit constitute a breach of the Director's duty under section 176 of the CA 2006 or otherwise, and no contract, transaction or arrangement will be liable to be avoided on the grounds of any Director having any type of interest which is permitted under Articles 23 or 24 or duly authorised by the Directors.

## **26 Declarations of Interest**

A declaration of interest or other notification may be made by a Director for the purposes of Articles 23 and 24 at a meeting of the Directors or by notice in writing to

the other Directors. A Director need not declare any interest if it cannot reasonably be regarded as likely to give rise to a conflict of interest, or if he is not aware of the interest, or if, or to the extent that, the other Directors are already aware of it (and for these purposes a Director will be treated as aware of anything of which he ought reasonably to be aware) or if, or to the extent that, it concerns terms of his service contract that have been or are to be considered (a) by a meeting of the Directors or (b) by a committee of the Directors appointed for the purpose under the Company's constitution.

## **Appointment of Directors**

### **27 Methods of Appointing Directors**

- 27.1 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- 27.2 The holders of a majority of the voting Shares (excluding any B Shares which are, at such time, Disenfranchised Shares) may by notice to the Company appoint any person or persons to be a Director, either to fill a vacancy or as an additional Director or additional Directors and remove from office any Director.
- 27.3 Any appointment or removal referred to in Articles 27.1 and/or Article 25.2 will be in writing notified to the Company and will take effect on being delivered to or sent by post to the Company at its registered office or upon delivery to the company secretary (if any) or to the Company at a meeting of the Directors or, if contained in electronic form, upon delivery to the address (if any) as may for the time being be notified by or on behalf of the Company for the receipt of messages in electronic form.

### **28 Termination of Director's Appointment**

- 28.1 The office of a director will be vacated if he is removed from office by a majority of the other directors. If he holds an appointment to an executive office which automatically determines as a result, his removal will be deemed to be an act of the Company and will have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company.
- 28.2 The holders of a majority of the A Shares may by notice to the Company remove any director before the expiration of his period of office and appoint another director in his place, in each case, without the need for any special notice and without the need for such resolutions to be passed at a meeting.
- 28.3 The office of a director will be vacated if:
  - 28.3.1 he ceases to be a director by virtue of any provision of the CA 2006 or he becomes prohibited by law from being a director;
  - 28.3.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally unless the Board agrees that the office of director need not be vacated;
  - 28.3.3 he resigns his office by notice in writing to the Company;

28.3.4 he has for more than 6 consecutive months been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during that period attended any such meetings instead of him, and the directors resolve that his office be vacated; or

28.3.5 he is removed from office by notice given by a Shareholder or Shareholders under Article 27.3.

## **Alternate Directors**

### **29 Rights and Responsibilities of Alternate Directors**

29.1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.

29.2 Subject to Article 29.4, a person may act as alternate director to represent more than one director.

29.3 Except as these Articles specify otherwise, alternate directors:

29.3.1 are deemed for all purposes to be directors;

29.3.2 are liable for their own acts and omissions;

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

29.3.4 are not deemed to be agents of or for their appointors.

29.4 A director or any other person who is an alternate director will not count as more than one director for the purposes of determining whether a quorum is participating but:

29.4.1 has a vote as alternate for each appointor on a decision taken at a meeting of the directors, in addition to his own vote, if any, as director; and

29.4.2 may sign a directors' written resolution for himself, if he is a director, and as alternate for each appointor who would have been entitled to sign or agree to it, and will count as more than one director for this purpose,

provided that his appointor is eligible to (but does not) participate in the relevant quorum, vote or directors' written resolution. For the avoidance of doubt, if his appointor is not eligible to participate in the relevant quorum, vote or written resolution, this does not preclude the alternate from participating as alternate for another appointor who is eligible to (but does not) participate.

29.5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

### **30 Group Companies**

Any director from time to time, notwithstanding his office or that such situation or interest may conflict with the interests of, or his duties to, the Company, may be, from

time to time, a director or other officer of, or employed by, or otherwise interested in, any Group Company.

### **31 Appointment and Removal of Secretary**

The directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.

## **Section 4 Decision-Making by Shareholders**

### **32 Voting - General**

- 32.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, Shares will carry votes in accordance with this Article 32.
- 32.2 Each A Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to a proposed written resolution as if each A Share carried one vote per share.
- 32.3 Subject to Article 12.6, each B Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to a proposed written resolution as if each B Share carried one vote per share.
- 32.4 No voting rights attached to a Share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it; or in respect of a written resolution which would otherwise have to be proposed at a general meeting, unless all amounts payable to the Company in respect of that share have been paid.

## **Organisation of General Meetings**

### **33 Proceedings at General Meetings**

- 33.1 The quorum for a general meeting will be two qualifying persons determined in accordance with section 318(2) and (3) of the CA 2006.
- 33.2 A general meeting may consist of a conference between Shareholders, some or all of whom are in different places if each Shareholder who participates is able:
  - 33.2.1 to hear each of the other participating Shareholders addressing the meeting; and
  - 33.2.2 if he so wishes, to address all of the other participating Shareholders simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods. A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Shareholders required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating Shareholders is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each Shareholder indicating to the chairman (in

such manner as the chairman may direct) whether the Shareholder votes in favour of or against the resolution or abstains. References in this Article 33 to Shareholders includes their duly appointed proxies and, in the case of corporate Shareholders, their duly authorised representatives.

- 33.3 If any meeting is adjourned because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present will form a quorum.

## **34 Poll Votes**

A poll may be demanded by the chairman of the meeting, the Directors, or any person having the right to vote on the resolution. Article 36(2) of the Model Articles shall be modified accordingly. A demand that is withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

## **35 Delivery of Proxy Notices**

- 35.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 35.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 35.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 35.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **36 Indemnity and Insurance**

- 36.1 Subject to Article 36.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

36.1.1 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 thereto; and
- (b) in relation to the Company's (or other Group Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),

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 other Group Company's) affairs; and

36.1.2 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 36.1.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

36.2 This Article 36 does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.

36.3 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.

36.4 In this Article 36:

**"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 (or other Group Company) or any pension fund or Employees' share scheme of the Company (or other Group Company); and

**"Relevant Officer"** means any director (or former director) or other officer (or former officer) of any Group Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the CA 2006)), but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

## **Miscellaneous**

### **37 Change of Name**

37.1 The Company may change its name:

37.1.1 by special resolution; or

37.1.2 by a decision of the directors.

### **38 Means of Communication**

Any notice or other document sent by the Company under these Articles which is delivered or left at a registered address otherwise than by post will be deemed to have been received on the day it was so delivered or left. A notice or other document sent by the Company in electronic form will be deemed to have been received at the time it is sent. A notice sent or supplied by means of a website will be deemed to have been received by the intended recipient at the time when the material was first available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

### **39 Winding Up**

39.1 If the Company is wound up, the liquidator may, with the authority of a special resolution:

39.1.1 divide among the Shareholders in specie the whole or any part of the assets of the Company, (and may, for that purpose, value any assets and determine how the division will be carried out as between the Shareholders or different classes of Shareholders, subject to Article 6); and

39.1.2 vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator determines,

but no Shareholder will be compelled to accept any assets in respect of which there is a liability.