

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
TOPPESFIELD LIMITED
(As amended by special resolution dated 13 MARCH 2017)



We hereby certify this to be a true and complete copy of the original

Signed 

Name JAMIE TAVARES

Outset Legal LLP

Date 31.03.2017

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INTRODUCTION

1. INTERPRETATION

- 1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings:

A Share: an ordinary share of £1.00 in the capital of the Company designated as an A Share;

Act: the Companies Act 2006;

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

Adoption Date: the date of adoption of these Articles;

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

A Shareholder: a holder of A Shares;

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

B Share: an ordinary share of £1.00 in the capital of the Company designated as a B Share;

B Shareholder: a holder of B Shares;

Bad Leaver: a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is not a Good Leaver.

Business Day: any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

Call: has the meaning given to it in *article 25.3*;

Call Notice: has the meaning given to it in *article 25.3*;

Chairman: has the meaning given to it in *article 6.1*;

Companies Acts: has the meaning given to it in the Act;

Company: means Toppesfield Limited (Company number 05054176);

connected: has the meaning given in section 252 of the Act;

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

C Share: an ordinary share of £1.00 in the capital of the Company designated as a C Share;

C Shareholder: a holder of C Shares;

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;

Departing Employee Shareholder: an Employee Shareholder who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of any other Group Company;

Directors: the directors of the Company from time to time;

Disposal: the disposal by the Company of all, or a substantial part of, its business and assets;

D Share: an ordinary share of £1.00 in the capital of the Company designated as a D Share;

D Shareholder: a holder of D Shares;

E Share: an ordinary share of £1.00 in the capital of the Company designated as an E Share;

E Shareholder: a holder of E Shares;

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

Employee Shareholder: a Shareholder who is, or has been, a director and/or an employee of any Group Company;

Exit: a Share Sale or a Disposal;

F Share: an ordinary share of £1.00 in the capital of the Company designated as an F Share;

F Shareholder: a holder of F Shares;

Fair Value: has the meaning given in *article 18.2*;

Family Trust: as regards any particular individual Shareholder (or deceased or former individual Shareholder) 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 particular Shareholder and/or any of the Privileged Relations of that Shareholder (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 any such person or any voting or other rights attaching thereto are exercisable by or as directed by any 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: an accounting reference period (as defined in section 391 of the Act) of the Company;

First Offer Shareholders: in respect of:

- (a) an offer of A Shares, the holders of A Shares;
- (b) an offer of B Shares, the holders of B Shares;
- (c) an offer of C Shares, the holders of C Shares;
- (d) an offer of D Shares, the holders of D Shares;
- (e) an offer of E Shares, the holders of E Shares; and
- (f) an offer of F Shares, the holders of F Shares.

Good Leaver: an Employee Shareholder who becomes a Departing Employee Shareholder by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity through ill-health;
- (c) retirement at normal retirement age;
- (d) ceasing to be employed by any Group company as a result of a Group company ceasing to be a Group company;
- (e) dismissal by the Company (or other Group company) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful; or
- (f) the consent in writing of all of the Shareholders (other than the Departing Employee Shareholder);

Group: the Company and its subsidiaries (if any) from time to time and **Group Company** shall be construed accordingly;

Holding company: has the meaning given in section 1159 of the Act;

Independent Expert: the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert 5 Business Days of the expiry of the period referred to in *article 18.1*, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator);

Investor Consent: consent given by the holders of a majority of the A Shares in issue from time to time;

Investor Director: a director appointed by the holders of a majority of the A Shares in issue from time to time;

Lien Enforcement Notice: means a notice in writing which complies with the requirements of article 25.2(b);

Member of the Same Group: as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company;

Model Articles: 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 Adoption Date;

Ordinary Shares: the ordinary shares of £1.00 each in the capital of the Company;

Original Shareholder: has the meaning given in *article 16.1*;

Permitted Transfer: a transfer of Shares made in accordance with *article 16*;

Permitted Transferee: in relation to:

(a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;

(b) a Shareholder which is a company, a Member of the Same Group as that company;

Privileged Relation: in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);

Relevant Securities: any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than:

(a) the grant of any options under a Share Option Plan (and the issue of Shares on the exercise of any such options);

(b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and/or the Shareholders' Agreement; and

(c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business;

Relevant Shares: in relation to an Employee Shareholder means all Shares held by:

(a) the Employee Shareholder in question; and

(b) any Permitted Transferee of that Employee Shareholder (other than those Shares held by those persons that an Investor Majority declares itself satisfied were not acquired directly or indirectly from the Employee Shareholder or by reason of his/her relationship with the Employee Shareholder),

and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice;

Respective Proportions: in relation to a Shareholder, the proportion which the number of shares held by that party in the Company bears to the total number of issued shares of the Company or a class of shares in the Company (as appropriate).

Sale Shares: has the meaning given in *article 17.2(a)*;

Seller: has the meaning given in *article 17.2*;

Shareholder: a holder for the time being of any Share or Shares;

Shareholders' Agreement: the shareholders' agreement dated on or around the Adoption Date between, amongst others, the Company and the Shareholders (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms (or these Articles) for the time being);

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

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

subsidiary: in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

Transfer Notice: has the meaning given in *article 17.2*; and

Transfer Price: has the meaning given in *article 18*.

1.2 A reference in these Articles to:

- (a) an **Article** is a reference to the relevant numbered article of these Articles; and
- (b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise.

1.3 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).

1.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.

1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

- (a) any subordinate legislation from time to time made under it; and
- (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

2. ADOPTION OF THE MODEL ARTICLES

2.1 The Model Articles (together with those provisions of Schedule 3 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) referred to in article 26) shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

2.2 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.

2.3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".

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

2.5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

3. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two.

4. PROCEEDINGS OF DIRECTORS

4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 4.2* (subject

to *article 4.3* and *article 4.4*). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.

- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with *article 4.2* may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with *article 4.2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 4.6* and *article 4.7*.
- 4.5 Meetings of the Directors shall take place at least 4 times in each year, with a period of not more than 12 weeks between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 7 Business Days' advance notice in writing of each such meeting shall be given to each Director.
- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include an A Shareholder appointed as a director and who holds the majority of the A Shares in issue, or attends the meeting with the consent of the holders of a majority of the A Shares in issue, unless:
- (a) there is not an A Shareholder in office for the time being; or
 - (b) such A Shareholder has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting; or
 - (c) such A Shareholder is not, in respect of any particular meeting (or part of a meeting), an Eligible Director.

in which case, subject to *article 4.7*, the quorum for such meeting (or part of the meeting, as the case may be) shall be any two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Chairman determines. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.

- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to *article 8* to authorise a Conflict (as defined in *article 8.1*), if there is only one Eligible Director in

office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

- 4.8 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to:
- (a) appoint further Directors; or
 - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote.
- 4.10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

5. APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 3.1 of these Articles".
- 5.2 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;
 - (b) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.

6. CHAIRMAN

- 6.1 The Directors may appoint any person as chairman of the board of Directors (**Chairman**) and may remove and replace any such Chairman. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

8. DIRECTORS' CONFLICTS

8.1 The Directors may, in accordance with the requirements set out in this *article 8*, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

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

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

- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.3 Any authorisation of a Conflict under this *article 8* may (whether at the time of giving the authorisation or subsequently):
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 8.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 8.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 8.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

9. SECRETARY

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

SHARES AND DISTRIBUTIONS

10. DIVIDENDS

- 10.1 In respect of any Financial Year, the Available Profits of the Company may be used to pay dividends, in such amounts and in such proportions as between the different classes of Shares, as the Directors may determine, with the prior consent of the holders of a majority of the A Shares.

11. LIQUIDATION PREFERENCE

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

- (a) first, in paying to the holders of the C Shares the sum of £4,000 in their Respective Proportions;
- (b) second, after settlement in full of the amounts payable pursuant to Article 11(a), in paying to the holders of the A Shares and D Shares in their Respective Proportions (the A Shares and D Shares being deemed one class of Share for the purpose of this Article 11(b)) the amount of remaining unpaid Surplus Assets up to £6,000,000;
- (c) third, after settlement in full of the amounts payable pursuant to Articles 11(a), and 11(b) in paying the balance of remaining unpaid Surplus Assets up to £14,000,000 (a total of £20,000,000 in Surplus Assets) in the following manner:
 - (i) a sum equal to 90% of such amount shall be paid to the A Shareholders and D Shareholders in their Respective Proportions (the A Shares and D Shares being deemed one class of Share for the purpose of this Article 11(c)); and
 - (ii) a sum equal to 10% of such amount shall be paid to the B Shareholders in their Respective Proportions;
- (d) fourth, after settlement in full of the amounts payable pursuant to Articles 11(a), 11(b) and 11(c) in paying the amount of all remaining unpaid Surplus Assets up to £12,000,000 (a total of £32,000,000 in Surplus Assets) in the following manner:
 - (i) a sum equal to 81% of such amount shall be paid to the A Shareholders and D Shareholders in their Respective Proportions

(the A Shares and D Shares being deemed one class of Share for the purpose of this Article 11(d)) ;

- (ii) a sum equal to 9% of such amount shall be paid to the B Shareholders in their Respective Proportions; and
- (iii) a sum equal to 5% of such amount shall be paid to the E Shareholders in their Respective Proportions; and
- (iv) a sum equal to 5% of such amount shall be paid to the F Shareholders in their Respective Proportions.

provided that, if no Shares of the relevant class are in issue, the sum which would otherwise have been paid to Shareholders of that class shall be paid to Shareholders of the remaining classes of Shares listed in (d)(i) to (d)(iv) above in such proportions as the entitlement of each class of Shares in this article 11(d) bears to the others (excluding any classes not in issue).

- (e) fifth, after settlement in full of the amounts payable pursuant to Articles 11(a), 11(b), 11(c) and 11(d) in paying the amount of all remaining unpaid Surplus Assets in the following manner:

- (i) a sum equal to 81% of such amount shall be paid to the A Shareholders and D Shareholders in their Respective Proportions (the A Shares and D Shares being deemed one class of Share for the purpose of this Article 11(e)) ;
- (ii) a sum equal to 9% of such amount shall be paid to the B Shareholders in their Respective Proportions; and
- (iii) a sum equal to 5% of such amount shall be paid to the C Shareholders in their Respective Proportions; and
- (iv) a sum equal to 5% of such amount shall be paid to the E Shareholders in their Respective Proportions.

provided that, if no Shares of the relevant class are in issue, the sum which would otherwise have been paid to Shareholders of that class shall be paid to Shareholders of the remaining classes of Shares listed in (e)(i) to (e)(iv) above in such proportions as the entitlement of each class of Shares in this article 11(e) bears to the others (excluding any classes not in issue).

12. EXIT PROVISIONS

- 12.1 The proceeds of a Share Sale shall be distributed in the same manner and order of priority as is set out at Article 11 as if reference therein to "Surplus Assets" was a reference to "Sale Proceeds" as defined in Article 12.2.
- 12.2 The Directors shall not register any transfer of Shares if the consideration payable (including any deferred consideration) whether in cash or otherwise to those

Shareholders selling Shares under a Share Sale (**Sale Proceeds**) is not distributed in that manner provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

- (a) the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in *article 12.1*; and
- (b) each Shareholder shall take any reasonable action (to the extent lawful and within his or her control) to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in *article 12.1*.

- 12.3 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in *article 12.1*, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within his or her control) take any reasonable action required (including, but without prejudice to the generality of this *article 12.3*, such action as may be necessary to put the Company into voluntary liquidation so that *article 11* applies).

13. VARIATION OF CLASS RIGHTS

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

14. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 14.1 Save to the extent authorised by these Articles, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.
- 14.2 Subject to the remaining provisions of this *article 14*, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:
- (a) offer or allot;
 - (b) grant rights to subscribe for or to convert any security into; and
 - (c) otherwise deal in, or dispose of,

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

14.3 The authority referred to in *article 14.2*:

- (a) shall be limited to a maximum nominal amount of £100 of Ordinary Shares;
- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

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

14.5 If the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Shares (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

14.6 An offer made under *article 14.5* shall:

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- (b) remain open for a period of at least 30 Business Days from the date of service of the offer; and
- (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *article 14.5* shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.

14.7 If, on the expiry of an offer made in accordance with *article 14.5*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.

- 14.8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *article 14.5* shall be used to satisfy any requests for Excess Securities made pursuant to *article 14.6(c)*. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him).
- 14.9 If, after completion of the allotments referred to in *article 14.7* and *article 14.8*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to the holders (on the date of this offer) of the Ordinary Shares on a *pari passu* basis and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person. Such offer shall be made in accordance with *article 14.6* and the provisions of *article 14.7* and *article 14.8* shall, with necessary modifications, apply to such offer.
- 14.10 If, after completion of the allotments referred to in *article 14.7*, *article 14.8* and *article 14.9*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to *article 14.11* be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 14.11 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 15. TRANSFERS OF SHARES: GENERAL**
- 15.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 15.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to *article 15.4*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

15.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

15.4 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Shareholders agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this *article 15.4*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.

15.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by an Investor Director, require:

- (a) any holder (or the legal representatives of a deceased holder); or
 - (b) any person named as a transferee in a transfer lodged for registration; or
 - (c) such other person as the Directors or an Investor Director may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.

15.6 If any such information or evidence referred to in *article 15.5* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and , if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 5 Business Days of receipt of such written notice, then:

- (a) the relevant Shares shall cease to confer on the holder of them any rights:
 - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - (ii) to receive dividends or other distributions (other than the amount to which they may be entitled pursuant to the application of *article 10.1*) otherwise attaching to those Shares; or
 - (iii) to participate in any future issue of Shares issued in respect of those Shares; and

- (b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in *article 15.6(a)* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 15.6(b)* on completion of such transfer.

- 15.7 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).
- 15.8 Any Transfer Notice (but not an Offer Notice (as defined in *article 21.3*) or a Drag Along Notice (as defined in *article 22.2*)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

16. PERMITTED TRANSFERS OF SHARES

- 16.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.
- 16.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
 - (a) the Original Shareholder;
 - (b) any Privileged Relation(s) of the Original Shareholder;
 - (c) subject to *article 16.3*, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
 - (d) subject to *article 16.3*, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

- 16.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:
 - (a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
 - (b) with the identity of the proposed trustee(s);

- (c) that 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 that Family Trust are to be paid by the Company.

16.4 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with *article 17*,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 16.4*. This *article 16.4* shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

16.5 Notwithstanding any other provision of this *article 16*, a transfer of any Shares approved by the Directors (acting with Investor Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors.

17. **PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

17.1 Except where authorised by these articles, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *article 17*.

17.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

- (a) subject to *article 15.7*, the number of Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any; and
- (c) subject to *these articles*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**).

17.3 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

17.4 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- (b) the determination of the Transfer Price,

the Directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this *article 17* at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

17.5 The Company shall offer the Sale Shares to the holders of Ordinary Shares on the basis set out in *article 17.7* to *article 17.13* (inclusive).

17.6 An offer of Sale Shares shall remain open for acceptance for a period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with *article 17.7* and *article 17.8*.

17.7 Subject to *article 17.6*, the Directors shall offer the Sale Shares in accordance with *article 17.5* to the First Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

17.8 If:

- (a) at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all First Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Investor Consent)). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with *article 17.8(a)*, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *article 17.8(a)*. The procedure set out in this *article 17.8(b)* shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First

Offer Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with *article 17.9*.

17.9 If at the end of the First Offer Period

- (a) not all Initial Surplus Shares are allocated but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in *article 17.8(b)*. The procedure set out in this *article 17.9(a)* shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and
- (b) the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the First Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall be offered to any other person in accordance with *article 17.13*.

17.10 Where allocations have been made in respect of all the Sale Shares, the Directors shall, when no further offers or allocations are required to be made under *article 17.6* to *article 17.9* (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).

17.11 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

17.12 If the Seller fails to comply with *article 17.11*:

- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller):
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- (b) 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 his

certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

17.13 Where an Allocation Notice does not relate to all the Sale Shares, then , subject to *article 17.14*, the Seller may, at any time during the 20 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this *article 17.13* shall continue to be subject to any Minimum Transfer Condition.

17.14 The Seller's right to transfer Shares under *article 17.13* does not apply if the Directors reasonably consider that:

- (a) the transferee is a person (or a nominee for a person) whom the Directors reasonably determine to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
- (b) 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
- (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in *article 17.14(b)*.

18. VALUATION

18.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.

18.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
- (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;

- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

18.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.

18.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.

18.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.

18.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).

18.7 The Independent Expert shall be requested to determine the Fair Value within 30 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.

18.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs, unless in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert, in which case the Seller shall bear the cost.

19. OBLIGATORY TRANSFER EVENT

If anything mentioned in this clause happens to a Shareholder (or, where expressly provided for, a named individual Shareholder) it is an Obligatory Transfer Event in respect of that party and the provisions of article 19 apply:

- (a) a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or

- (b) he commits a material breach of any obligation under these Articles and fails to remedy such breach within 20 Business Days of notice to remedy the breach being served by all other Shareholders; or
- (c) any chargee enforcing any charge created over any Shares held by the party in the Company; or
- (d) illness or incapacity (whether mental or physical), rendering him incapable of managing his own affairs or becoming a patient under any mental health legislation; or
- (e) in the case of a B Shareholder:
 - (i) he is Good Leaver; or
 - (ii) he is a Bad Leaver; or
- (f) in the case of a C Shareholder:
 - (i) he is Good Leaver; or
 - (ii) he is a Bad Leaver; or
- (g) in the case of the Obligatory Transfer Events set out in sub-paragraphs (a), (b), (c) or (d) above, any competent person takes any analogous step in any jurisdiction in which the relevant party carries on business.

20. TRANSFER FOLLOWING OBLIGATORY TRANSFER EVENT

- 20.1 Where an Obligatory Transfer Event happens to a party (in this clause **the Seller**) he shall give notice of it to the Company as soon as possible and, if he does not, he is deemed to have given notice of the Obligatory Transfer Event to the Company on the date on which the other parties become aware of the Obligatory Transfer Event (**Notice of Obligatory Transfer Event**).
- 20.2 A Notice of Obligatory Transfer Event appoints the Company the agent of the Seller for the sale of the Seller's shares in the Company (**Sale Shares**) under this clause.
- 20.3 As soon as practicable after service, or deemed service, of the Notice of Obligatory Transfer Event, the parties shall appoint an Expert to determine the Fair Value of the Sale Shares in accordance with article 20.4 to article 20.7.
- 20.4 In this clause the Fair Value of the Sale Shares shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions:
- (a) the value of the shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Sale Shares bear to the then total issued share capital of the Company:

- (i) in the case of the A Shareholders, with no premium or discount for the size of the Seller's shareholding or for the rights or restrictions applying to the shares under this agreement or the Articles; and
 - (ii) in the case of a B Shareholder or a C Shareholder, with no discount for the size of the B Shareholder's or C Shareholder's shareholding or for the rights or restrictions applying to his shares under this agreement or the Articles;
 - (b) the sale is between a willing buyer and a willing seller on the open market;
 - (c) the sale is taking place on the date that the Obligatory Transfer Event occurred;
 - (d) if the Company is then carrying on its Business as a going concern, on the assumption that it shall continue to do so;
 - (e) the shares are sold free of all Encumbrances; and
 - (f) to take account of any other factors that the Expert reasonably believes should be taken into account.
- 20.5 Subject to article 20.6, if the Obligatory Transfer Event arises as a result of an event specified in article 19(e)(i) or 19(f)(i) the Fair Value shall be determined in accordance with article 20.4.
- 20.6 If the Obligatory Transfer Event arises as a result of a Shareholder being a Good Leaver due to his death, the provisions of the Shareholders' Agreement shall apply.
- 20.7 If the Obligatory Transfer Event arises as a result of an event specified in article 19(e)(ii) or 19(f)(ii) the Fair Value shall be the Fair Value determined in accordance with article 20.4 or the nominal value of the Sale Shares, whichever is lower.
- 20.8 If, within 2 years from the date of this Agreement, the Obligatory Transfer Event arises as a result of an event specified in article 19(f)(i), the Fair Value shall be the Fair Value determined in accordance with article 20.4 or the nominal value of the Sale Shares, whichever is lower.
- 20.9 If any problem arises in applying any of the assumptions set out in article 20.4, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit.
- 20.10 Subject to article 20.15, as soon as practicable following notification of the Fair Value of the Sale Shares to the Company, the Directors shall offer the Sale Shares for sale in writing:
- (a) in the case of A Shares to all parties owning the same class of Share other than the Seller; and

- (b) in the case of B Shares to all parties owning A Shares and D Shares other than the Seller; and
- (c) in the case of C Shares to all parties owning A Shares, D Shares and B Shares other than the Seller; and
- (d) in the case of D Shares to all parties owning A Shares and D Shares other than the Seller;
- (e) in the case of E Shares to all parties owning A Shares, B Shares, C Shares or D Shares, other than the Seller; and
- (f) in the case of F Shares to all parties owning A Shares, B Shares, D Shares or E Shares, other than the Seller.

in each case (**Continuing Shareholders**) giving details of the number of, and price per share for, the Sale Shares (which shall be their Fair Value) (**Transfer Price**).

- 20.11 The offer shall invite the Continuing Shareholders to apply in writing within 28 days of the date of the offer (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If only some of the Sale Shares are allocated in accordance with this article 20.11, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this article 20.11.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with article 20.12.

- 20.12 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within 28 days of the date of the offer (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

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 remaining Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of Shares (including any Sale Shares) bears to the total number of Shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

20.13 Once the allocations have been made in respect of the Sale Shares, the Directors shall, when no further offers are required to be made under article 20.11 and article 20.12, give written notice of allocation (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (**Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares.

20.14 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares in accordance with the requirements specified in the Allocation Notice.

If the Seller fails to comply with the requirements of the Allocation Notice:

- (a) the Chairman of the Company (or, failing him, one of the other directors, or some other person, nominated by a resolution of the Board) may, on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Consideration and give a good discharge for it; and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
- (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

20.15 Where a shareholder holding B Shares, C Shares, E Shares or F Shares dies, and he is not a Privileged Relation of an original shareholder, the Company may, by a

resolution of the Directors elect to buy back the deceased shareholder's shares at Fair Value within 12 months of the date of death (but only to the extent it is lawfully able to do so), in which case the provisions of Articles 20.10 to 20.14 (inclusive) shall not apply.

21. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 21.1 Except in the case of transfers pursuant to article 20, and after going through the pre-emption procedure set out in these Articles, the provisions of articles 21.2 to 21.6 shall apply if, in one or a series of related transactions, one or more Shareholders (**Seller**) propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 21.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 6 months preceding the date of the Proposed Transfer (**Specified Price**).
- 21.3 The Offer shall be given by written notice (**Offer Notice**), at least 20 Business Days (**Offer Period**) before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the purchase price and other terms and conditions of payment;
 - (c) the Sale Date; and
 - (d) the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 21.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with clause 21.2 and clause 21.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares affected in accordance with the Proposed Transfer.
- 21.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 21.6 The Proposed Transfer is subject to the pre-emption provisions of the Articles, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

22. DRAG ALONG

- 22.1 If the holders of 60% of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in the Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article 22 (**Drag Along Option**).
- 22.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this article 22;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 22.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 22.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 22.
- 22.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
 - (b) that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the twentieth Business Day after service of the Drag Along Notice.
- 22.6 The rights of pre-emption set out in the Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.

- 22.7 Within 5 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 22.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 22.2(c) in trust for the Called Shareholders without any obligation to pay interest.
- 22.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to article 22.2(c), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 22 in respect of their Shares.
- 22.9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 22.

DECISION-MAKING BY SHAREHOLDERS

23. GENERAL MEETINGS

- 23.1 No business other than, subject to *article 23.2*, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 23.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

24. VOTING

- 24.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 24.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 24.3 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.
- 24.4 Model article 45(1) shall be amended by:
- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
 - (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

25. LIEN, CALLS ON SHARES AND FORFEITURE

- 25.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.
- 25.2 **Enforcement of the Company's Lien**
- (a) Subject to the provisions of this *article 25.2*, if:
- (i) a Lien Enforcement Notice has been given in respect of a Share; and
 - (ii) the person to whom the notice was given has failed to comply with it,
- the Company may sell that Share in such manner as the Directors decide.
- (b) A Lien Enforcement Notice:
- (i) may only be given 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;

- (ii) must specify the Share concerned;
 - (iii) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
 - (iv) must be addressed either to the holder of the Share or to a transmittee of that holder; and
 - (v) must state the Company's intention to sell the Share if the notice is not complied with.
- (c) Where Shares are sold under this *article 25.2*:
 - (i) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
 - (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- (d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
 - (i) 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
 - (ii) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares 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 certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice.
- (e) 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:
 - (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - (ii) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

25.3 **Call notices**

- (a) Subject to the 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 at the date when the Directors decide to send the Call Notice.

- (b) A Call Notice:
 - (i) may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;
 - (ii) must state when and how any Call to which it relates is to be paid; and
 - (iii) may permit or require the Call to be made in instalments.
- (c) A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- (d) Before the Company has received any Call due under a Call Notice the Directors may:
 - (i) revoke it wholly or in part; or
 - (ii) specify a later time for payment than is specified in the notice,by a further notice in writing to the Shareholder in respect of whose Shares the Call is made.
- (e) 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:
 - (i) on allotment;
 - (ii) on the occurrence of a particular event; or
 - (iii) on a date fixed by or in accordance with the terms of issue.

25.4 Forfeiture

- (a) If a person is liable to pay a Call and fails to do so by the Call payment date:
 - (i) the Directors may issue a notice of intended forfeiture to that person; and
 - (ii) until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate.
- (b) A notice of intended forfeiture:
 - (i) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
 - (ii) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transferee of that holder;
 - (iii) must 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 less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

- (iv) must state how the payment is to be made; and
 - (v) must 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.
- (c) At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit.

ADMINISTRATIVE ARRANGEMENTS

26. NOTICES

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

For the purposes of this *article 26.1*, no account shall be taken of any part of a day that is not a working day.

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

27. INDEMNITY AND INSURANCE

- 27.1 Subject to *article 27.2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto

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

- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in *article 27.1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

27.2 This *article 27* does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

27.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

27.4 In this *article 27*:

- (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund of the Company (or other Group Company); and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company, but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

28. DATA PROTECTION

28.1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a **Recipient**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

28.2 The personal data that may be processed for such purposes under this *article 28* shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:

- (a) a Member of the Same Group as the Recipient (each a **Recipient Group Company**);
- (b) employees, directors and professional advisers of that Recipient or any Recipient Group Company; and
- (c) funds managed by any of the Recipient Group Companies.

28.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.