

Company Number: 05736364

Companies Act 2006

THURSDAY



**WRITTEN RESOLUTIONS OF THE MEMBERS  
OF  
ALNMARITEC LIMITED (the "Company")**

On 27<sup>th</sup> September 2012 the following Written Resolutions (such resolutions being passed as ordinary and special resolutions) were approved by the eligible members pursuant to sections 288 to 300 of the Companies Act 2006 -

**ORDINARY RESOLUTION**

**1 REDESIGNATION OF COMPANY SHAREHOLDING**

The 33,367 existing issued preferred ordinary shares of £0.01 each in the capital of the Company to be re-designated as 33,366 B preferred ordinary shares of £0.01 each and 1 A preferred ordinary share of £0.01, such shares to have the rights and be subject to the restrictions in accordance with the articles of association of the Company to be adopted pursuant to resolution 2

**SPECIAL RESOLUTION**

**2 ADOPTION OF ARTICLES**

The draft regulations and, for the purposes of identification, attached to this resolution) to be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

A handwritten signature in black ink, appearing to be "J. [unclear]", is written over a horizontal line.

Company Secretary

**Company No. 05736364**

**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**NEW  
ARTICLES OF ASSOCIATION**

**(adopted by special resolution passed on 27<sup>th</sup> September 2012)**

**of**

**ALNMARITEC LIMITED**

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S.M. F.

## CONTENTS

Clause		Page
1	<b>MODEL ARTICLES</b>	1
2	<b>INTERPRETATION</b>	1
3	<b>AUTHORISED SHARE CAPITAL</b>	.6
4	<b>RIGHTS ATTACHED TO SHARES</b>	7
5	<b>SALE OF THE SHARE CAPITAL OF THE COMPANY</b>	.11
6	<b>VARIATION OF RIGHTS</b>	11
7	<b>GENERAL</b>	11
8.	<b>PERMITTED TRANSFERS</b>	11
9	<b>VOLUNTARY TRANSFERS</b>	13
10	<b>CHANGE OF CONTROL</b>	.16
11.	<b>COMPULSORY TRANSFERS</b>	17
12	<b>VALUATION OF SHARES</b>	20
13	<b>COMPLIANCE</b>	...20
14	<b>ISSUE OF SHARES</b>	.21
15	<b>ANTI DILUTION</b>	22
16	<b>GENERAL MEETINGS</b>	23
17	<b>REMOVAL OF DIRECTORS</b>	23
18	<b>INVESTOR DIRECTOR AND OBSERVER</b>	....24
19.	<b>ALTERNATE DIRECTORS</b>	.24
20	<b>PROCEEDINGS OF DIRECTORS</b>	.24
21.	<b>CONFLICTS OF INTEREST</b>	.25
22	<b>INDEMNITY AND INSURANCE</b>	26

## PRELIMINARY

### 1. MODEL ARTICLES

- 1 1 The regulations contained in the Model Articles, save in so far as they are expressly excluded or varied by these Articles, the regulations numbered 25 to 27 (inclusive) and 52 to 62 (inclusive) in the Model Articles of Association for Public Companies set out in schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229) and the regulations contained in these Articles shall together constitute the articles of association of the Company. No other regulations set out in any schedule to, or contained in any order, regulation or other subordinate legislation made under, any statute concerning companies shall apply as regulations or articles of the Company.
- 1 2 The regulations of the Model Articles numbered 21 and 30 do not apply to the Company.

### 2. INTERPRETATION

- 2 1 In these Articles unless the context otherwise requires each of the following words and expressions shall have the following meanings

<b>“2006 Option”</b>	means the option agreement dated 19 June 2006 between (1) the Company, (2) Christopher James Millman and (3) the North East Regional Investment Fund Three Limited,
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<b>“2010 Option”</b>	means the option agreement entered dated 9 February 2010 between (1) North East Regional Investment Fund Partner Limited, (2) NEL Fund Managers Limited, (3) the Company and (4) Christopher James Millman,
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<b>“Act”</b>	means the Companies Act 2006 (as amended from time to time),
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<b>“acting in concert”</b>	shall have the meaning set out in the City Code on Takeovers and Mergers for the time being,
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<b>“A Preferred Ordinary Shares”</b>	means the A Preferred Ordinary Shares of £0.01 each in the capital of the Company having the rights set out in <b>Article 4</b> ,
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<b>“Auditors”</b>	means the auditors to the Company for the time being,
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<b>“Board”</b>	means the board of directors of the Company for the time being or, as the context may require, any duly authorised committee,
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<b>“B Preferred Ordinary</b>	<b>means the B Preferred Ordinary Shares of £0.01 each</b>
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<b>Shares</b>	in the capital of the Company having the rights set out in <b>Article 4</b> ,
<b>“Business Day”</b>	means any day except Saturday, Sunday or any Bank Holiday in England or Wales;
<b>“Conflict”</b>	means a situation where a director has, or could have, a direct or indirect interest or duty that conflicts, or may possibly conflict, with the interests of the Company or with any duty he owes to the Company,
<b>“connected with”</b>	shall be determined in accordance with the provisions of section 1122 of the Corporation Tax Act 2010,
<b>“Controlling Interest”</b>	an interest (within the meaning of section 820 of the Act) in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company,
<b>“Critical Illness”</b>	means a medical condition which renders a person wholly or substantially incapable (in the reasonable opinion of the directors) of performing his duties as a director or employee (as the case may be) of the Company either permanently or for the foreseeable future such as to justify the termination of his employment under his service contract,
<b>“Deemed Transfer Notice”</b>	has the meaning given in <b>Article 11.2</b> ,
<b>“Directors’ Emoluments”</b>	in respect of each Financial Year an amount equal to emoluments (including salary, fees and bonuses, sums paid by way of expenses allowance (so far as they are chargeable to United Kingdom income tax), the estimated money value (for the purposes of United Kingdom income tax) of any other benefits received otherwise than in cash, and any company contributions paid, or treated as paid, under any pension scheme) paid or payable in respect of the relevant Financial Year to any person who was during the period in respect of which the payment was made both interested in shares of the Company and either a director or former director (other than an Investor Director) or a person connected with a director or former director (other than an Investor Director),
<b>“Employee Trust”</b>	means any trust established by the Company for the benefit of employees or any of the beneficiaries referred to in section 1166 of the Act and which has

	been approved by the Fund,
<b>“Equity Shares”</b>	means the Ordinary Shares and the Preferred Shares,
<b>“Family Member”</b>	means the wife or husband (or widow or widower), civil partner or surviving civil partner, child or grandchild (including any step or adopted child or grandchild) of a member of the Company,
<b>“Family Trust”</b>	means, in relation to a member of the Company, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his Family Members;
<b>“Financial Year”</b>	means an accounting period of 12 months (save for the first) in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act,
<b>“FW Capital”</b>	FW Capital Limited (registered in England and Wales with company number 7078439) acting for and on behalf of the Fund,
<b>“Fund”</b>	means the North East Growth 500 Plus LP (a limited partnership registered in England and Wales under number LP13802),
<b>“Group”</b>	means the Company and its subsidiary undertakings from time to time and references to “member of the Group” or to “Group Member” shall be construed accordingly,
<b>“Holder”</b>	means, in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder of that share,
<b>“Institutional Investor”</b>	means a fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing;
<b>“Investment Date”</b>	means 7 November 2011,
<b>“Investor Director”</b>	means the director appointed pursuant to Article

	<b>18.1,</b>
<b>“Investor Group”</b>	means <ul style="list-style-type: none"> <li>(a) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a <b>“Relevant Person”</b>), or</li> <li>(b) any partnership (or all or any of the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser (and, for the avoidance of doubt, <b>“partnership”</b> shall include a limited partnership), or</li> <li>(c) any unit trust or other fund of which any Relevant Person is trustee, manager, consultant or adviser, or</li> <li>(d) any unit trust, partnership or other fund, the managers of which are advised by any Relevant Person; or</li> <li>(e) any nominee or trustee of any Relevant Person, or</li> <li>(f) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of a Relevant Person;</li> </ul>
<b>“Investor Majority”</b>	means the Holder(s) of 75% of the Preferred Shares from time to time,
<b>“Investor”</b>	means the Fund and shall include any Holder to whom the Investor has transferred Shares in accordance with these Articles,
<b>“Issue Price”</b>	means, in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium,
<b>“Listing”</b>	means the admission by the Financial Services Authority in its capacity as the UK Listing Authority of any part of the share capital of the Company to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any part of the share capital of the Company to trading

on the Alternative Investment Market of London Stock Exchange plc or the admission by any recognised investment exchange (within the meaning of section 285 of the Financial Services and Markets Act 2000) of any part of the share capital of the Company, and, in each case, such admission becoming effective,

**“Model Articles”**

means the model articles of association for private companies limited by shares set out in schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229),

**“NEF Group”**

means North East Finance (Holdco) Limited (registered in England and Wales with company number 7000577) together with its parent undertakings and subsidiary undertakings from time to time, and **“member of the NEF Group”** shall be construed accordingly,

**“Net Profits”**

means the net consolidated profit of the Group on ordinary activities calculated on the historical cost accounting basis and in accordance with the accounting practices, policies and bases of the Company, consistently applied, which are generally accepted in the United Kingdom and as shown in the audited consolidated profit and loss account of the Company for the relevant Financial Year (or, if the calculation is being made for the purpose of **Article 4.3**, for the relevant period)

- (a) before provision for, or deducting the amount of, any dividends payable on any shares or any other distribution,
- (b) before provision for the transfer of any sum to reserve or writing off goodwill,
- (c) after exceptional items;
- (d) before deducting corporation tax (and any other tax levied upon or measured by reference to profits or gains) on such profits (including deferred tax), and
- (e) plus a sum equal to the amount by which Directors’ Emoluments (excluding payments to non-executive directors) exceeded X in that Financial Year where X is determined as follows:

Investment Date to 30 June 2012 -



£320,000,

1 July 2012 to 30 June 2013 - £320,000

1 July 2013 to 30 June 2014 - £420,000

In any other Financial Year - £420,000 or such other amount as may be agreed by the Fund,

- (f) plus a sum equal to the amount of any liability for dilapidations incurred in that Financial Year in respect of any property occupied or formerly occupied by the Company

**“Ordinary Shares”** means the ordinary shares of £1 00 each in the capital of the Company having the rights set out in **Article 4**,

**“Preferred Dividend”** means the dividend payable to the Holders of the A Preferred Shares under Article 4 1(a),

**“Preferred Shares”** means A Preferred Ordinary Shares and the B Preferred Ordinary Shares each in the capital of the Company having the rights set out in **Article 4**,

**“Sale”** means the transfer (other than a transfer permitted under **Articles 8.2, 8.3, 8.4(a) or 8.4(b)**) of any interest in the shares of the Company to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest; and

**“Shares”** means the Ordinary Shares and the Preferred Shares

**“Share Options”** means the 2006 Option and the 2010 Option,

- 2 2 Words and expressions defined in or having a meaning provided by the Act (but excluding any statutory modification not in force on the date of adoption of these Articles) shall, unless the context otherwise requires, have the same meanings when used in these Articles

## **SHARE RIGHTS**

### **3 AUTHORISED SHARE CAPITAL**

The authorised share capital of the Company at the date of adoption of these Articles is £100,433 67 divided into 100,100 Ordinary Shares, 1 A Preferred Ordinary Share and 33,366 B Preferred Ordinary Shares

## 4 RIGHTS ATTACHED TO SHARES

The rights attached to the Shares are as follows.

### 4.1 Dividends

The profits of the Company available by law for distribution in respect of any Financial Year shall be applied in the following manner and order of priority

- (a) Firstly, in respect of each Financial Year the Company shall, without resolution of the Board or the Company in general meeting and before application of any profits for any other purpose, pay to the members holding A Preferred Ordinary Shares a cumulative preferential net cash dividend which is equal to the per centum of Net Profits for the relevant Financial Year set out in the table below. Each Preferred Dividend shall be paid 4 months after the end of the relevant Financial Year of the Company or 14 days after the date on which the audited accounts of the Company for the relevant Financial Year are signed by the directors, whichever is earlier. The first payment shall be made on or before 31 October 2012 for the period from and including the Investment Date to and including 30 June 2012 (applied pro rata in respect of the said period). The Preferred Dividend shall accrue daily on the basis of a 365 day year

Financial Year	Dividend (% of Net Profits)
Investment Date to 30 June 2012	5%
1 July 2012 to 30 June 2013	5%
1 July 2013 to 30 June 2014	5%
1 July 2014 to 30 June 2015	10%
1 July 2015 to 30 June 2016	15%
1 July 2016 to 30 June 2017	20%
1 July 2017 to 30 June 2018 and in each Financial Year after that	25%

- (b) Thereafter dividends shall be paid in accordance with **Article 4.1(f)**
- (c) For so long as there are A Preferred Ordinary Shares in issue, the Company shall require the Auditors at the Company's expense to prepare a statement of the Net Profits for each Financial Year of the Company within 3 months of the end of the relevant Financial Year
- (d) If the Company fails to pay all or any part of a Preferred Dividend on the date for payment specified in **Article 4.1(a)** or **(b)** or **Article 4.3(d)** (as the case may be), interest on the overdue payment shall accrue from that date until payment at the rate of 6.5 per cent per annum above the base rate of Barclays Bank plc for the time being, compounded on 31st December, 31st March, 30th June and 30th September in each year
- (e) Where the Company is precluded by the Act or otherwise from paying in full any Preferred Dividend on the date for payment specified in this **Article 4.1**

or in **Article 4.3(d)** (as the case may be), then in respect of any such dividend which would otherwise be payable pursuant to these Articles on that date

- (i) the Company shall pay, on that date, to the Holders entitled to such dividend on account of that dividend the maximum sum (if any) which can then, consistently with the Act, be paid by the Company, and
  - (ii) as soon as the Company is no longer precluded from doing so, the Company shall pay any balance of that dividend for the time being remaining outstanding, or (if less) the maximum amount of such dividend which can, consistently with the Act, properly be paid by the Company at that time, until all arrears and accruals of such dividend have been paid in full.
- (f) Subject to the payment in full of the Preferred Dividend (plus any arrears and accrued interest in respect of the Preferred Dividend and any amount falling due pursuant to **Article 4.3(d)**) any remaining profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of members of the Company in general meeting be distributed amongst the Holders of the B Preferred Ordinary Shares and the Ordinary Shares then in issue *pari passu* according to the number of such Shares held by them respectively as if they constituted one class of share. No such further dividend shall be declared or paid by the Company which is in excess of 5% of the Net Profits for the Financial Year in question without the prior written consent of the Fund. For the purpose of this **Article 4.1(f)**, "Net Profits" shall mean net profits without the addition of a sum equal to the amount by which Directors' Emoluments are in excess of £200,000
- (g) The Company shall procure the distribution to the Company in respect of each Financial Year, whether by way of dividend, reduction of capital, liquidation of subsidiaries or otherwise, of sufficient of the profits of its subsidiaries to enable the Company to pay the Preference Dividend and Preferred Dividend

## 4.2 Capital

Subject to each member first giving credit for any return of capital to it/him under Article 5, on a return of capital on liquidation, the surplus assets of the Company remaining after the payment of its liabilities shall be applied, and (save in respect of a return of capital under Article 4.1(g)) on any other return of capital (whether as a result of a capital reduction or otherwise) the amount being returned shall be applied, as follows.

- (a) firstly, in paying to each member holding A Preferred Ordinary Shares all unpaid arrears and accruals of the Preferred Dividend and any further dividend on the A Preferred Ordinary Shares held by him calculated down to and including the date the return of capital is made (such arrears and accruals being payable irrespective of whether the relevant dividend has become due and payable in accordance with these Articles);

- (b) secondly, in paying to each Holder of Preferred Shares an amount equal to the Issue Price of all the Preferred Shares held by him (and any waiver of this entitlement in relation to a particular return of capital shall not constitute a waiver of the entitlement in relation to any subsequent return of capital),
- (c) thirdly, in paying to each Holder of Ordinary Shares, first, any dividends thereon which have been declared but are unpaid and, secondly, an amount equal to the Issue Price of each Ordinary Share held by him, and
- (d) thereafter, in distributing the balance of such assets amongst the Holders of the Ordinary Shares and the Preferred Shares (*pari passu* as if they constituted one class of share) in proportion to the number of Ordinary Shares and Preferred Shares held by them respectively

For the purpose of Article 4.1(a) and this **Article 4.2**, the Preferred Dividend shall be deemed to accrue on a daily basis (assuming 365 days in a year) throughout the Financial Year to which it relates and (for the purpose of calculating the Preferred Dividend to accrue in respect of the current Financial Year) “**Net Profits**” shall be calculated by reference to the unaudited consolidated management accounts of the Company for the period from the start of the then current Financial Year to the latest practicable date prior to the date of the return of capital.

#### 4.3 **Conversion**

- (a) The members holding Preferred Shares may at any time convert all the Preferred Shares into the same number of fully paid Ordinary Shares by notice in writing given to the Company signed by the Holders of not less than 51 per cent of the Preferred Shares. The conversion shall take effect immediately upon the date of delivery of that notice to the Company (unless the notice states that conversion is to be effective when any reasonably required conditions specified in the notice have been fulfilled in which case conversion shall take effect when those conditions have been fulfilled) and the Company and members shall do all acts necessary to procure that conversion. For the avoidance of doubt, such Preferred Shares shall be converted into Ordinary Shares of the same nominal value
- (b) In this **Article 4.3**, the “**conversion date**” means the date and time on which Preferred Shares are to be converted into Ordinary Shares in accordance with this **Article 4.3**
- (c) Each member holding Preferred Shares shall deliver the certificate(s) for those shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the conversion date whereupon the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares arising on conversion
- (d) The A Preferred Ordinary Shares shall rank for an apportioned part of the Preferred Dividend attributable to the Financial Year of the Company in which the conversion date falls, calculated on a daily basis down to and including the conversion date. The Company shall accordingly deliver to

each Holder of A Preferred Ordinary Shares on the conversion date, in cleared funds, an amount equal to the aggregate of.

- (i) all arrears and accruals of the Preferred Dividend (plus any accrued interest in respect of the Preferred Dividend) attributable to Financial Years ending on or before the conversion date, whether declared and payable under these Articles or not, and
  - (ii) the Preferred Dividend from the date of the commencement of the then current Financial Year of the Company down to and including the conversion date, whether declared or payable under these Articles or not “**Net Profits**” for this purpose shall be calculated by reference to the unaudited consolidated management accounts of the Company for the period from the start of the then current Financial Year to the latest practicable date prior to the conversion date
- (e) The Ordinary Shares arising on conversion shall rank *pari passu* in all respects with the other Ordinary Shares in the capital of the Company and shall entitle the Holders of them to all dividends and other distributions declared, made or paid by reference to a record date on or after the conversion date on the Ordinary Shares

#### 4 4     **Voting**

The Holders of the Ordinary Shares and the Preferred Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and any Holder of such Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, have one vote each for every Share of which he is the Holder.

#### 4 5     **Leaver**

If a person gives a Deemed Transfer Notice pursuant to **Article 11** as a result of a Transfer Event described in **Article 11.1** occurring, then such person shall from the date of such Deemed Transfer Notice cease to have, in respect of the Shares the subject of the Deemed Transfer Notice, any of the rights described in.

- (a) **Article 4.1 (dividends);**
- (b) **Article 4.4 (voting);**
- (c) **Article 8 (permitted transfers);**
- (d) **Article 9.4(a) (offer to Holders following Transfer Notice); and**
- (e) **Article 14 (issue of shares).**

## 5 **SALE OF THE SHARE CAPITAL OF THE COMPANY**

Subject to each member first giving credit for any return of capital to it/him under Article 4.2, in the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale, the selling Holders (immediately prior to such Sale) shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling Holders in the same order of priority as a return of capital as set out in **Article 4.2**

## 6 **VARIATION OF RIGHTS**

Without prejudice to **Article 4.3**, whenever the share capital of the Company is divided into different classes of share, 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) either (i) with the consent in writing of the Holders of more than three-fourths of the issued shares of that class, or (ii) with the sanction of a special resolution passed at a separate general meeting of the Holders of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply

## **TRANSFER OF SHARES**

### 7. **GENERAL**

7.1 No transfer of any share in the capital of the Company shall be made or registered unless such transfer complies with the provisions of these Articles. The Board shall not be entitled to refuse to register any transfer of a share made in accordance with these Articles unless (i) the shares concerned are subject to the company's lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles. Regulation 26(5) of the Model Articles shall be varied accordingly

7.2 For the purposes of these Articles, the following shall be deemed (but without limitation) to be a transfer by a Holder of shares in the Company:

- (a) any direction (by way of renunciation or otherwise) by a Holder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself, and
- (b) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant Holder, (ii) whether or not for consideration, and (iii) whether or not effected by an instrument in writing

### 8 **PERMITTED TRANSFERS**

8.1 Notwithstanding the provisions of any other Article, the transfers set out in this **Article 8** shall be permitted without restriction and the provisions of **Article 9** (Voluntary Transfers) and **10** (Change of Control) shall have no application to a transfer made in accordance with this **Article 8**

## 8 2 Permitted transfers by Investors

- (a) Any Investor, being a body corporate, shall be entitled to transfer all or any of its shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a “**Group Company**”) but if a Group Company whilst it is a Holder shall cease to be a Group Company in relation to such Investor it shall, within 15 Business Days of so ceasing, transfer the shares held by it to the Investor or any Group Company of the Investor
- (b) A Group Company to whom shares are transferred by an Investor in accordance with **Article 8.2(a)** may transfer shares to another Group Company of the same Investor
- (c) Any Investor shall be entitled to transfer all or any of its shares to.
  - (i) any Institutional Investor or group of Institutional Investors as part of any transaction involving the sale or other disposal of all, or a substantial proportion, of its investments,
  - (ii) any member of its Investor Group,
  - (iii) any financial institution having the same or similar objects to the North East Finance (Holdco) Limited, and/or
  - (iv) any member of the NEF Group

## 8 3 Permitted transfers by non-Investors

- (a) Subject to **Articles 8.3(b) to 8.3(e)** inclusive, any Holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be -
  - (i) a Family Member of his, or
  - (ii) trustees to be held under a Family Trust in relation to that individual or his Family Members
- (b) Subject to **Article 8.3(d)**, no Shares shall be transferred under **Article 8.3(a)** by any person who previously acquired those Shares by way of transfer under **Article 8.3(a)** save to another individual who is a Family Member of the original Holder of such Shares
- (c) No transfer of Shares shall be made by a Holder under **Article 8.3(a)** if the proposed transfer will result in 50 per cent or more of the shares originally held by that Holder being held by that Holder’s Family Trusts and Family Members
- (d) Where Shares are held by trustees under a Family Trust.-
  - (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved in writing by the Investor Director or (if one has not been appointed) the Investor Majority,

- (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under **Article 8.3(a)** if he had remained the Holder of them, and
  - (iii) if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Article 8.2(d)(ii)**), the trustees shall be required to immediately serve a Transfer Notice in respect of all the Shares then held by those trustees pursuant to **Article 9**.
- (e) If:-
- (i) any person has acquired Shares as a Family Member of a Holder by way of one or more permitted transfers, and
  - (ii) that person ceases to be a Family Member of that Holder
- that person shall forthwith transfer all the Shares then held by that person back to that Holder, for such consideration as they agree, within 21 days of the cessation
- (f) If the personal representatives of a deceased Holder are permitted under these Articles to become registered as the Holders of any of the deceased Holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under **Article 8.3** to any person to whom the deceased Holder could have transferred such Shares under this **Article 8.3** if he had remained the Holder of them. No other transfer of such Shares by personal representatives shall be permitted under this **Article 8.3**.

#### **8.4 Permitted Transfers by all Shareholders**

- (a) Any Holder may at any time transfer any shares in accordance with the provisions of the Act to the Company
- (b) Any Holder may at any time transfer all or any of his shares to any other person with the prior written consent of the Board and the Fund
- (c) Any shares may be transferred pursuant to **Article 9** (Voluntary Transfers) and **10** (Change of Control)

### **9 VOLUNTARY TRANSFERS**

- 9.1 Except as permitted under **Article 8** any Holder who wishes to transfer shares (the "**Vendor**") shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying
- (a) the number and class(es) of shares (the "**Sale Shares**") which he wishes to transfer,
  - (b) the name of any third party to whom he proposes to sell or transfer the Sale Shares,
  - (c) the price per share at which he wishes to transfer the Sale Shares (the "**Transfer Price**"), and



- (d) whether or not the Transfer Notice is conditional upon all, and not part only, of the Sale Shares being sold pursuant to the offer referred to in **Article 9.4** (a “**Total Transfer Condition**”) and, in the absence of such stipulation, it shall be deemed not to be so conditional.

9.2 No Transfer Notice or Deemed Transfer Notice shall be withdrawn unless the Vendor is obliged to procure the making of an offer under **Article 10** and is unable so to procure. In that event the Vendor shall be entitled to withdraw such Transfer Notice, without liability to any person, prior to completion of any transfer.

9.3 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares at the Transfer Price

9.4

- (a) The Company shall forthwith upon receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price give notice in writing to each of the Holders of Shares (other than the Vendor) offering the Sale Shares for sale at the Transfer Price to those Holders in proportion to the number of Shares then held by them respectively. Every such notice shall specify (a) the total number of Sale Shares, (b) the Transfer Price, (c) the number of Sale Shares offered to the Holder (its “**Proportionate Entitlement**”), (d) whether or not the Transfer Notice contained a Total Transfer Condition, and (e) a period of 20 Business Days (or 10 Business Days if the Vendor is an Investor) within which the offer must be accepted or shall lapse. The notice shall be accompanied by a form of application for use by the Holder in applying for its Proportionate Entitlement and for any shares in excess of such entitlement which it wishes to purchase.
- (b) Within 3 days of the expiry of the offers to be made pursuant to **Article 9.4(a)** (or sooner if all the Sale Shares offered shall have been accepted in the manner provided in **Article 9.4(a)**), the Board shall allocate the Sale Shares in the following manner.
  - (i) to each Holder who has agreed to purchase shares, its Proportionate Entitlement or such lesser number of Sale Shares for which it applied;
  - (ii) if any Holder has applied for less than its Proportionate Entitlement, the excess shall be allocated to the Holders who have applied for any part of such excess in proportion to the number of Shares then held by them respectively (but without allocating to any Holder a greater number of Sale Shares than the maximum number applied for by it) and any remaining excess shall be apportioned by applying this **Article 9.4(b)(ii)** without taking account of any Holder whose application has already been satisfied in full.

and the Company shall forthwith give notice of each such allocation (an “**Allocation Notice**”) to the Vendor and each of the persons to whom Sale Shares have been allocated (a “**Member Applicant**”) and shall specify in the Allocation Notice the place and time (being not later than 10 Business Days (or 5 Business Days if the Vendor is an Investor) after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

- 9 5 If any of the Sale Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the shares forming part of each and every fractional entitlement shall be aggregated and offered to or allocated amongst the Holders, or some of them, as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit
- 9 6 Subject to **Article 9.7**, upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance. If he makes default in so doing, the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be authorised by the Board to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any Director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the Holder or Holders of the shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company whereupon he shall be paid the purchase money.
- 9 7 If the Vendor included a Total Transfer Condition in the Transfer Notice and the total number of shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 10 Business Days (or 5 Business Days if the Vendor is an Investor), to those persons to whom Sale Shares have been allocated to apply for further Sale Shares which, in the event of competition, shall be allocated in accordance with **Article 9.4(b)(ii)**. If the Transfer Notice included a Total Transfer Condition, completion of the sale of the Sale Shares in accordance with **Article 9.6** shall be conditional upon applications having been made for all of the Sale Shares.
- 9 8 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 9** the Vendor may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares (which have not been sold) to any person or persons at any price not less than the Transfer Price PROVIDED THAT
- (a) if the Vendor included a Total Transfer Condition in the Transfer Notice, the Vendor shall not be entitled, save with the written consent of all the other shareholders of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons,
  - (b) any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer, and

- (c) for the avoidance of doubt, the Board shall refuse registration of the transfer if such transfer obliges the Vendor to procure the making of an offer in accordance with **Article 10.1**, until such time as such offer has been made and, if accepted, completed

## 10 CHANGE OF CONTROL

- 10.1 (a) Subject to **Article 10.1(b)**, if any transfer of shares by a Vendor would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Vendor shall procure the making, by the proposed transferee of the Vendor's shares, of a Come Along Offer to all of the other Holders of Shares of the Company. Every Holder, on receipt of a Come Along Offer, shall be bound within 20 Business Days of the date of such offer (or 10 Business Days if the Vendor is an Investor) (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Come Along Offer has been made and completed, the Board shall not sanction the making of or register the transfer or proposed transfer which triggered the requirement to procure the Come Along Offer.
  - (b) The provisions of **Article 10.1(a)** and **10.2(a)** shall not apply to any transfer of shares
    - (i) pursuant to **Article 8** (other than **Article 8.4(c)**); or
    - (ii) to any person who was a Holder of Shares at the date of the adoption of these Articles.
  - (c) "**Come Along Offer**" means an unconditional offer, open for acceptance for not less than 20 Business Days (or 10 Business Days if the Vendor is an Investor), to purchase all or any Shares held by the recipients of a Come Along Offer free from all liens, charges and encumbrances at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by the transferee referred to in **Article 10.1(a)** (or any person with whom such transferee is connected or with whom such transferee is acting in concert) for Shares (inclusive of the shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and ending on the proposed date of completion of such transfer of shares
  - (d) In the event of disagreement, the calculation of the relevant Come Along Offer price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of any such party) whose decision shall (in the absence of fraud or manifest error) be conclusive and binding on the Company and upon all its members for the purposes of these Articles
- 10.2 (a) If the Holders of a majority in number of the Ordinary Shares and Preferred Shares (taken together, but which majority must include an Investor Majority)

(in this **Article 10.2**, the “**Vendors**”) wish to transfer their shares in the Company (the “**Offer**”) to any person (the “**Purchaser**”), then the Vendors shall also have the option to require all of the other Holders of Shares to transfer all their shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice (the “**Drag Along Notice**”) to that effect to all such other Holders (the “**Called Shareholders**”) specifying that the Called Shareholders are required to transfer their shares pursuant to this **Article 10.2** free from all liens, charges and encumbrances and the price (the “**Proposed Price**”) at which such shares are proposed to be transferred

- (b) If any Called Shareholder shall make default in transferring his shares pursuant to this **Article 10.2**, the provisions of **Article 9.6** (references therein to the Vendor, Sale Shares, Allocation Notice and Member Applicant being read as references to the Called Shareholder making such default, the shares in respect of which such default is made, the Drag Along Notice and the Purchaser respectively) shall apply to the transfer of the shares of such Called Shareholder mutatis mutandis save that the Transfer Price shall be the price offered for such shares as set out in this **Article 10.2** and the provisions of **Article 9.7** shall not apply

## **11 COMPULSORY TRANSFERS**

11.1 In this **Article 11**, a “**Transfer Event**” means, in relation to any member

- (a) a member who is an individual
  - (i) becoming bankrupt; or
  - (ii) dying;and the Fund notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,
- (b) a member making any arrangement or composition with his creditors generally and the Fund notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,
- (c) a member which is a body corporate.
  - (i) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or
  - (ii) having an administrator appointed in relation to it, or
  - (iii) entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction), or
  - (iv) having any equivalent action taken in any jurisdiction,

and the Fund notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,

- (d) a member who is or was previously a director or employee of a member of the Group ceasing to hold such office or employment and as a consequence no longer being a director or employee of any member of the Group and the Fund notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,
- (e) a member attempting to deal with or dispose of any Share or any interest in a Share otherwise than in accordance with these Articles and the Fund notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member,
- (f) failure by a member to make a transfer of shares required by **Article 8.2(a)** or **8.3(e)** and The Fund notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member; or
- (g) failure by a person to serve a Transfer Notice when required to do so by **Article 8.3(d)(iii)** and the Fund notifying the Company within 3 months of the matter coming to its attention that such event is a Transfer Event in relation to that member

- 11 2 Upon the happening of any Transfer Event, the member in question (or his personal representatives or trustee in bankruptcy where applicable) and any other member who has acquired Shares from him under a permitted transfer pursuant to **Article 8.3** (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them or, in the case of any transferee of shares who is not the immediate subject of the Transfer Event, in respect of those Shares received directly or indirectly from the member who is the immediate subject of the Transfer Event (a “**Deemed Transfer Notice**”) A Deemed Transfer Notice shall supersede and be deemed to cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have already been validly transferred pursuant to that Transfer Notice

Notwithstanding any other provision of these Articles, if the Fund so notifies the Board in relation to any Shares, any member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of 3 months after the date of the relevant Deemed Transfer Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the Holder of those Shares

- 11 3 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with **Article 9** as if they were Sale Shares in respect of which a Transfer Notice had been given save that:

- (a) a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event,

- (b) subject to **Article 11.4**, the Transfer Price shall be a price per Sale Share agreed between the Vendor, the Board and the Fund or, in default of agreement within 21 days after the date of the Transfer Event, the Fair Value,
  - (c) a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable,
  - (d) the Vendor may retain any Sale Shares for which purchasers are not found or, after the lapse of the offer referred to in **Article 9.4(a)** and with the prior written approval of the Fund, sell all or any of those Sale Shares to any person (including any member) at any price per Sale Share which is not less than the Transfer Price; and
  - (e) the Sale Shares sold in accordance with this **Article 11.3** shall be sold together with all rights attaching thereto as at the date of the Transfer Event
- 11 4 The Transfer Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within **Article 11.1(d)** shall
- (a) in the case of a Good Leaver (as defined in **Article 11.5**) be their Fair Value or Issue Price, whichever is higher, and
  - (b) in the case of a Bad Leaver (as defined in **Article 11.5**), be the lesser of their Fair Value and their Issue Price
- 11.5 In **Article 11.4**
- (a) “**Good Leaver**” refers to a person who ceases to be a director or employee of any member of the Group and as a consequence is no longer a director or employee of any member of the Group and is not a Bad Leaver,
  - (b) “**Bad Leaver**” refers to any person who ceases to be a director or employee of any member of the Group either before the second anniversary of the adoption of these Articles (other than as a result of his death, because he is suffering from a Critical Illness or because he has reached the normal retirement age set by the Company (provided that age is objectively justifiable in accordance with the Employment Equality (Age) Regulations 2006) or by substantively justifiable dismissal for gross misconduct at any time and as a consequence is no longer a director or employee of any member of the Group unless otherwise agreed in writing by the Board and the Fund
- 11 6 For the purpose of **Article 11.1(d)**, the date upon which a member ceases to hold office or employment as described therein shall be:
- (a) where a contract of employment or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);

- (b) where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice;
  - (c) save as provided in **Article 11.6(a)**, where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance,
  - (d) where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event, and
  - (e) where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in **Articles 11.6(a) to 11.6(d)** above, the date on which the action or event giving rise to the termination occurs.
- 11 7 **“Fair Value”** for the purposes of these Articles means as agreed between the Board (with the approval of the Fund) and the Vendor or, in the absence of agreement within 21 days of the Transfer Event, by the Auditors in accordance with **Article 12**.
- 11 8 Regulations 27 and 28 in the Model Articles shall take effect subject to the express provisions of these Articles
- 12 **VALUATION OF SHARES**
- 12.1 In the event that the Auditors are required to determine the price at which shares are to be transferred pursuant to these Articles, such price shall be the amount the Auditors shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 12** is required), certify in writing to be the price which, in their opinion, represents a fair value for such shares as between a willing vendor and a willing purchaser as at the date the Transfer Notice or Deemed Transfer Notice is given. In making such determination, the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these Articles (and shall assume that the entire issued share capital of the Company is being sold and comprises only of Ordinary Shares)
- 12 2 In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be conclusive and binding on the Company and upon all of its Holders for the purposes of these Articles.
- 12 3 The costs of the Auditors shall be borne by the Company unless, in the case of a determination required pursuant to the provisions of **Article 11**, the amount determined by the Auditors is less than that suggested by the Board in which event the costs of the Auditors shall be borne by the Vendor.
- 13 **COMPLIANCE**
- 13 1 For the purpose of (i) ensuring that a transfer of shares is duly authorised under these Articles or (ii) ensuring that no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these Articles or (iii) determining whether an offer is required to be or ought to have been made under **Article 10**, the

Board may require any member or the personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in the Holder's name

- 13 2 Failing such information or evidence being furnished by such a member, personal representative or transferee in accordance with Article 13 1 to enable the Board to determine to its reasonable satisfaction whether such Transfer Notice is required to be or ought to have been given, or whether any offer is required to be or ought to have been made under **Article 10**
- (a) where the purpose of the enquiry by the Board was to establish whether a Transfer Notice is required to be or ought to have been given, then a Transfer Notice shall be deemed to have been given by the Holder of the relevant shares in respect of such shares, or
  - (b) where the purpose of the enquiry by the Board was to establish whether a Come Along Offer is required to be or ought to have been made under **Article 10**, then any shares the transfer or proposed transfer of which the Board indicates prompted its request for information or evidence shall cease to entitle the relevant Holder or Holders to voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) or to any further shares issued in right of such shares or in pursuance of an offer made to the relevant Holders.

## GENERAL

### 14 ISSUE OF SHARES

- 14 1 All new Equity Shares shall, before they are issued whether for cash or otherwise, be offered for subscription to the registered Holders of the Equity Shares (which for these purposes shall be treated as one class of share) in proportion, as nearly as may be, to their respective holdings of Equity Shares.
- 14 2 The offer referred to in **Article 14.1** shall be made by notice specifying the number and class of shares offered, the proportionate entitlement of the relevant member, the price per share and the period (not being less than 14 days) (the "**First Offer Period**") within which the offer, if not accepted will be deemed to be declined
- 14 3 After the expiry of the First Offer Period, the Board shall offer any shares which have been declined or are deemed to have been declined to the persons who have within that period accepted all the shares offered to them. Such further offer (the "**Second Offer**") shall be on the same terms as the first offer (save that it shall not be necessary to specify each Holder's proportionate entitlement to the shares offered) and shall invite each Holder to whom the offer is made to state in writing within a period (the "**Second Offer Period**") of not less than 14 days whether he is willing to take any, and if so what maximum, number of the shares so offered



- 14 4 At the expiration of the Second Offer Period, the Board shall allot the shares so offered to or amongst the persons who have notified their willingness to take such shares. In the event of competition amongst two or more Holders to whom the Second Offer was made, each Holder to whom the Second Offer was made shall be allocated the number of shares which bears the same proportion to the total number of shares offered pursuant to the Second Offer as his total holding of Equity Shares bears to the total number of Equity Shares held by all Holders to whom the Second Offer was made and any further shares not allocated on this basis shall be allocated to any remaining Holders who have expressed a willingness to purchase those further shares in proportion as nearly as may be to the number of Equity Shares held by such remaining Holders respectively (provided always that no Holder shall be allocated more shares than he stated he was willing to take pursuant to the Second Offer). The Board shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas Shareholders and Shareholders unable by law or regulation to receive or accept any offer pursuant to this **Article 14**
- 14 5 Any shares not accepted by the foregoing procedure shall be at the disposal of the Board who may allot, grant options over, or otherwise dispose of them to such persons at such time and generally on such terms and conditions as they determine provided that no shares shall be issued at a discount and provided further that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the members
- 14 6 Sections 561 and 562 of the Act shall not apply to the Company
- 14 7 No shares shall be allotted on terms that the right to take up the shares may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a share may direct that such share may be allotted or issued to any other person
- 14 8 Shares issued to a member by reference to his holding of a class of the Equity Shares shall on issue be designated a share of such class unless the Board with the prior approval of the Investor Majority decide otherwise
- 14 9 In regulation 22(1) of the Model Articles the words “**ordinary resolution**” shall be omitted and the words “**special resolution**” shall be substituted for them
- 14.10 Notwithstanding any other provision of these Articles, the Board shall be bound to offer to each Investor such a proportion of any Equity Shares which the Board determine to issue as the aggregate nominal value of Equity Shares for the time being held by such Investor bears to the total issued Equity Shares immediately before the issue of the shares. Any shares issued to an Investor pursuant to such offer shall be issued upon no less favourable terms and conditions than those issued to any other person and so that such shares shall at the request of the Investor be registered in the name or names of any one or more members of its group of companies from time to time
- 15 **ANTI DILUTION**
- 15 1 If, following the Investment Date, the Company issues any shares in accordance with the terms of the Share Options (and whether the issue is in satisfaction of the whole

or part only of the Shares the subject of the Share Options), then immediately following such issue (and immediately following each and every such issue) the Company shall either:-

- (a) allot to each holder of Preferred Shares subscribed for pursuant to the Investment Agreement pro rata to their holdings of such Preferred Shares by way of capitalisation of reserves to the fullest extent possible; or
- (b) if there are no or insufficient reserves to capitalise, offer to the holders of Preferred Shares subscribed for pursuant to the Investment Agreement pro rata to their holdings of such Preferred Shares the right to subscribe in cash at par for

such number of B Preferred Ordinary Shares which shall result in the holders of such Preferred Shares holding in aggregate 25% of the entire issued share capital of the Company (including any issued pursuant to the Share Options) in the Company and any Shares allotted to such holders of Preferred Shares shall be B Preferred Ordinary Shares

## **16 GENERAL MEETINGS**

- 16.1 No business shall be transacted at any general meeting unless a quorum of Holders is present at the time when the meeting proceeds to business and for its duration Two persons, being Holders present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting If a meeting is adjourned under regulation 41 of the Model Articles because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for that adjourned meeting, the Holders then present shall form a quorum, whatever their number
- 16.2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any Holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and regulation 44 of the Model Articles shall be modified accordingly
- 15.3 The words "or the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed" shall be inserted after the words "as the chairman of the meeting may determine)," in regulation 47(1)(a) of the Model Articles

## **17 REMOVAL OF DIRECTORS**

The office of any Director shall be vacated if

- 17.1 (in the case of an executive Director only) he shall, for whatever reason, cease to be employed by the Company or any subsidiary of the Company and he does not remain an employee of any other Group Member, or
- 17.2 (other than in the case of an Investor Director) all the other Directors request his resignation in writing,

and the provisions of regulation 18 of the Model Articles shall be extended accordingly

## 18 INVESTOR DIRECTOR AND OBSERVER

18 1 The members holding a majority of the Preferred Shares may from time to time appoint any person to be a director with the title of investor director (the “**Investor Director**” which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove the Investor Director from office

18.2 There shall not be more than one director bearing the title of Investor Director in office at any time.

18 3 Any appointment or removal of the Investor Director shall be in writing served on the Company signed by the members holding a majority of the Preferred Shares and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative

18 4 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the registered office of FW Capital.

18 5 Upon written request by a majority of the Holders of the Preferred Shares the Company shall procure that the Investor Director is forthwith appointed as a director of any other member of the Group, to any committee of the Board or the board of any member of the Group.

18 6 The Fund has the right to nominate an observer to attend all meetings of the Board and the Company (“**the Observer**”) The Observer shall have the right to attend but not speak (unless invited to do so by the Chairman of such meeting) or vote at such meetings

## 19 ALTERNATE DIRECTORS

19 1 The Investor Director may appoint a person who is not a director to be his alternate director and there shall be no requirement for the directors to approve the appointment of such a person Regulation 25(1) in the Model Articles of Association for Public Companies shall be varied accordingly

## 20 PROCEEDINGS OF DIRECTORS

20 1 The quorum for meetings of the Board shall be two directors one of whom must be the Investor Director (if appointed) and regulation 11(2) of the Model Articles shall be varied accordingly

19 2 If the numbers of votes for and against a proposal are equal, the Investor Director (if any) has a casting vote But this does not apply if, in accordance with these Articles, the Investor Director is not to be counted as participating in the decision-making process for quorum or voting purposes Regulation 13 of the Model Articles shall not apply

20 3 Except with the prior written consent of the Investor Director (or, in the event that there is no Investor Director, the prior written consent of the Investor Majority) where this **Article 20.3** is applied in relation to a Director other than the Investor Director, a Director shall not vote on any resolution concerning a matter (other than a permitted cause referred to in regulation 14(4) of the Model Articles) in which he has, directly or indirectly, any kind of interest or duty whatsoever. Regulation 14 of the Model Articles shall be modified accordingly Where this **Article 20.3** is applied in relation to a Director other than the Investor Director, references in regulations 14(6) and 14(7) of the Model Articles to the “chairman” shall be construed as a reference to the “Investor Director” for so long as one is appointed.

## 21 **CONFLICTS OF INTEREST**

21 1 The consent of the Investor Director or, if there is no Investor Director, the Fund shall be required before the Company or any Group Member shall, through its directors, authorise for the purposes of section 175 of the Act or otherwise any director (other than an Investor Director) to have a Conflict

21 2 Subject to **Article 21.1**, the directors may for the purpose of section 175 of the Act authorise any Conflict and revoke or vary any authorisation so given The directors may give any such authorisation subject to such terms as they shall consider appropriate and reasonable in the circumstances

21 3 The Investor Director has the Company’s authority to enter into, and remain in, any Conflict which arises as a result of

- (a) the Investor Director being a director, shareholder, employee, member, trustee, partner, representative or other officer of, or consultant to, or otherwise commercially involved with any member of the Investor Group from time to time,
- (b) the Investor Director being appointed by any member of the Investor Group from time to time as a director of any other company, or
- (c) any member of the Investor Group having an interest from time to time in another company or person which is a competitor of the Company or whose interests conflict with those of the Company

and the Investor Director shall not be accountable to the Company for any benefit he directly or indirectly derives from the Conflict or from his involvement with any member of the Investor Group or any other person referred to in this **Article 21.3**

21 4 If the Investor Director obtains information relating to a Conflict which is authorised pursuant to **Article 21.3**, which information is confidential to a third party, the Investor Director shall not be obliged to disclose that information to the Company or to use it for the Company’s benefit if to do so would amount to a breach of that confidence or breach of any duty owed by him to any other person

21 5 Subject to **Article 20.3** and to compliance with all his/her other duties as a director of the Company, the Investor Director shall be entitled for the purpose of section 173 of the Companies Act 2006 to have regard to and promote the interests of the Investor Group when discharging his/her functions.

22      **INDEMNITY AND INSURANCE**

22 1      In regulation 52(1) of the Model Articles, the words “shall be indemnified” shall be substituted for the words “may be indemnified”.

22 2      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.

22 3      In this article **22**

- (a)      a “**relevant officer**” means any director or former director, secretary or former secretary, manager or former manager of the Company or an associated company,
- (b)      a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer’s duties or powers in relation to the Company, any associated company or any pension fund or employees’ share scheme of the Company or associated company, and
- (c)      companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

22 4      Regulation 53 of the Model Articles shall not apply to the Company.

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