

Company number. 04257337

THE COMPANIES ACT 2006

SPECIAL RESOLUTIONS

of

AUDIO NETWORK LIMITED

Passed on 19 December 2013

At an annual general meeting of the company, duly convened and held at 2pm on Thursday 19 December 2013 the following resolutions were duly passed by the company as special resolutions

SPECIAL RESOLUTIONS

- 1 That the directors be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Act**"), articles 8 11 and 9 2 of the existing articles of association of the Company (the "**Articles**") and for all other purposes whatsoever to exercise all of the powers of the Company to allot up to 520,000 B ordinary shares of £0 01 each in the capital of the Company (the "**B Ordinary Shares**") (having the rights and restrictions set out in the New Articles (as defined pursuant to resolution 3 below)) to such person(s) as the directors may in their discretion deem fit provided that^{Do}
 - a the authority granted under this resolution shall expire five years after the passing of this resolution, and
 - b the Company may, before such expiry under paragraph (a) above of this resolution, make an offer or agreement which would require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the directors may allot such shares or grant such rights (as the case may be) in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

This authority is in substitution for all subsisting authorities

- 2 For the purposes of section 570 of the Act, articles 8 11 and 9 6 of the Articles and for any and all other purposes whatsoever to the allotment of those B Ordinary Shares set out in resolution 1 above free and clear of any and all pre-emption rights, however so expressed and wherever so contained^{For}
- 3 That the articles of association contained in the document attached to this notice of annual general meeting (the "**New Articles**") be approved and adopted as the new articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association^{AY}


Chairman

PRESENTED BY:
Taylor Wessing LLP
5 New Street Square
London EC4A 3TW
Tel 020 7300 7000
Ref AUD10 U1

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COMPANIES HOUSE

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
NEW ARTICLES OF ASSOCIATION
of
AUDIO NETWORK LIMITED

Adopted by a special resolution passed on 19 December 2013

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Company number: 04257337

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

AUDIO NETWORK LIMITED

(Adopted by special resolution of the shareholders of the Company
dated 14th December 2013)

1 Preliminary

- 1 1 Except as otherwise provided in these articles the Model Articles shall apply to the Company. In the case of any inconsistency between these articles and the Model Articles, the provisions of these articles shall prevail.
- 1 2 Articles 7(1), 7(2), 8, 9(3), 9(4), 11(2), 14, 15, 17, 18, 20, 21, 24(1) and (2), 26(1), 31(1), 36(4), 41(1), 44(4), 45(1), 46(4), 52 and 53 of the Model Articles shall not apply.
- 1 3 Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the Company.

2 Definitions and interpretation

- 2 1 In these articles the following words and expressions shall (except where the context otherwise requires) have the following meanings:

"**Accepting Shareholder**" has the meaning given in article 14 5,

"**Accounts**" means the audited balance sheet and profit and loss account of the Company or, if at the relevant time the Company has any Subsidiary, a consolidation of the audited balance sheets and profit and loss accounts of the Company and its Subsidiaries, for each Financial Year,

"**Act**" means the Companies Act 2006,

"**Acting in Concert**" has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),

"**Allocation Notice**" has the meaning given in article 12 9(b),

"**Applicant**" has the meaning given in article 12 9(b),

"Associate" in relation to any person means

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined),
- (b) any Member of the same Group, or
- (c) any Member of the same Fund Group,

"alternate" and **"alternate director"** have the meaning given in article 7,

"Appointor" has the meaning given in article 7 1,

"Auditor" means the auditors or accountants (as the case may be) of the Company from time to time,

"Available Profits" means profits available for distribution within the meaning of part 23 of the Act,

"B Ordinary Shares" means a redeemable B ordinary share of £0.01 each in the capital of the Company having the rights and entitlements set out in these articles,

"Business Day" means any day other than a Saturday, Sunday or a public holiday in England,

"call" has the meaning given in article 18 1,

"Call Notice" has the meaning given in article 18 1,

"Called Shareholders" has the meaning given in article 15 1,

"Called Shares" has the meaning given in article 15 1,

"Company" means Audio Network Limited,

"Company's Lien" has the meaning given in article 17 1,

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010

"CTA 2010" means the Corporation Tax Act 2010,

"Debt" means (i) amount borrowed by a Group Company whether by way of any loan, loan capital, advance or credit or otherwise and (ii) any actual or contingent liability under a guarantee or indemnity given by a Group Company but excluding

- (a) amounts due by a Group Company under any hire purchase and equipment leasing agreements in so far as any of these can be properly attributed to capital on normal terms in the usual course of business of the Group,
- (b) trade credit in the usual course of business on normal terms in the usual course of business of the Group, and
- (c) loans from one Group Company to another Group Company,

"Drag Along Option" has the meaning given in article 15 1,

"Drag Along Notice" has the meaning given in article 15 2,

"EEA State" has the meaning given in schedule 1 of the Interpretation Act 1978 (a copy of which provision as at the date of adoption of these articles is set out in the schedule to these articles),

"Electronic Address" has the meaning given in section 333(4) of the Act (a copy of which provision as at the date of adoption of these articles is set out in the schedule to these articles),

"Electronic Means" has the meaning given in section 1168(4) of the Act (a copy of which provision as at the date of adoption of these articles is set out in the schedule to these articles),

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

"Expert Valuer" has the meaning given in article 13 1(a),

"Fair Value" has the meaning given in article 13 3,

"Family Trusts" means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons,

"Financial Year" and **"Financial Period"** means an accounting reference period (as defined by the Act) of the Company,

"First Offer Period" has the meaning given in article 12 7(a),

"Founders' Directors" means the directors of the Company nominated by the Founders under article 4 2(a),

"Founders" means Andrew Sunnucks and Robert Hurst and their Permitted Transferees from time to time and **"Founder"** shall mean any one of them (as the context permits),

"Fund Manager" means a person whose principal business is to make, manage or advise upon investments in securities,

"Group" means the Company and each of its subsidiaries, taken as a whole,

"Group Company" any of the Company and its subsidiaries,

"Group Undertaking" has the meaning given in section 1161(5) of the Act (a copy of which provision as at the date of adoption of these articles is set out in the schedule to these articles),

"Initial Surplus Shares" has the meaning given in article 12 7(c),

"Interested Director" has the meaning given in article 6 5,

"Investor" means SG Growth Partners II Offshore AIV, LP (acting by its general partner, SGGP II, LLC) and its Permitted Transferees from time to time,

"Investor Director" means the director of the Company nominated by the Investor under article 4 2(c),

"IPO" means the admission of all or any of the shares or securities representing those shares (including without limitation depository interests, American depository receipts, American depository shares and/or other instruments) to or the grant of permission by any such authority for the same to be admitted to or traded or quoted on NASDAQ or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),

"JSOP" means "The Audio Network Employees' Joint Share Ownership Plan" adopted by a resolution of the shareholders of the Company on 6 August 2012,

"Lien Enforcement Notice" has the meaning given in article 17 3(a),

"a Member of the same Fund Group" means if the shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "Investment Fund") or a nominee of that person

(a) any Investment Fund managed by that Fund Manager, or

(b) any Group Undertaking of that Fund Manager,

"a Member of the same Group" means as regards any company, a company which is from time to time a Group Undertaking of that company,

"Minimum Transfer Condition" has the meaning given to it in article 12 2(d),

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

"nil paid" in relation to a share means that none of that share's nominal value or any premium at which it was issued has been paid to the Company,

"Occupational Pension Scheme" has the meaning given in section 235(6) of the Act (a copy of which provision as at the date of adoption of these articles is set out in the schedule to these articles),

"Offer" has the meaning given in article 14 2,

"Offer Period" has the meaning given in article 14 3,

"Officer" in relation to a body corporate includes a director, manager or secretary,

"Ordinary Share" means an ordinary share of £0.01 each in the capital of the Company having the rights and entitlements set out in these articles,

"Original Shareholder" has the meaning given in article 11 1,

"Other Shareholders" has the meaning given in article 4 2(d),

"partly paid" in relation to a share means that part of that share's nominal value or any premium at which it was issued which has not been paid to the Company,

"Permitted Transferee" means

- (a) in relation to a shareholder who is an individual, any of his Privileged Relations or Trustees,
- (b) in relation to a shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group, and
- (c) in relation to a shareholder which is an Investment Fund means any Member of the same Fund Group,

"Privileged Relation" in relation to a shareholder who is an individual member or deceased or former member means a child or grandchild (including step or adopted or illegitimate child and their issue),

"Proposed Purchaser" has the meaning given in article 15 1,

"Proposed Sale Date" has the meaning given in article 14 3,

"Proposed Sale Notice" has the meaning given in article 14 3,

"Proposed Sale Shares" has the meaning given in article 14 3,

"Proposed Seller" means any person proposing to transfer any shares in the Company,

"Proposed Transfer" has the meaning given in article 14 1,

"Proxy Notice" has the meaning given in article 8 9,

"Qualifying Person" has the meaning given in section 318(3) of the Act (a copy of which provision as at the date of adoption of these articles is set out in the schedule to these articles),

"Qualifying IPO" means the legal completion of an IPO (i) where the IPO is on the Official List of the United Kingdom Listing Authority (ii) in which the market capitalisation of the Company (immediately after the issue of new shares at the time of completion of the IPO is not less than £150 million) and (iii) which is fully underwritten by a reputable investment bank of international standing,

"Realisation Event" means a return of assets on liquidation, capital reduction or otherwise (other than any conversion, redemption or purchase of shares),

"Relevant Interest" has the meaning given in article 6 5,

"Relevant Officer" means any director or other officer or former director or officer of the Company or an associated company (within the meaning given in article 23 3),

"Sale" means the sale of (or the grant of a right to acquire or dispose of) any of the shares in the Company (in one transaction or a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Consent with him acquiring a Controlling Interest in the Company, except where following completion of the sale, the shareholders and the proportion of shares held by

each of them are substantially the same as the shareholders and their shareholdings in the Company immediately prior to the sale,

"Sale Shares" has the meaning given in article 12 2(a),

"Second Offer Period" has the meaning given in article 12 8(a),

"Second Surplus Shares" has the meaning given in article 12 8(c),

"Seller" has the meaning given in article 12 2,

"Sellers' Shares" has the meaning given in article 15 1,

"Selling Shareholders" has the meaning given in article 15 1,

"shares" means the Ordinary Shares, the B Ordinary Shares and any other class of shares from time to time in issue in the capital of the Company,

"Surplus Assets" means the assets available for distribution to the members of the Company upon a Realisation Event after payment or settlement of all the liabilities of the Company,

"Threshold Distribution Amount" has the meaning given in article 16 2,

"Transfer Notice" has the meaning given in article 12 2,

"Transfer Notice Date" has the meaning given in article 12 5,

"Transfer Period" means either

- (a) during the period 1 January to 31 January each year, or
- (b) during the period 1 July to 31 July each year,

"Transfer Price" has the meaning given in article 12 2(c), and

"Trustees" in relation to a shareholder, means the trustee or the trustees of a Family Trust

2 2 In these articles

- (a) words and expressions defined in the Model Articles (or, in the absence of such definition in the Model Articles, in the Act) shall have the same meanings in these articles unless stated otherwise or the context otherwise requires,
- (b) headings are used for convenience only and shall not affect the construction or interpretation of these articles,
- (c) reference in these articles to an "article" is a reference to the relevant article of these articles unless expressly provided otherwise,
- (d) reference to any statute or statutory provision includes, unless expressly provided otherwise, a reference
 - (i) to that statute or statutory provision as from time to time consolidated, modified, re-enacted (with or without modification) or replaced by any statute or statutory provision, and

- (ii) any subordinate legislation made under the relevant statutory provision,
- (e) reference in these articles to "**writing**" or "**written**" includes typing, printing, lithography, photography and other modes of representing words in a legible and non transitory form, including electronic form, and
- (f) except where the context specifically requires otherwise, words importing one gender shall be treated as importing any gender

3. Objects

The objects of the Company are unlimited

4 Directors

4 1 Unless otherwise determined by special resolution, the number of directors shall be no fewer than one but subject to a maximum of seven

4 2 Save as otherwise set out in articles 4 3 to 4 5, the following provisions shall apply in respect of the appointment and removal of the directors of the Company

- (a) each Founder, for as long as he and his Permitted Transferees hold at least 15 per cent of the issued share capital of the Company, shall be entitled to nominate and appoint one person (including himself) to act as a director of the Company upon the giving of notice in writing addressed to the Company from time to time and the other holders of shares of the Company shall not vote their shares so as to remove that director from office Each Founder shall be entitled to remove any director so nominated by him pursuant to this article by notice in writing to the Company served at its registered office and to appoint another person to act in his place Notwithstanding the aforesaid, in the event that the director nominated by a Founder is a person other than that Founder such director shall, prior to being appointed as a director of the Company, require the approval (such approval not to be unreasonably withheld or delayed) of the Investor and the other Founder,
- (b) the Founders and the Investor and their Permitted Transferees (acting together) shall, for so long as they hold at least 15 per cent in aggregate of the issued share capital of the Company, be entitled to nominate and appoint one person to act as a director of the Company upon the giving of notice in writing addressed to the Company from time to time and the other holders of shares of the Company shall not vote their shares so as to remove that director from office The Founders and the Investor and their Permitted Transferees (acting together) shall be entitled to remove any director so nominated by them pursuant to this article by notice in writing to the Company served at its registered office and to appoint another person to act in his place,
- (c) the Investor, for so long as it and its Permitted Transferees hold at least 15 per cent of the issued share capital of the Company, shall be entitled to nominate and appoint one person to act as a director of the Company upon the giving of notice in writing addressed to the Company from time to time and the other holders of shares of the Company shall not vote their shares so as to remove that director from office The Investor shall be entitled to remove any director so nominated by it pursuant to this article by notice in writing to the Company served at its registered office and to appoint another person to act in his place Notwithstanding the aforesaid, in the event that the director nominated by the Investor is a person other than Daniel Marriott or Karen Kenworthy such

director shall, prior to being appointed as a director of the Company, require the approval (such approval not to be unreasonably withheld or delayed) of the Founders (acting jointly),

- (d) the other shareholders of the Company (excluding for the avoidance of doubt the Founders and the Investor and their Permitted Transferees) from time to time holding a majority in nominal value of shares (excluding shares held by the Founders and the Investor and their Permitted Transferees) (the “**Other Shareholders**”) shall be entitled to nominate and appoint one person to act as a director of the Company upon the giving of notice in writing addressed to the Company from time to time and the Founders and the Investor shall not vote their shares so as to remove that director from office. The Other Shareholders holding a majority in nominal value of shares (excluding shares held by the Founders and the Investor and their Permitted Transferees) shall be entitled to remove any director so nominated by them pursuant to this article by notice in writing to the Company served at its registered office and to appoint another person to act in his place, and
 - (e) shareholders holding a majority in nominal value of shares shall be entitled to nominate, appoint and remove up to two persons to act as directors of the Company from time to time, save for where a Founder or the Investor ceases to be able to appoint a director of the Company under articles 4 2(a) and 4 2(c) respectively, in which instance a shareholders holding a majority in nominal value of shares shall be entitled to nominate and appoint such number of further additional director(s) as required to act in place of each director which a Founder and/or the Investor (as the case may be) ceases to be entitled to nominate and appoint and to remove any such director
- 4 3 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have had a bankruptcy order made against him (as the case may be) shall have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person) to be a director
- 4 4 For the purposes of article 4 3, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder. Article 17(2) and (3) of the Model Articles shall not apply
- 4 5 A person shall cease to be a director as soon as that person
- (a) has a bankruptcy order made against him,
 - (b) ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director,
 - (c) resigns his office by written notice to the Company and such resignation takes effect in accordance with its terms, or
 - (d) is removed from office pursuant to any provision of article 4 2
- Article 18 of the Model Articles shall not apply
- 4 6 The Company may pay any reasonable expenses which the directors (including alternate directors) and the secretary properly incur in connection with their attendance at
- (a) meetings of directors or committees of directors,

- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company Article 20 of the Model Articles shall not apply

4 7 The Investor Director shall be entitled to be paid the expenses set out in article 4 6 incurred by or on behalf of the Investor Director (including, without limitation, travel and accommodation costs)

4 8 Save as provided in article 4 7, the Investor Director shall not be entitled to be paid by the Company any other fees or other expenses in connection with their holding of office as a director of the Company or any other Group Undertaking

5. Directors' decision-making and directors' meetings

5 1 Notice of a directors meeting must in so far as is reasonably practicable be given to each director and alternate director (whether or not in the United Kingdom), but need not be in writing, article 9(3) of the Model Articles shall not apply

5 2 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it Article 9(4) of the Model Articles shall not apply

5 3 Save as set out in articles 5 5 and 5 8, any decision of the directors must be a majority decision at a meeting of the directors Article 7(1) of the Model Articles shall not apply

5 4 If

(a) the Company only has one director, and

(b) no provision of the articles requires it to have more than one director,

the general rule in article 7(1) of the Model Articles shall not apply and the director, or his alternate, may (so long as he remains the sole director) take decisions without regard to any of the provisions of the articles relating to directors' decision-making, except that he must comply with the provisions of article 5 5 Article 7(2) of the Model Articles shall not apply

5 5 Subject to article 5 8, 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, provided that the Eligible Directors would have formed a quorum if the matter had been proposed at a meeting 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 (including confirmation given by Electronic Means) Article 8 of the Model Articles shall not apply

5 6 The directors must ensure that the Company keeps a record, in writing, of all directors' decisions for at least ten years from the date of their adoption, including those taken by a sole director or a committee of directors, and where decisions of the directors are

taken by Electronic Means, such decisions shall be recorded in permanent form so that they can be read with the naked eye Article 15 of the Model Articles shall not apply

- 5 7 Subject to any contrary provision of these articles, the quorum for directors' meetings may be fixed from time to time by a decision of the shareholders and unless otherwise fixed it is two directors who must include the Investor Director (save that where a Relevant Interest of an Investor Director is being authorised by other directors in accordance with section 175(5)(a) of the Act, such Investor Director and any other interested director shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting) If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the directors not present at such meeting If the Investor Director is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed provided that there are two directors present Article 11(2) of the Model Articles shall not apply
- 5 8 The following matters shall require the consent of a majority of the directors appointed (including the consent of the Founders' Directors and the Investor Director) and each of the shareholders shall exercise all voting rights and powers of control available to him in relation to the Company and each other Group Company to procure that none of the following matters are undertaken without a majority of the directors appointed (including the consent of the Founders' Directors and the Investor Director)
- (a) the sale, transfer, lease, licence, charge or other disposal of the whole of the assets or any material assets of any Group Company from time to time,
 - (b) the incurring of Debt which exceeds in aggregate the sum of £500,000,
 - (c) the acquisition or disposal by any Group Company of the whole or part of the undertaking or business of any other person or the merger of any Group Company or any part of its business with any other person,
 - (d) subscribing or otherwise acquiring, or disposing of, in each case by any Group Company any shares or other securities in the capital of any other company or the formation by any Group Company of any subsidiary,
 - (e) permitting any Group Company to cease, or proposing to cease, to carry on its business or permitting any Group Company or its directors (or any one of them) to take any step to wind up the Company,
 - (f) permitting any Group Company or its directors (or any one of them) to take any step to place such Group Company into administration (whether by the filing of an administration application, a notice of intention to appoint an administrator or a notice of appointment), permit any Group Company or its directors to propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise) or to apply for an interim order under Part 1 of the Insolvency Act 1986, or permit any Group Company or its directors to invite the appointment of a receiver or administrative receiver over all or any part of such Group Company's assets or undertaking, or any analogous procedures in any jurisdictions other than England,
 - (g) negotiating or permitting the disposal of shares in the Company amounting to a Sale (and/or the exercise by any shareholder of the Drag Along Option pursuant to article 15) or an IPO (but excluding a Qualifying IPO), or appointing advisers in relation to the same,

- (h) the creation or granting of any options or other rights over or in respect of shares in any Group Company or the issue by any Group Company of any securities convertible into shares, or the adoption of any new or amendment of any existing share option scheme of any Group Company,
- (i) the payment of dividends other than (i) pursuant to article 16 1, (ii) any other dividend policy of the Company approved by the Investor and the Founders (iii) as may be required pursuant to the provisions of article 16 2,
- (j) the adoption by the Company of any operating budget in respect of each financial year of the Group,
- (k) subject to articles 4 2(a) to (d), the appointment or removal (as the case may be) of any director of any Group Company, and
- (l) the entering into by any Group Company of any transaction with any of the Founders and/or the Investor and/or any of their respective Associates

5 9 If the directors delegate any of their powers or authority to any committee, the Investor Director shall have the right to form part of that committee unless the Investor Director has a conflict of interest

6 Directors' conflicts of interests

6 1 Provided (if these articles so require) that he has declared to the directors, in accordance with the provisions of these articles, the nature and extent of his interest, a director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind, namely

- (a) where a director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
- (b) where a director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
- (c) where a director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, shareholder or other officer of, or consultant to, a Group Undertaking of the Company,
- (d) where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) under the Company or body corporate in which the Company is in any way interested,
- (e) where a director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
- (f) where a director (or a person connected with him or of which he is a shareholder or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer acts) in a professional capacity for the Company or any body corporate promoted by the Company or in which the

Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,

- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

Article 14 of the Model Articles shall not apply

- 6 2 For the purposes of this article 6, an interest of which a director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his
- 6 3 In any situation permitted by this article 6 (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit
- 6 4 The Company has, by ordinary resolution, resolved for the purposes of paragraph 47(3)(b) of schedule 4 to the Companies Act 2006 (Commencement No 5, (Transitional Provisions and Savings) Order 2007) that authorisation of conflicts of interest may be given by the directors within section 175(5)(a) of the Act
- 6 5 Any authority given in accordance with section 175(5)(a) of the Act in respect of a director ("**Interested Director**") who has proposed that the directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt
- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising directors as they see fit from time to time, including, without limitation
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the directors or of a committee of the directors in relation to the Relevant Interest,
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the directors or of a committee of the directors where such Relevant Interest is to be discussed, or
 - (iii) restricting the application of the provisions in articles 6 6 and 6 7, so far as is permitted by law, in respect of such Interested Director,
 - (b) be withdrawn, or varied at any time by the directors entitled to authorise the Relevant Interest as they see fit from time to time, and
 - (c) an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising directors pursuant to section 175(5)(a) of the Act and this article 6
- 6 6 Subject to article 6 7 (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information in circumstances where disclosure may otherwise be required under this article), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required

- (a) to disclose such information to the Company or to the directors, or to any director, officer or employee of the Company, or
 - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director
- 6 7 Where such duty of confidentiality arises out of a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, article 6 6 shall apply only if the conflict arises out of a matter which falls within article 6 1 or has been authorised under section 175(5)(a) of the Act (subject to any restrictions imposed by the authorising directors)
- 6 8 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation
- (a) absenting himself from any discussions, whether in meetings of the directors or otherwise, at which the relevant situation or matter falls to be considered, and
 - (b) excluding himself from documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information
- 6 9 Subject to section 182 of the Act, a director shall declare the nature and extent of any interest permitted by article 6 1 at a meeting of the directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the directors may determine, except that no declaration of interest shall be required by a director in relation to an interest
- (a) falling under article 6 1(g),
 - (b) if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware), or
 - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these articles
- 6 10 Provided (if these articles so require) that he has declared to the directors, in accordance with the provisions of these articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the directors in authorising a Relevant Interest), a director, in relation to any resolution concerning a matter in which he has an interest, whether a direct or indirect interest, or in relation to which he has a duty
- (a) can vote, and be counted in reckoning as to whether a quorum is present, at a meeting of the directors or of a committee of the directors, and
 - (b) shall be an Eligible Director, and be counted as participating, for the purposes of determining whether a quorum is participating

6 11 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article

6 12 For the purposes of this article 6

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a director, and
- (c) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified

7. Alternate directors

7 1 Subject to article 7 2 any director (the "**Appointor**") (other than an alternate director) may appoint as an alternate any other director or any other person to

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's Appointor

7 2 If the Appointer is a Founder Director and the proposed alternate is any person other than a Founder, the Founder Director shall not be entitled to appoint such alternate without the prior approval of the Investor and the other Founder (such approval not to be unreasonably withheld or delayed) If the Appointer is an Investor Director and the proposed alternate is any person other than Daniel Marriott or Karen Kenworthy, the Investor Director shall not be entitled to appoint such alternate without the prior approval of the Founders acting jointly (such approval not to be unreasonably withheld or delayed)

7 3 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors

7 4 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 the proposed alternate is willing to act as the alternate of the director giving the notice

7 5 An alternate director may act as an alternate to more than one director and has the same rights, in relation to any directors' meeting (including as to notice) or directors' written resolution, as the alternate's Appointor

7 6 Except as these articles specify otherwise, an alternate director

- (a) is deemed for all purposes to be a director,

- (b) is liable for his own acts and omissions,
- (c) is subject to the same restrictions as his Appointor, and
- (d) is not deemed to be an agent of or for his Appointor,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member

7 7 A person who is an alternate director but not a director

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating), and
- (b) may sign a directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate)

No alternate may be counted as more than one director for such purposes

7 8 A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors (provided that his Appointor is an Eligible Director in relation to that decision)

7 9 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

7 10 An alternate director's appointment as an alternate director shall terminate

- (a) when the alternate director's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- (b) on the occurrence in relation to the alternate director 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,
- (c) on the death of the alternate director's Appointor, or
- (d) when the alternate director's Appointor's appointment as a director terminates for any other reason

8 Decision-making by shareholders

8 1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, the meeting shall stand adjourned to the same day in the next week at the same time and place or such date and time as the directors (including the Founder Directors and the Investor Director) may determine Article 41(1) of the Model Articles shall not apply Article 41(4) of the Model Articles shall only apply to meetings adjourned under article 41(2) of the Model Articles

8 2 The provisions of section 318 of the Act shall apply to the Company, save that

- (a) if there is only one shareholder who is permitted to vote upon the business at the meeting, the quorum for that part of meeting considering the business for which only one shareholder is permitted to vote shall be one Qualifying Person present at the meeting, and
 - (b) if a quorum is not present at any meeting adjourned for the reason referred to in the first sentence of article 8.1, then, provided that the Qualifying Person present holds or represents the holder of at least 75 per cent in nominal value of the shares of the Company in issue, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held
- 8.3 If any two or more shareholders (or Qualifying Persons representing two or more shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman
- 8.4 If at any general meeting any votes are counted which ought not to have been counted, or are not counted which ought to have been counted, the error shall not vitiate the result of the voting unless
- (a) it is pointed out at the same meeting, and
 - (b) it is, in the opinion of the chairman of the meeting, of sufficient magnitude to affect the result of the voting
- 8.5 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 8.6 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. Article 44(4) of the Model Articles shall not apply
- 8.7 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken
- 8.8 If the poll is to be held more than 48 hours after it was demanded the shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day
- 8.9 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which
- (a) states the name and address of the shareholder appointing the proxy,
 - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,

- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
- (d) (subject to article 8 7) is either handed to the chairman any time before the start of the relevant meeting or delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate

Article 45(1) of the Model Articles shall not apply

8 10 If a Proxy Notice is executed on behalf of the shareholder appointing the proxy, it must be accompanied by written evidence of the authority (being the original, a duly certified copy of the grant of authority or such other evidence as the directors deem appropriate) of the person who executed it to execute it on the appointor's behalf
Article 46(4) of the Model Articles shall not apply

8 11 Notwithstanding any other provision of these articles, the following matters shall not be undertaken, and each of the shareholders shall exercise all voting rights and powers of control available to him in relation to the Company and each other Group Company to procure that none of the following matters are undertaken, unless approved by a special resolution of the Company either at a general meeting of the Company or by way of written resolution

- (a) a redemption, purchase or cancellation of any shares (other than a redemption, purchase or cancellation of B Ordinary Shares pursuant to article 9 11) or a reduction of the share capital or share premium account of any Group Company or the repayment of any amounts standing to the credit of any share premium account or capital redemption reserve of any Group Company, and
- (b) the creation, allotment or issue by any Group Company of any share or share capital for cash or any cash equivalent other than pursuant to the exercise of any option

9. Shares

9 1 The issued share capital of the Company at the date of adoption of these articles is divided into Ordinary Shares and B Ordinary Shares

9 2 Save as otherwise authorised by ordinary resolution of the Company, no directors of the Company shall be authorised to exercise any powers of the Company to allot shares or grant rights to subscribe for or convert any security into shares, provided that the directors shall not allot shares in breach of article 8 11(b)

Return of capital on a Realisation Event

9 2A The following provisions of this article 9 2A shall have effect for determining in the event of a Realisation Event, the respective entitlements of the holders of shares of the aggregate amount of Surplus Assets which are due to them

- (a) first, an amount equal to the nominal value (excluding any premium) of each share shall be paid to the shareholders and, if there is a shortfall of assets remaining to satisfy the entitlements of the shareholders in full, the proceeds shall be divided amongst and paid to the shareholders in proportion to the aggregate nominal value (excluding premium) of the shares held by them, and
- (b) secondly, the balance remaining of the Surplus Assets shall be divided between and paid to the holders of Ordinary Shares in proportion to the number

of Ordinary Shares only respectively held by them. For the avoidance of doubt, no proportion of the balance of the Surplus Assets shall be divided and paid to any holder of B Ordinary Shares in respect of their B Ordinary Shares

Division of proceeds upon a Sale

- 9 2B In the event of a Sale, the members shall exercise the rights attaching to the shares held by them, and take all such actions as shall be necessary or appropriate, to procure that the proceeds of sale (including any deferred consideration) are distributed and paid to the shareholders in the order of priority set out in article 9 2A
- 9 3 Article 21 of the Model Articles shall not apply
- 9 3A A member of the Company shall have the right, exercisable at a general meeting of the Company, to attend, speak and cast one vote for each share registered in the name of such member and to receive and vote on proposed written resolutions of the Company
- 9 4 No voting rights attached to a share which is nil paid may be exercised
- (a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it, or
 - (b) on any proposed written resolution, unless all or some of the amounts payable to the Company in respect of that share have been paid
- 9 5 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
- 9 6 Subject to articles 9 7 and 9 8 and unless otherwise determined by special resolution, any equity securities shall before they are allotted on any terms, be first offered by the Company on the same or more favourable terms to the shareholders in proportion as nearly as is practicable (without involving fractions) to the nominal value of the Ordinary Shares only in the Company held by them
- 9 7 Any offer required to be made under article 9 6 shall be made by written notice to each holder of Ordinary Shares at his registered address or the email address provided for this purpose. If he has no registered address in an EEA State and has provided no email address for this purpose the offer shall be made by written notice to the address in an EEA State notified by him for the purpose of receiving notices. If a holder's registered address is not in an EEA State and he has not notified an address in an EEA State or provided an email address for this purpose, then, if the directors determine (with the prior written consent of the Investor and both Founders) that the offer might breach securities laws of the relevant jurisdiction, the offer to that holder shall be deemed to have been made to him even though no notice is sent to him. The notice shall specify the number of equity securities offered and the period, being at least 14 days, within which the offer, if not accepted, will be deemed to have been declined. After the expiration of such period, or if earlier on receipt of notice of acceptance or refusal of each offer so made, the directors may, subject to these articles, allot such equity securities as have not been taken up in such manner as they think fit
- 9 8 Article 9 6 shall not apply to the allotment of equity securities
- (a) which would, apart from a renunciation or assignment of their right to the allotment, be held under an employees' share scheme (including but not limited to the JSOP), or

(b) if the Company has only one member, to that sole member

9 9 Subject to articles 8 11(b), 9 6 and 9 7 and the Act and always subject to the extent authorised pursuant to article 9 2, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper

9 10 No shares shall (unless the board resolves otherwise) be allotted to any employee, director, prospective employee or director who is resident in the United Kingdom unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

9 11 Subject to the passing of a special resolution of the Company either at a general meeting of the Company or by way of written resolution, subject to article 8 11 the Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder For the avoidance of doubt, all of the B Ordinary Shares shall be redeemable and such B Ordinary Shares, together with any other redeemable shares in issue from time to time shall be redeemed on the following terms and in the following manner

(a) a holder of a redeemable share may by at least 30 days' notice to the Company at its registered office require the Company to redeem it and on service of such notice the Company shall, subject to the provisions of the Act and remaining provisions of this article 9 11, redeem the redeemable shares to which such notice relates on the expiry of the period set out in such notice (or, if that day is not a working day, the next working day),

(b) the Company may

(i) in the case of a B Ordinary Share only

(A) in the event that a holder of a B Ordinary Share ceases to be an employee or director of the Company (whichever is the later), redeem such B Ordinary Share by the giving to its holder at least (unless otherwise agreed with such holder) 30 days' notice in writing stating its wish to redeem it and such redemption shall take place on the expiry of the period set out in such notice (or, if that day is not a working day, the next working day), or

(B) whilst a holder of a B Ordinary Share is an employee or director of the Company, only redeem such B Ordinary Share in the event that any such holder has ceased to or does not otherwise hold any Ordinary Shares Redemption of a B Ordinary Share pursuant to this article 9 11(b)(i)(B) shall be effected by the Company giving to its holder at least (unless otherwise agreed with such holder) 30 days' notice in writing stating its wish to redeem the B Ordinary Share and such redemption shall take place on the expiry of the period set out in such notice (or, if that day is not a working day, the next working day), or

(ii) in the case of any other redeemable share, redeem such redeemable share by giving to its holder at least 30 days' notice in writing stating its wish to redeem it and such redemption shall take place on the expiry of that 30 day period (or, if that day is not a working day, the next working day),

(c) the sum payable to the holder on redemption of

any redeemable share (including for the avoidance of doubt, a B Ordinary Share) shall be its nominal value plus any declared but unpaid dividend in respect of that redeemable share (less any tax required to be withheld by law),

- (d) the sum payable to the holder on redemption of a redeemable share shall be paid on redemption, or on such later date as the Company and the holder may agree, and
- (e) on redemption of a redeemable share the holder shall deliver the certificate (or an indemnity in a form suitable to the directors) for it to the Company at its registered office (or such other place as the Company may notify the holders of redeemable shares) for cancellation. If the certificate includes shares not being redeemed then a new share certificate for the balance of the redeemable shares shall be issued to the holder. If a shareholder, whose redeemable shares are to be redeemed, does not deliver the certificate for them at the time and place fixed for redemption or does not accept payment of the amount due to him on redemption, then the Company shall hold the amount payable on redemption on trust for him.

9 12 Subject to article 8 11(a), the Company may purchase its own shares with cash to the extent permitted by section 692(1)(b) of the Act

9 13 Whenever as a result of a consolidation of shares any shareholders would become entitled to fractions of a share, the directors may, on behalf of those shareholders, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those shareholders. The directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

9 14 The Company shall issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds. Every certificate shall specify

- (a) in respect of how many shares, of what class, it is issued,
- (b) the nominal value of those shares,
- (c) the amount paid up on them, and
- (d) any distinguishing numbers assigned to them.

Articles 24(1) and (2) of the Model Articles shall not apply

9 15 A shareholder exercising the right to be issued with a replacement certificate under article 25 of the Model Articles shall comply with such conditions as to evidence, indemnity and payment of a reasonable fee as the directors decide, including but not limited to the payment of the expenses reasonably incurred (if any) by the Company in investigating evidence as the directors may determine. Article 25(2)(c) of the Model Articles shall be modified accordingly.

9 16 The Company may pay any person a commission in consideration for that person

- (a) subscribing, or agreeing to subscribe, for shares, or

- (b) procuring, or agreeing to procure, subscriptions for shares
- 9 17 Any commission payable by the Company may be paid
- (a) in cash, or in fully paid or partly paid shares or other securities, or partly in one way and partly in the other, and
 - (b) in respect of a conditional or an absolute subscription

10 Transfer of shares

- 10 1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of
- (a) the transferor, and
 - (b) (if any of the shares is partly paid) the transferee
- 10 2 Article 26(1) of the Model Articles shall not apply

11. Permitted Transfers

- 11 1 A holder of Ordinary Shares (the "**Original Shareholder**") may transfer either all or a minimum of 300,000 of his Ordinary Shares in any one transfer to a single Permitted Transferee subject to article 11 8 without restriction as to price or otherwise, provided always that prior to such transfer completing the Original Shareholder gives notice by post to the registered office of the Company specifying
- (a) the number of Ordinary Shares which he wishes to transfer to the Permitted Transferee, and
 - (b) the name of the Permitted Transferee and any other terms attaching to the proposed transfer
- 11 2 The directors may refuse to register such transfer if
- (a) the Board is of the reasonable opinion that the Permitted Transferee is a person (or a nominee for a person) who the Board determines in its absolute discretion
 - (i) is a competitor with (or an Associate of a competitor with) the business of the Company or with a Group Undertaking of the Company, or
 - (ii) may otherwise damage, harm or bring into disrepute the reputation or affairs of the Company or any Group Undertaking or is reasonably believed to be an Associate of any person who the Board is of the reasonable opinion may otherwise damage, harm or bring into disrepute the reputation or affairs of the Company or any Group Undertaking, or
 - (b) the Original Shareholder fails or refuses to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling the Board to
 - (i) form an opinion for the purposes of article 11 2(a) above, or

- (ii) confirm that the person to whom the Original Transferee wishes to transfer his Ordinary Shares constitutes a Permitted Transferee
- 11 3 Ordinary Shares previously transferred as permitted by article 11 1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise but not to any other person pursuant to this article 11
- 11 4 Where under the provision of a deceased holder of Ordinary Shares' will or laws as to intestacy, the persons legally or beneficially entitled to any Ordinary Shares, whether immediately or contingently, are Permitted Transferees of the deceased shareholder, the legal representative of the deceased shareholder may transfer any Ordinary Shares to those Permitted Transferees, in each case without restriction as to price or otherwise
- 11 5 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Ordinary Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Ordinary Shares
- 11 6 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Ordinary Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Ordinary Shares
- 11 7 Trustees may (i) transfer Ordinary Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (ii) transfer Ordinary Shares to the new or remaining Trustees upon a change of Trustees without restrictions as to price or otherwise
- 11 8 No transfer of Ordinary Shares may be made to Trustees unless the directors are satisfied
 - (a) with the terms of the trust instrument and in particular with the powers of the trustees,
 - (b) with the identity of the proposed trustees,
 - (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts, and
 - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company
- 11 9 On the death (subject to article 11 2), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a

transfer of the Ordinary Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

- 11 10 On the bankruptcy, liquidation, administration or administrative receivership of an Original Shareholder, that Original Shareholder shall be deemed to have served a Transfer Notice pursuant to article 12.2 during the Transfer Period immediately following the Company becoming aware of such bankruptcy, liquidation, administration or administrative receivership.
- 11 11 A transfer of any shares approved by special resolution of the Company may be made without restriction as to price or otherwise (and without complying with the pre-emption provisions set out in article 12) and each such transfer shall be registered by the directors.
- 11 12 The provisions of article 12 shall not apply to any transfer of Ordinary Shares by (i) any Founder and/or his Permitted Transferees to the Investor and/or its Permitted Transferees and/or (ii) the Investor and/or its Permitted Transferees to either of the Founders and/or his Permitted Transferees.
- 11 13 Save as otherwise provided for under articles 9.11, 11.11 and 15, the B Ordinary Shares shall not be transferable.

12. Transfers of shares subject to pre-emption rights

- 12 1 Save where the provisions of articles 9.11, 11, 14, and 15 apply, any transfer of Ordinary Shares by a holder shall be subject to the pre-emption rights contained in this article 12. Save in respect of transfers otherwise permitted under article 11.10, holders shall only be permitted to transfer Ordinary Shares providing that such holders serve a Transfer Notice in accordance with the terms of this article 12 during a Transfer Period. Notwithstanding the foregoing, a holder shall, with the prior consent of the directors (including the Founder Directors and the Investor Director), be entitled to serve a Transfer Notice and to offer his Ordinary Shares pursuant to the pre-emption provisions contained in this article 12 at a time which is not within a Transfer Period and the terms of this article 12 shall apply accordingly.
- 12 2 A holder of Ordinary Shares who wishes to transfer Ordinary Shares (a "**Seller**") shall, except as otherwise provided in these articles, before transferring or agreeing to transfer any Ordinary Shares give notice in writing (a "**Transfer Notice**") to the Company specifying
 - (a) the number of Ordinary Shares which he wishes to transfer (the "**Sale Shares**"),
 - (b) the name of the proposed transferee, if there is one,
 - (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the directors or if no price is specified in the Transfer Notice (the "**Transfer Price**")), and

- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to the Company and/or the holders of Ordinary Shares (as the case may be) (a "**Minimum Transfer Condition**")
- 12 3 Except with the written consent of the directors (including the Investor Director), no Transfer Notice once given or deemed to have been given under these articles may be withdrawn
- 12 4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 12 5 As soon as practicable following the later of
- (a) receipt of a Transfer Notice, and
- (b) in the case where the Transfer Price has not been specified or has not been agreed between the Seller and the directors or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under article 13,
- such date being the "**Transfer Notice Date**", the Sale Shares shall be offered for sale to the Company and/or the holders of Ordinary Shares (as the case may be) in the manner set out in articles 12 7 and 12 8 Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered
- 12 6 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under articles 12 7 and 12 8 will be conditional on the fulfilment of the Minimum Transfer Condition
- 12 7 *Transfers First Offer*
- (a) The Sale Shares shall first be offered to the Company which shall have a period of 60 days from Transfer Notice Date (the "**First Offer Period**") to apply in writing for the maximum number of Sale Shares it wishes to buy
- (b) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to the number of Sale Shares, the Company shall be required to purchase the Sale Shares set out in the Transfer Notice (subject to the fulfilment of any Minimum Transfer Conditions)
- (c) If, at the end of the First Offer Period, the number of Sale Shares applied for by the Company is less than the number of Sale Shares the directors shall offer the remaining Sale Shares to the holders of the Ordinary Shares in accordance with article 12 8 (the "**Initial Surplus Shares**")
- 12 8 *Transfers Second Offer*
- (a) At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares to all the holders of the Ordinary Shares (excluding the Seller) inviting them to apply in writing within the period from the date of the offer to the date 30 days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy
- (b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to each holder of Ordinary Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares (including Sale Shares) held by the holders of Ordinary

Shares who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a holder of Ordinary Shares of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy

- (c) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the holders of Ordinary Shares in accordance with their applications and any balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with article 12 9(e)

12 9 *Completion of transfer of Sale Shares*

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Ordinary Shares applied for is less than the number of Sale Shares the directors shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under articles 12 7 and 12 8 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

- (b) If

- (i) the Transfer Notice does not include a Minimum Transfer Condition and allocations have been made in respect of some of the Sale Shares, or
- (ii) allocations have been made in respect of all the Sale Shares,

the directors shall, when no further offers are required to be made under articles 12 7 and 12 8, give within a reasonable time written notice of allocation (an "**Allocation Notice**") to the Seller and each holder of Ordinary Shares and/or the Company (as the case may be) to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and that such Applicant has up to 20 Business Days from the date of the Allocation Notice to comply with its payment obligations under this article 12 to allow for completion of the transfer of the Sale Shares to proceed

- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it

- (d) If the Seller fails to comply with the provisions of article 12 9(c)

- (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the directors, may on behalf of the Seller

- (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,

- (B) receive the Transfer Price and give a good discharge for it, and

- (C) (subject to the transfer being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them in the case of an Applicant which is a shareholder or cancel the Sale Shares to the extent that the Applicant is the Company, and

- (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Ordinary Shares (or an indemnity for any lost certificate, in a form acceptable to the directors)
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to article 12 9(f), the Seller may, within three months after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Conditions
- (f) The right of the Seller to transfer Ordinary Shares under article 12 9(e) does not apply if the Board is of the opinion on reasonable grounds that
 - (i) the transferee is a person (or a nominee for a person) who the directors determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Group Undertaking of the Company,
 - (ii) the transfer may otherwise damage, harm or bring into disrepute the reputation or affairs of the Company or any Group Undertaking or the transferee is reasonably believed to be an Associate of any person who the Board is of the reasonable opinion may otherwise damage, harm or bring into disrepute the reputation or affairs of the Company or any Group Undertaking,
 - (iii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
 - (iv) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the directors for the purpose of enabling it to form the opinion mentioned above

13. Valuation of Shares

13 1 If a Transfer Notice does not specify a Transfer Price then, upon service of the Transfer Notice the directors shall either

- (a) appoint an expert valuer in accordance with article 13 2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares, or (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks), or
- (b) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice

13 2 The Expert Valuer will be either

- (a) the Auditors of the Company from time to time, or (if so specified in the relevant Transfer Notice)
- (b) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then

President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company

- 13 3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
 - (c) that the Sale Shares are capable of being transferred without restriction, and
 - (d) reflect any other factors which the Expert Valuer reasonably believes should be taken into account
- 13 4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit
- 13 5 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the directors of their determination
- 13 6 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 13 7 The directors will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the directors may reasonably impose
- 13 8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares
- 13 9 The cost of obtaining the certificate shall be paid by the Seller

14. Mandatory Offer on a Change of Control

- 14 1 Except in the case of Permitted Transfers or, if article 11 12 applies and the proposed transfer is from the Investor (and/or its Permitted Transferees) to any Founder (and/or his Permitted Transferees) in which case the provisions of this article 14 shall not apply, after going through the pre-emption procedure in article 12 or if article 11 12 applies and the proposed transfer is from any Founder (and/or his Permitted Transferees) to the Investor (and/or its Permitted Transferees), the provisions of article 14 2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any shares in the Company (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company
- 14 2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to the other shareholders and any person who could become a shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any

convertible security of the Company, to acquire all of the shares in the Company for a consideration per share the value of which is at least equal to the Specified Price (as defined in article 14 7)

- 14 3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**") The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**")
- 14 4 If any other holder of shares in the Company is not given the rights accorded him by this article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect
- 14 5 If the Offer is accepted by any shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the shares in the Company held by Accepting Shareholders
- 14 6 The purchase of the Accepting Shareholders' shares in the Company shall not be subject to article 12
- 14 7 For the purpose of this article
- (a) the expression "**transfer**" and "**purchaser**" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively,
 - (b) the expression "**Specified Price**" shall mean in respect of each
 - (i) Ordinary Share, a sum in cash equal to the highest price per Ordinary Share offered or paid by the Proposed Purchaser
 - (A) in the Proposed Transfer, or
 - (B) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,plus an amount equal to the Relevant Sum, as defined in article 14 7(c), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Ordinary Shares (the "**Supplemental Consideration**"),
 - (ii) B Ordinary Share, a sum in cash equal to the nominal value of such B Ordinary Share, and
 - (c) **Relevant Sum = C – A**
 - where A = number of Ordinary Shares in the Company being sold in connection with the relevant Proposed Transfer,

15 Drag-along

- 15 1 If the holders of more than 50% of the Ordinary Shares (the "**Selling Shareholders**") wish to transfer all their interest in Ordinary Shares (the "**Sellers' Shares**") to a proposed purchaser who has made an offer on arm's length (the "**Proposed Purchaser**"), the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of shares (the "**Called Shareholders**") to sell and transfer all their shares (the "**Called Shares**") to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this article 15
- 15 2 The Selling Shareholders may, provided the requisite consent has been given pursuant to article 5 8(g), exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company (which the Company shall as soon as practicable and in any event within 5 Business Days following receipt of the Drag Along Notice send to the Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this article 15, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article 15) and the proposed date of transfer
- 15 3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 15 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be equal (on a per share basis) to that to be paid to the Selling Shareholders by the Proposed Purchaser in accordance with the provisions of article 9 2B
- 15 5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this article 15
- 15 6 Within seven days of the Company serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or an indemnity for a lost certificate in a form acceptable to the directors) to the Company, and any relevant transfer agreement pursuant to which the Called Shareholders shall be required to give warranties as to the title and right to transfer the Called Shares free from all encumbrances. On the expiration of that seven day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to article 15 4 to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt for the amounts due pursuant to article 15 4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to article 15 4 in trust for the Called Shareholders without any obligation to pay interest
- 15 7 To the extent that the Proposed Purchaser has not, on the expiration of such seven day period, put the Company in funds to pay the amounts due pursuant to article 15 4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or an indemnity) for the relevant shares and the Called

Shareholders shall have no further rights or obligations under this article 15 in respect of their shares

- 15 8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or an indemnity) for its shares to the Company upon the expiration of that seven day period, any director is authorised to transfer the Called Shareholder's Shares as agent on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that seven day period, put the Company in funds to pay the amounts due pursuant to article 15 4 for the Called Shareholder's Shares offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to article 15 4.
- 15 9 Any transfer of shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of article 12.
- 15 10 On any person, following the issue of a Drag Along Notice, becoming a shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

16 Distributions

- 16 1 Save as otherwise agreed pursuant to article 5 8, during each Financial Year the directors shall be entitled to declare and pay, without the prior written consent of the Investor, any dividends or other cash sum which is a distribution payable out of the Company's Available Profits in respect of an Ordinary Shares which in aggregate does not exceed the sum of £0 13 per Ordinary Shares, provided (i) after payment of the relevant dividend or other cash sum which is a distribution the Company's Available Profits as stated in the Company's most recent Accounts, less any dividends or other cash sum which is a distribution previously made paid in respect of Ordinary Shares during the current Financial Year (inclusive of a dividend or other cash sum about to be declared and paid), exceed the sum of £1,647,766 and (ii) the directors at all times comply with any dividend policy adopted by the board of directors. Article 30 of the Model Articles shall apply in relation to the declaration and payment of dividends.
- 16 2 The holders of B Ordinary Shares shall not be entitled to participate in and be paid during any Financial Year any part of any dividend or other cash sum which is a distribution payable out of the Available Profits of the Company unless (a) such dividend is approved pursuant to the provisions set out in article 5 8 and (b) the amount of such dividend or distribution, when added to the amount of any other dividend or distribution previously paid or declared out of the Available Profits for that Financial Year, exceeds the sum of 30p per Ordinary Share (the "**Threshold Distribution Amount**"), in which instance the holders of the B Ordinary Shares shall be entitled to receive and the directors shall declare and pay to the holders of the B Ordinary Shares during such Financial Year a dividend or distribution per B Ordinary Share calculated as follows:

$$X = Y - Z$$

where

"X" = the amount per B Ordinary Share to be paid to the holders of the B Ordinary Shares by way of dividend or distribution pursuant to this article 16 2,

"Y" = the aggregate amount per Ordinary Share of dividends and/or distributions declared and paid out of the Available Profits of the Company during the Financial Year in question, and

"Z" = the Threshold Distribution Amount

16 3 Where a dividend or other cash sum which is a distribution is payable in respect of a share, it shall be paid by one or more of the following means

- (a) transfer to a bank or building society account specified by the distribution recipient (as defined in article 31(2) of the Model Articles) in writing,
- (b) sending of a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to such other address as specified by the distribution recipient in writing,
- (c) sending of a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing, or
- (d) any other means of payment as the directors agree with the distribution recipient in writing

Article 31(1) of the Model Articles shall not apply

16 4 A capitalised sum which was appropriated from profits available for distribution may be applied

- (a) in or towards paying up any sums unpaid on existing shares held by the persons entitled, or
- (b) in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct

Article 36(4) of the Model Articles shall not apply

16 5 If

- (a) a share is subject to the Company's Lien, and
- (b) the directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Money so deducted shall be used to pay any of the sums payable in respect of that share. The Company shall notify the distribution recipient in writing of

- (c) the fact and sum of any such deduction,

- (c) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
- (d) how the money deducted has been applied

17. Company's Lien

17 1 The Company has a lien (the "**Company's Lien**") over every share which is nil paid or partly paid for any part of

- (a) that share's nominal value, and
- (b) any premium at which it was issued,

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

17 2 The Company's Lien over a share

- (a) shall take priority over any third party's interest in that share, and
- (b) shall extend to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share

The directors may at any time decide that a share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part

17 3 Subject to the provisions of this article 17, if

- (a) a notice complying with article 17 4 (a "**Lien Enforcement Notice**") has been given by the Company in respect of a share, and
- (b) the person to whom the notice was given has failed to comply with it,

then the Company shall be entitled to sell that share in such manner as the directors decide

17 4 A Lien Enforcement Notice

- (a) may only be given by the Company in respect of a share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the share concerned,
- (c) must require payment of the sum payable within 14 days of the notice,
- (d) must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the Company's intention to sell the share if the notice is not complied with

17 5 Where any share is sold pursuant to this article 17

- (a) the directors may authorise any person to execute an instrument of transfer of the share to the purchaser or a person nominated by the purchaser, and
 - (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale
- 17 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) shall be applied
 - (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and
 - (b) secondly, to the person entitled to the share at the date of the sale, but only after the certificate for the share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable over the share before the sale for any money payable in respect of the share after the date of the Lien Enforcement Notice
- 17 7 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been sold to satisfy the Company's Lien on a specified date
 - (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, shall constitute a good title to the share
- 18. **Call Notices**
- 18 1 Subject to these articles and the terms on which shares are allotted, the directors may send a notice (a "**Call Notice**") to a shareholder requiring the shareholder to pay the Company a specified sum of money (a "**call**") which is payable to the Company by that shareholder when the directors decide to send the Call Notice
- 18 2 A Call Notice
 - (a) may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether as to the share's nominal value or any sum payable to the Company by way of premium),
 - (b) shall state when and how any call to which it relates it is to be paid, and
 - (c) may permit or require the call to be paid by instalments
- 18 3 A shareholder shall comply with the requirements of a Call Notice, but no shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent
- 18 4 Before the Company has received any call due under a Call Notice the directors may
 - (a) revoke it wholly or in part, or
 - (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the shareholder in respect of whose shares the call is made

- 18 5 Liability to pay a call shall not be extinguished or transferred by transferring the shares in respect of which it is required to be paid. Joint holders of a share shall be jointly and severally liable to pay all calls in respect of that share.
- 18 6 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that Call Notices sent to the holders of those shares may require them to
- (a) pay calls which are not the same, or
 - (b) pay calls at different times
- 18 7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium)
- (a) on allotment,
 - (b) on the occurrence of a particular event, or
 - (c) on a date fixed by or in accordance with the terms of issue
- 18 8 If the due date for payment of such a sum as referred to in article 18 7 has passed and it has not been paid, the holder of the share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.
- 18 9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below)
- (a) the directors may issue a notice of intended forfeiture to that person, and
 - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the Call Payment Date at the Relevant Rate (as defined below)
- 18 10 For the purposes of article 18 9
- (a) the "**Call Payment Date**" shall be the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "**Call Payment Date**" is that later date, and
 - (b) the "**Relevant Rate**" shall be
 - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted,
 - (ii) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the directors, or
 - (iii) if no rate is fixed in either of these ways, five per cent a year,provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998
- 18 11 The directors may waive any obligation to pay interest on a call wholly or in part

- 18 12 The directors may accept full payment of any unpaid sum in respect of a share despite payment not being called under a Call Notice

19 Forfeiture of shares

19 1 A notice of intended forfeiture

- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a Call Notice,
- (b) shall be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (c) shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice,
- (d) shall state how the payment is to be made, and
- (e) shall state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

- 19 2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture

19 3 Subject to these articles, the forfeiture of a share extinguishes

- (a) all interests in that share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company

19 4 Any share which is forfeited in accordance with these articles

- (a) shall be deemed to have been forfeited when the directors decide that it is forfeited,
- (b) shall be deemed to be the property of the Company, and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit

19 5 If a person's shares have been forfeited then

- (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members,
- (b) that person shall cease to be a shareholder in respect of those shares,
- (c) that person shall surrender the certificate for the shares forfeited to the Company for cancellation,
- (d) that person shall remain liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares,

including any interest (whether accrued before or after the date of forfeiture), and

- (e) the directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- 19 6 At any time before the Company disposes of a forfeited share, the directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit
- 19 7 If a forfeited share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the directors shall be entitled to authorise any person to execute the instrument of transfer
- 19 8 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a share has been forfeited on a specified date
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share
- 19 9 A person to whom a forfeited share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share
- 19 10 If the Company sells a forfeited share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which
- (a) was, or would have become, payable, and
 - (b) had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds

20 Surrender of shares

20 1 A shareholder shall be entitled to surrender any share

- (a) in respect of which the directors issue a notice of intended forfeiture,
- (b) which the directors forfeit, or
- (c) which has been forfeited

The directors shall be entitled to accept the surrender of any such share

20 2 The effect of surrender on a share shall be the same as the effect of forfeiture on that share

- 20 3 The Company shall be entitled to deal with a share which has been surrendered in the same way as a share which has been forfeited

21. Secretary

The directors shall be entitled (but not required) to 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

22 Communications

- 22 1 Subject to the Act, any notice given or document sent or supplied to or by any person under these articles, or otherwise sent by the Company under the Act, may be given, sent or supplied

- (a) in hard copy form,
- (b) in electronic form,

or partly by one of these means and partly by another of these means

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this article 22

- 22 2 Any notice, document or other information given or supplied under the Act or the articles shall be deemed to have been serviced and be effective

- (a) if properly addressed and delivered by hand (whether in hard copy form or electronic form), at the time of delivery at the appropriate address,
- (b) if properly addressed to an address in the United Kingdom and posted by prepaid United Kingdom first class post (whether in hard copy form or electronic form), on receipt or 48 hours after the time it was posted, whichever occurs first,
- (c) if properly addressed and sent (either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom) by reputable international courier addressed to the intended recipient, provided that delivery within at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider), five business days after posting or, if earlier, the date of delivery as confirmed by the courier service provider,
- (d) if sent by facsimile or email (to a fax number or an email address notified by the intended recipient for that purpose), on receipt or 24 hours after the time it was sent, whichever occurs first, and
- (e) if sent by any other Electronic Means, at the time such delivery is deemed to occur under the Act

- 22 3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act

- 22 4 Where the Company is able to show that any notice, document or other information given or supplied under the Act or the articles by Electronic Means was properly addressed with the electronic address supplied by the intended recipient, the giving or supply of that notice, document or other information shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt
- 22 5 In the case of joint holders of a share all notices, documents or other information shall be given or supplied to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**") Notice so given shall constitute notice to all the joint holders and any other documents or information so supplied shall be deemed to have been given to all the joint holders
- 22 6 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise)
- 22 7 A document or information sent or supplied to the Company by one person on behalf of another must be accompanied by written evidence of the authority (being the original, a duly certified copy of the grant of authority or such other evidence as the directors deem appropriate) of that person to act on behalf of the other

23. Indemnity and insurance

23 1 Subject to article 23 2

- (a) each Relevant Officer shall be indemnified out of the Company's assets against
- (i) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company,
 - (ii) any liability incurred by that person in connection with the activities of the Company or an associated company in its capacity as a trustee of an Occupational Pension Scheme, and
 - (iii) any other liability incurred by that person as an officer of the Company or an associated company, and
- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with defending any civil or criminal proceedings or any application relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

23 2 This article 23 does not authorise or provide any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

23 3 The directors shall be entitled to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company

- 23 4 In this article 23, companies are "associated" if one is a subsidiary of the other or both are subsidiaries of the same body corporate
- 23 5 Articles 52 and 53 of the Model Articles shall not apply

SCHEDULE

1. Extract from Schedule 1 to the Interpretation Act 1978

““EEA State”, in relation to any time, means—

- (a) a state which at that time is a member state, or
- (b) any other state which at that time is a party to the EEA Agreement,”

2 Extract from section 235(6) of the Companies Act 2006.

“(6) In this section “occupational pension scheme” means an occupational pension scheme as defined in section 150(5) of the Finance Act 2004 (c 12) that is established under a trust ”

3. Extract from section 318(3) of the Companies Act 2006

“For the purposes of this section a “qualifying person” means—

- (a) an individual who is a member of the Company,
- (b) a person authorised under section 323 (representation of corporations at meetings) to act as the representative of a corporation in relation to the meeting, or
- (c) a person appointed as proxy of a member in relation to the meeting ”

4 Extract from section 333(4) of the Companies Act 2006

“(4) In this section “electronic address” means any address or number used for the purposes of sending or receiving documents or information by electronic means ”

5 Extract from section 692(1) of the Companies Act 2006

“(1) A private limited company may purchase its own shares—

- (a) out of capital in accordance with Chapter 5, and
- (b) with cash (if authorised to do so by its articles) up to an amount in a financial year not exceeding the lower of—
 - (i) £15,000, or
 - (ii) the value of 5% of its share capital “

6. Extract from section 1161 of the Companies Act 2006

“1161 Meaning of “undertaking” and related expressions

- (1) In the Companies Acts “undertaking” means—
 - (a) a body corporate or partnership, or
 - (b) an unincorporated association carrying on a trade or business, with or without a view to profit
 - (2) In the Companies Acts references to shares—
 - (a) in relation to an undertaking with capital but no share capital, are to rights to share in the capital of the undertaking, and
 - (b) in relation to an undertaking without capital, are to interests—
 - (i) conferring any right to share in the profits or liability to contribute to the losses of the undertaking, or
 - (ii) giving rise to an obligation to contribute to the debts or expenses of the undertaking in the event of a winding up
 - (3) Other expressions appropriate to companies shall be construed, in relation to an undertaking which is not a company, as references to the corresponding persons, officers, documents or organs, as the case may be, appropriate to undertakings of that description
- This is subject to provision in any specific context providing for the translation of such expressions
- (4) References in the Companies Acts to “fellow subsidiary undertakings” are to undertakings which are subsidiary undertakings of the same parent undertaking but are not parent undertakings or subsidiary undertakings of each other
 - (5) In the Companies Acts “group undertaking”, in relation to an undertaking, means an undertaking which is—
 - (a) a parent undertaking or subsidiary undertaking of that undertaking, or
 - (b) a subsidiary undertaking of any parent undertaking of that undertaking ”

7. Extract from section 1168(4) of the Companies Act 2006:

- “(4) A document or information is sent or supplied by electronic means if it is—
- (a) sent initially and received at its destination by means of electronic equipment for the processing (which expression includes digital compression) or storage of data, and
 - (b) entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means

References to electronic means have a corresponding meaning ”

8. Extract from section 150(5) of the Finance Act 2004:

"(5) In this Part "occupational pension scheme" means a pension scheme established by an employer or employers and having or capable of having effect so as to provide benefits to or in respect of any or all of the employees of—

(a) that employer or those employers, or

(b) any other employer,

(whether or not it also has or is capable of having effect so as to provide benefits to or in respect of other persons) "