

Company number 05629734

WEDNESDAY



A49

03/08/2011

COMPANIES HOUSE

1

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

THE DEBT SUPPORT COMPANY LIMITED (Company)

DATE 10 June 2011

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 ("2006 Act"), the directors of the Company propose that the following resolutions are passed as special resolutions ("**Resolutions**")

**SPECIAL RESOLUTIONS**

- 1 THAT, the draft Articles of Association of the Company in the form annexed to this resolution and marked "A" are hereby adopted as the New Articles of Association of the Company (the "**New Articles**") in substitution for and to the exclusion of the existing articles of association
- 2 THAT, the 15 Ordinary Shares of £1 each in the capital of the Company as currently held in the name of Nicola Lush shall be converted to 15 Non-Voting Shares subject to the conditions set out in the New Articles adopted pursuant to Resolution 1 above

**AGREEMENT**


Please read the notes at the end of this document before signifying your agreement to the above Resolutions




The undersigned, being entitled to vote on the above resolutions on 10 June 2011, hereby irrevocably agree to the above Resolutions

This resolution may be executed in any number of counterparts with the same effect as if the signatures to each such counterpart were upon the same instrument

Signed by

Date 10 June 2011

 DOMINIC MAXWELL

 As Power of Attorney for Michelle Maxwell  
 As Power of Attorney for Michael Hendon  
 as Power of Attorney for Nicola Lush

## NOTES

1 The Resolutions must be passed as a Special Resolution. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning the signed version to the Company using one of the following methods:

- **By Hand** delivering the signed copy to Maya Gabay, Gates and Partners, 5th Floor, Capital House, 85 King William Street, London EC4N 7BL
- **Post** returning the signed copy by post to Maya Gabay, Gates and Partners, 5th Floor, Capital House, 85 King William Street, London EC4N 7BL
- **Fax** faxing the signed copy to 02073370301 marked "For the attention of Maya Gabay"
- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to [mgabay@gatesandpartners.com](mailto:mgabay@gatesandpartners.com)

If you do not agree to the Resolutions, you do not need to do anything; you will not be deemed to agree if you fail to reply.

2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.

3 Unless, by the end of 28 days beginning with the date hereof, sufficient agreement has been received for the Resolutions to pass, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.

**DATED**

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**ARTICLES OF ASSOCIATION**

of

**THE DEBT SUPPORT COMPANY**

**GATES AND PARTNERS**  
SOLICITORS

5th Floor, Capital House,  
85 King William Street,  
London, EC4N 7BL  
Tel 0844 692 4900  
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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**THE DEBT SUPPORT COMPANY LIMITED**  
(Adopted by special resolution passed on [     ])

**INTRODUCTION**

**1. INTERPRETATION**

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

**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,

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

**Bad Leaver:** a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is neither a Good Leaver nor an Early 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 22 4*,

**Call Notice:** has the meaning given to it in *Article 22 4*,

**Chairman:** has the meaning given to it in *Article 6 4*,

**Companies Acts:** has the meaning given to it in the Act,

**Company:** means The Debt Support Company Limited (Company number 06293013),

**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,

**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 within three years of the date of adoption of these Articles 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,

**Early Leaver:** a Departing Employee Shareholder who becomes a Departing Employee Shareholder for any reason within twelve] months of (but excluding) the Adoption Date,

**Employee Shareholder:** Dominic Maxwell and any other person as agreed by a majority of the Board,

**Employee Trust:** a trust, the terms of which are approved by an Investor Majority, whose beneficiaries are the bona fide employees of the Group,

**Equity Shares:** the Ordinary Shares,

**Exit:** a Share Sale, a Disposal or a Listing,

**Fair Value:** has the meaning given in *Article 16 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 an offer of Ordinary Shares, the holders of Ordinary Shares,

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

**Good Leaver:** an Employee Shareholder who becomes a Departing Employee Shareholder (other than an Early Leaver) 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, or
- (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 constructive],

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

**Independent Expert:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by the Company and the Seller (or, for the purposes of article 15 5, an Investor Majority) or, in the absence of agreement between the Company and the Seller (or Investor Majority, as the case may be) on the identity of the expert or its terms of appointment within 10 Business Days of the expiry of the 10 Business Day period referred to in *Article 16 1*, an independent firm of accountants appointed, and whose terms of appointment are agreed, 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:** Black Jasper Trading Limited,

**Investor Consent:** the prior consent in writing of an Investor Majority,

**Investor Director:** has the meaning given in *Article 6 1*,

**Investor Majority:** the holder(s) for the time being of not less than 75% by nominal value of all Shares held by Investors compared with each of the Investors,

**Issue Price:** in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium,

**Lien Enforcement Notice:** means a notice in writing which complies with the requirements of article article 22 3(b),

**Listing:** the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc, or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),

**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,

**Non-Voting Shares:** the Non-Voting shares of £1 00 each in the capital of the Company retaining the rights as set out on these Articles,

**Ordinary Shares:** the ordinary shares of £[AMOUNT] each in the capital of the Company,

**Original Shareholder:** has the meaning given in *Article Error! Reference source not found.*,

**Permitted Transfer:** a transfer of Shares made in accordance with *Article 14*,

**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, and
- (c) an Investor, to (i) a Member of the Same Group as that Investor, or (ii) any nominee of that Investor, or (iii) to any other Investor,

**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),

**Qualifying Listing:** a fully underwritten Listing which values the Shares the subject of the Listing at, in aggregate, no less than £1,000,000 or more,

**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
- (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Investor Consent,

**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,

**Restricted Shares:** has the meaning given in *Article 17 7*,

**Sale Shares:** has the meaning given in *Article 15 2(a)*,

**Seller:** has the meaning given in *Article 15 2*,

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

**Share Option Scheme:** any share option scheme of the Company which an Investor Majority identifies in writing as being a Share Option Scheme for the purposes of these Articles,

**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,

**Termination Date:** (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,

(c) where an Employee Shareholder dies, the date of his death,

(d) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated, or

(e) in any other case, the date on which the employment or holding of office is terminated,

**Transfer Notice:** has the meaning given in *Article 15 2*, and

**Transfer Price:** has the meaning given in *Article 16*

12 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 [A copy is set out in the schedule to these Articles ]
- 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 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 exceed five

### 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 Error! Reference source not found.* and *Article 4.9*
- 4.5 Model articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Investor Consent)" following each reference to "the directors" in such model articles
- 4.6 Meetings of the Directors shall take place at least four times in each year, with a period of not more than eighteen] 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 10 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent in writing of an Investor Director, when meetings of the Directors may take place less frequently or on shorter notice)
- 4.7 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Directors, which must include an Investor Director in

office for the time being, unless there is no Investor Director in office for the time being, or

- 4 8 in which case, subject to *Article 4 9*, 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 for at least seven days to such time and place as the Directors determine [If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.]
- 4 9 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 10 If the number of Directors in office for the time being is less than two, the Director[s] 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 11 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 12 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
- 4 13 The Directors (acting with Investor Consent) may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors

## **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) save in the case of an Investor Director, a majority of the other Directors resolve that he cease to be a Director, and

## 6. INVESTOR DIRECTOR, CHAIRMAN AND OBSERVER

- 6 1 The Investor shall from time to time have the right to appoint, by notice in writing addressed to the Company, and to maintain in office, two persons as Directors (an **Investor Director**) and to remove any such Investor Director and to appoint a replacement PROVIDED ALWAYS THAT to the extent that the Investor only appoints one person to act as a Director, then that person shall retain two votes on any decision of the Board
- 6 2 Any appointment or removal of an Investor Director made in accordance with *Article 6 1* shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice
- 6 3 An Investor Director shall be entitled to be appointed to any committee of the Directors established from time to time
- 6 4 The Directors may, with Investor Consent, appoint any person as chairman of the board of Directors (**Chairman**) and may, with Investor Consent, remove and replace any such Chairman. If the Chairman has not been appointed within 6 calendar months of the Adoption Date, or within 3 months of the Chairman's resignation or removal, an Investor Majority shall be entitled to appoint a Chairman by notice in writing addressed to the Company. 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 and obtained Investor Consent, 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) subject to Investor Consent, 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, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under *Article 8 1* shall be necessary in respect of any such interest
- 8 7 An Investor Director shall be entitled from time to time to disclose to his appointor(s) (and to any Permitted Transferee of such appointor(s)) such information concerning the business and affairs of the Company as he shall at his discretion see fit
- 8 8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the 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 shall be used to pay dividends as set out in this *Article 10*

10.2 Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Equity Shares (*pari passu* as if they constituted Shares of the same class) *pro rata* to their respective holdings of Equity Shares

10.3 Subject to the Companies Acts, the Directors may pay interim dividends provided that

the Available Profits of the Company justify the payment

10.4 Each dividend shall be distributed to the appropriate Shareholders *pro rata* according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash

### **11 ANTI-DILUTION**

11.1 If the Company issues any Relevant Securities without consideration or for a consideration per Share less than the Issue Price of the average price of shares issued to Investors (a **Qualifying Issue**), the Company shall make a bonus issue of such number of Ordinary Shares (**Anti-Dilution Shares**) to each such Investor (unless and to the extent that an Investor Majority has specifically waived the application of this *Article 11* in respect of any particular issue of Relevant Securities on behalf of all such Investors) (each an **Exercising Investor**) as shall be calculated in accordance with *Article 11.2*



- 11 2 The number of Anti-Dilution Shares to be issued to each Exercising Investor shall be the number equal to N (rounded down to the nearest whole number), where N is calculated as follows

**EITHER, FULL RATCHET:**

$$N = (W / \text{DRP}) - Z$$

Where

N = the number of Anti-Dilution Shares to be issued to the Exercising Investor

DRP = the Issue Price (in pounds sterling) per Relevant Security of the Qualifying Issue

W = the total amount (in pounds sterling) paid by the relevant Exercising Investor for the Shares it owns

Z = the number of Shares held by the relevant Exercising Investor prior to the Qualifying Issue [(but excluding any Shares acquired as a result of any previous operation of this *Article 11*)]

- 11 3 The Anti-Dilution Shares shall

- (a) be paid up by the automatic capitalisation of available reserves of the Company (without any further authority required than that contained in these Articles),
- (b) within 10 Business Days of the date of the Qualifying Issue be issued to the relevant Exercising Investors in accordance with *Article 11 2* and credited as fully paid up in cash, and
- (c) shall rank pari passu in all respects with the existing Ordinary Shares

- 11 4 If and to the extent that the Company is prohibited from issuing the Anti-Dilution Shares in accordance with *Article 11 3* (whether by virtue of the Act or otherwise), the entitlement of each Exercising Investor to such an issue of Anti-Dilution Shares shall be reduced in the same proportion that its holding of Shares bears to the total number of Shares held by all Investors and then in issue and each Exercising Investor shall be entitled, at any time, to subscribe at par for the balance of that number of Anti-Dilution Shares to which he would otherwise be entitled to receive pursuant to *Article 11 2* and, following such a subscription, *Article 11 3(c)* shall apply

- 11 5 In the case of an issue of Relevant Securities for a consideration in whole or in part other than in cash, the Issue Price of each Relevant Security for the purposes of *Article* 11 1 and *Article* 11 2 shall be a price certified by the Independent Expert (acting as experts and not as arbitrators) as being, in their opinion, the current cash value of the non-cash consideration for the allotment of the Relevant Securities
- 11 6 In the event of any Issue or Re-organisation, the Issue Price of each Share held by Investors shall be adjusted to take account of such Issue or Re-organisation on such basis as may be agreed between the Directors and an Investor Majority or, failing such agreement within 10 Business Days after (and excluding) the date of such Issue or Re-organisation, as determined by the Independent Expert (at the Company's cost)
- 11 7 If there is a dispute between the Company and any Investor as to the operation of this *Article* 11, the matter shall be referred (at the cost of the Company) to the Independent Expert who shall determine the number of Anti-Dilution Shares to be issued
- 11 8 The Independent Expert's determination of any matter under this *Article* 11 shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders
- 11 9 In this *Article* 11, **Issue or Re-organisation** means any return of capital, issue of Shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for, or as an alternative to, a cash dividend which is made available to the Investors holding Shares), any consolidation, sub-division or re-classification or any repurchase or redemption of Shares, or any variation in the Issue Price or conversion rate applicable to any other outstanding Shares of the Company

## 12 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

- 12 1 The Directors shall not (save with Investor Consent) exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares
- 12 2 Subject to the remaining provisions of this *Article* 12, 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

12.3 The authority referred to in *Article 12.2*

- (a) shall be limited to a maximum nominal amount of £100.00 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)

12.4 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

12.5 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 Equity 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 Equity Shares held by each such holder bears to the total number of Equity 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

12.6 An offer made under *Article 12.5* 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 10 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 12.5* shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe

12.7 If, on the expiry of an offer made in accordance with *Article 12.5*, 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

- 12 8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *Article 12 5* shall be used to satisfy any requests for Excess Securities made pursuant to *Article 12 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 Equity Shares held by each such applicant bears to the total number of such Equity 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). After those allotments, any Excess Securities shall, subject to *Article 12 11*, be offered to any other person(s) as the Directors may, with Investor Consent, determine, at the same price and on the same terms as the offer to the Shareholders.
- 12 9 If, after completion of the allotments referred to in *Article 12 7* and *Article 12 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 12 6* and the provisions of *Article 12 7* and *Article 12 8* shall, with necessary modifications, apply to such offer.
- 12 10 If, after completion of the allotments referred to in *Article 12 7*, *Article 12 8* and *Article 12 9*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to *Article 12 11* be offered to any other person(s) as the Directors may, with Investor Consent, determine, at the same price and on the same terms as the offer to the Shareholders.
- 12 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.

### **13. TRANSFERS OF SHARES: GENERAL**

- 13 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.

- 13 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 13 5*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent
- 13 3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with Investor Consent to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him
- 13 4 Any transfer of a Share by way of sale which is required to be made under *Article 17*, *Article 18* or *Article 19* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee
- 13 5 The Directors may (and shall, if requested by an Investor Majority), 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 Investors agreeing to be bound by the terms of any shareholders or investment agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors (acting with Investor Consent) 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 13 5*, 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
- 13 6 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
- 13 7 If any such information or evidence referred to in *Article 13 6* 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 (including an Investor Director) within 5 Business Days of receipt of such written notice,] then, unless otherwise directed in writing by an Investor Majority

- (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 13 5* 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 (with Investor Consent) reinstate the rights referred to in *Article 13 7(a)* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *Article 13 7(b)* on completion of such transfer

- 13 8 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
  - (a) it does not contain a Minimum Transfer Condition, and
  - (b) 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)
- 13 9 Any Transfer Notice (but not an Offer Notice (as defined in *Article 18*) or a Drag Along Notice (as defined in *Article 19*)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with Investor Consent to the contrary) automatically be revoked by the service of a Deemed Transfer Notice

14. [ARTICLE NOT USED]

15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 15 1 Except where the provisions of *Article 14*, *Article 18* or *Article 19* apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *Article 15*
- 15 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 13 8(b)*, the number of Shares he wishes to transfer (**Sale Shares**),
  - (b) the name of the proposed transferee, if any,
  - (c) subject to *Article 17 5*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**), and
  - (d) subject to *Article 13 8(a)*, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**)
- 15 3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value less than the Proposed Sale Price the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice Otherwise, a Transfer Notice may only be withdrawn with Investor Consent
- 15 4 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
- 15 5 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 (unless the Transfer Notice is withdrawn in accordance with *Article 15 3*) offer the Sale Shares for sale in the manner set out in the remaining provisions of this *Article 15* at the Transfer Price Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered

15 6 If the Sale Shares are Ordinary Shares being sold pursuant to a Deemed Transfer Notice under *Article* 17, the Company shall offer them in the following order of priority

- (a) to a person or persons agreed between the Directors and an Investor Majority to take the Departing Employee Shareholder's place, conditionally on that person commencing their employment and/or office with the Company (or other Group Company), and
- (b) second, to the holders of Ordinary Shares

in each case on the basis set out in *Article* 15 8 to *Article* 15 16 (inclusive)

15 7 An offer of Sale Shares made in accordance with *Article* 15 6(a) shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) Any Sale Shares not allocated within that period shall be dealt with in accordance with *Article* 15 8 and *Article* 15 9

15 8 Subject to *Article* 15 7, the Directors shall offer the Sale Shares in the order of priority referred to in *Article* 14 4 or *Article* 15 6 (as appropriate) 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 10 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy

15 9 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* 15 9(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* 15 9(a) The procedure set out in this *Article* 15 9(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 15 10*

15 10 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date [NUMBER] Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy

15 11 If

- (a) at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second 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 Initial Surplus 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 Initial Surplus Shares which he has stated he is willing to buy,
- (b) not all Initial Surplus Shares are allocated following allocations in accordance with *Article 15 11(a)*, 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 15 11(a)*. The procedure set out in this *Article 15 11(b)* 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
- (c) at the end of the Second Offer Period, 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 Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall, subject to *Article 15 12*, be offered to any other person in accordance with *Article 15 16*

15 12 Where the Transfer Notice contains a Minimum Transfer Condition

- (a) any allocation made under *Article 15 7* to *Article 15 11* (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition, and
- (b) if the total number of Sale Shares applied for under *Article 15 7* to *Article 15 11* (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

15 13 Where either

- (a) the Transfer Notice does not contain a Minimum Transfer Condition, or
- (b) 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 15 7* to *Article 15 11* (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 10 Business Days, but not more than 20 Business Days, after the date of the Allocation Notice)

15 14 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

15 15 If the Seller fails to comply with *Article 15 14*

- (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

15 16 Where a Transfer Notice lapses pursuant to *Article 15 12(b)* or an Allocation Notice does not relate to all the Sale Shares, then , subject to *Article 15 17*, the Seller may, at any time during the 5 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 15 16* shall continue to be subject to any Minimum Transfer Condition

15 17 [The Seller's right to transfer Shares under *Article 15 16* does not apply if the Directors reasonably consider that

- (a) the transferee is a person (or a nominee for a person) whom an Investor Majority determines 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 15 17(b)*

## 16. VALUATION

16 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), acting with Investor Consent, and the Seller or, in default of agreement within 10 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

16 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
- 16 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
- 16 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
- 16 5 The parties are entitled to make submissions to the Independent Expert including oral submissions 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
- 16 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)
- 16 7 The Independent Expert shall be requested to determine the Fair Value within 10 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
- 16 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
- (a) the Seller withdraws the relevant Transfer Notice in accordance with *Article 15 3*, or
  - (b) 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

## 17. COMPULSORY TRANSFERS

- 17 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors (acting with Investor Consent) may determine
- 17 2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors (acting with Investor Consent) may determine
- 17 3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) [save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice] This *Article 17 3* shall not apply to a Shareholder that is an Investor
- 17 4 If an Employee Shareholder becomes a Departing Employee Shareholder a Transfer Notice shall, unless the Directors (with Investor Consent) otherwise direct in writing in respect of any particular Relevant Shares prior to or within 10 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse
- 17 5 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is
- (a) a Bad Leaver or an Early Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares, and
  - (b) a Good Leaver, be the aggregate Fair Value of such Sale Shares

17 6 Notwithstanding the provisions of *Article 17 5*, an Investor Majority may, by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to *Article 17 5*

17 7 Forthwith upon a Transfer Notice being deemed to be served under article *Article 17* the the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights

- (a) 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,
- (b) to receive dividends or other distributions otherwise attaching to those Shares, or
- (c) to participate in any future issue of Shares issued in respect of those Shares

The Directors may (with Investor Consent) reinstate the rights referred to in *Article 17 7* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *Article 17* on completion of such transfer

#### 18. MANDATORY OFFER ON CHANGE OF CONTROL

18 1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to *Article 14* or *Article 17*, but after the operation of the pre-emption procedure set out in *Article 15*), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this *Article 18* shall apply

18 2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder on the date of the Offer other than any holder(s) of Restricted Shares, to buy all of the Equity Shares held by such Shareholders on the date of the Offer for a consideration in cash per Equity Share (the **Offer Price**) which is equal to the highest price per Equity Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Equity Shares in connection with the Proposed Transfer [or any transaction in the 6 calendar months preceding the date of completion of the Proposed Transfer

18 3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Shareholder on the date of the Offer at least 5 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**) To

the extent not described in any accompanying documents, the Offer Notice shall specify

- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer),
- (b) the Offer Price and any other terms and conditions of the Offer,
- (c) the Sale Date, and
- (d) the number of Equity Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer

18.4 The completion of the Proposed Transfer shall be conditional in all respects on

- (a) the making of an Offer in accordance with this *Article* 18, and
- (b) the completion of the transfer of any Equity Shares by any Shareholder (each an **Accepting Shareholder**) who accepts the Offer within the Offer Period,  
and the Directors shall refuse to register any Proposed Transfer made in breach of this *Article* 18.4

18.5 The Proposed Transfer is, but the purchase of Shares from Accepting Shareholders pursuant to an Offer made under this *Article* 18 shall not be, subject to the pre-emption provisions of *Article* 15

## 19. **DRAG ALONG**

19.1 If an Investor Majority (the **Selling Shareholders**) wish to transfer all of their interest in Equity Shares (**Sellers' Shares**) to a bona fide arm's-length purchaser (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Equity Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Equity Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this *Article* 19

19.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify

- (a) that the Called Shareholders are required to transfer all their Equity Shares (**Called Shares**) pursuant to this *Article* 19,
- (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),

- (c) the consideration payable for the Called Shares calculated in accordance with *Article 19 4*,
  - (d) the proposed date of completion of transfer of the Called Shares
- 19 3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors, acting with Investor Consent. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 10 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.
- 19 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of *Article 19*.
- 19 5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *Article 19*.
- 19 6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless
  - (a) all of the Called Shareholders and the Selling Shareholders otherwise agree, or
  - (b) that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 19 7 Within 10 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 10 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to *Article 19 4* to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to *Article 19 4* shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *Article 19 4* in trust for the Called Shareholders without any obligation to pay interest.



- 19 8 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period, put the Company in funds to pay the amounts due pursuant to *Article 19 4*, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this *Article 19* in respect of their Equity Shares
- 19 9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this *Article 19*
- 19 10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Equity Shares, whether or not pursuant to a Share Option Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Equity Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this *Article 19* shall apply *mutatis mutandis* to the New Shareholder, save that completion of the sale of such Equity Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares
- 19 11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of *Article 15*
- 19 12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice

## **DECISION-MAKING BY SHAREHOLDERS**

## 20. GENERAL MEETINGS

- 20 1 No business other than, subject to *Article 20 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
- 20 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

## 21. VOTING

- 21 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
- 21 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
- 21 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
- 21 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

## 22 LIEN, CALLS ON SHARES AND FORFEITURE

- 22 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

- 22 2 The provisions of articles 52(2) and (3), 55, 56(2), 57(2), (3) and (4), 59, [60(1), (2) and (3) **OR** 60], 61 and 62 for public companies set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) shall apply to the Company, save that each reference in those articles to a "member" or "members" shall be deemed to be references to a "Shareholder" or "Shareholders" (as the case may be)

22 3 **Enforcement of the Company's Lien**

- (a) Subject to the provisions of this *Article 22 3*, 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 transferee 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 22 3*
- (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

#### 22.4 **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

## **22.5 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**

### **23. NOTICES**

- 23.1 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 23 1*, no account shall be taken of any part of a day that is not a working day

- 23 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

## 24 INDEMNITY AND INSURANCE

- 24 1 Subject to *Article 24 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 24 1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

- 24 2 This *Article 24* 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
- 24 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
- 24 4 In this *Article 24*
- (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

## 25. DATA PROTECTION

- 25 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
- 25 2 The personal data that may be processed for such purposes under this *Article 25* 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
- 25 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

26 SHARE CAPITAL

- 26.1 The share capital shall consist of Ordinary Shares and Non-Voting Shares which shall each rank *pari passu* with each other, save that the Non-Voting Shares shall not confer on the holder thereof any rights to receive notice of meetings or resolutions, the right to attend any meetings of shareholders and/or the right to vote on any matters as relate to the Company, whether in meetings, in writing or otherwise