



THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

MONITOR AUDIO LIMITED
 (registered number: 06018892)

(Adopted by special resolution passed on 10 November 2015 and
 amended by special resolution passed on 17 October 2018)

AGREED TERMS

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

"Act"	the Companies Act 2006.
"Appointor"	has the meaning given in article 12.1.
"Articles"	the Company's articles of association for the time being in force.
"Associate"	in relation to any person any person who is an associate of that person. The question of whether (or not) a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986.
"Business Day"	a day other than a Saturday, Sunday or public holiday in England when banks in the City of London are open for business.
"Conflict"	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
"Continuing Shareholder"	has the meaning given in article 14.9.
"Deemed Transfer Notice"	a Transfer Notice that is deemed to have been served under any provisions of these Articles.
"Departing Employee Shareholder"	an Employee Shareholder who ceases to be a director or employee of the Company and who does not continue as, or become, a director or employee of any other Group Company.
"Eligible Director"	any director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).
"Employee Shareholder"	a Shareholder or their spouse who is, or has been, a director and/or an employee of any Group Company.
"Fair Value"	in relation to shares, as determined in accordance with article 17.
"Family Trust"	as regards any 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
Indebtedness"**

any indebtedness of the Group for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with UK Generally Accepted Accountancy Principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any amount raised by the issue of redeemable shares;
- (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"Group"

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

"holding company"

has the meaning given in article 1.5.

"Interested Director"

has the meaning given in article 9.1.

"Model Articles"

the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles)

	Regulations 2008 (<i>SI 2008/3229</i>) as amended prior to the date of adoption of these Articles and reference to a numbered "Model Article" is a reference to that article of the Model Articles.
"Net Equity Amount"	in respect of an Offer (as defined in article 19.1), the total value of all of the issued shares in the capital of the Company derived from the consideration payable pursuant to such Offer exceeds the Financial Indebtedness of the Group as at the date of such Offer.
"Original Shareholder"	a shareholder who holds shares in the Company on the date of adoption of these Articles.
"Permitted Transfer"	a transfer of shares made in accordance with article 15.
"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).
"Sale Shares"	has the meaning given in article 14.2.
"Seller"	has the meaning given in article 14.2.
"Shares"	means the issued share capital in the Company from time to time.
"subsidiary"	has the meaning given in article 1.5.
"Termination Date"	<ul style="list-style-type: none"> (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"	an irrevocable notice in writing given by any shareholder to the Company where the shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares.
"Transfer Price"	has the meaning given in article 14.2.3.
"Valuers"	the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of

Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator),

"Writing" or "written" the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 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 those meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **"holding company"** or a **"subsidiary"** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
 - 1.5.1 another person (or its nominee), by way of security or in connection with the taking of security; or
 - 1.5.2 its nominee.
- 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 Any words following the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **"other"** and **"otherwise"** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17(2), 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

3. DIRECTORS' MEETINGS

- 3.1 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.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Meetings of the directors shall take place at least eight (8) times each year.
- 3.4 All decisions made at any meeting of the directors or of 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.
- 3.5 If at any time before or at any meeting of the directors or of any committee of the directors all directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.6 The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4. UNANIMOUS DECISIONS OF DIRECTORS

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7.

5. NUMBER OF DIRECTORS

The number of directors shall not be less than three (3) and no more than ten (10). No shareholding qualification for directors shall be required.

6. CALLING A DIRECTORS' MEETING

- 6.1 Any director may call a meeting of directors by giving not less than five (5) Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by all of the directors) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
 - 6.2.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - 6.2.2 copies of any papers to be discussed at the meeting.
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. QUORUM FOR DIRECTORS' MEETINGS

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be one (1) director (comprising Andrew Platt or his alternate).
- 7.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five (5) Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within

30 minutes of the time specified, then those Eligible Directors present will constitute a quorum.

8. CHAIRING OF DIRECTORS' MEETINGS

The directors may appoint a director to chair their meetings. The chairman shall not have a casting vote.

9. DIRECTORS' INTERESTS

9.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.

9.2 Any authorisation under this article will be effective only if:

9.2.1 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;

9.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

9.2.3 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.

9.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):

9.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

9.3.2 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;

9.3.3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;

9.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;

9.3.5 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

9.3.6 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.

9.4 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.

9.5 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.

9.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms

and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

- 9.7 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 9.8 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9.7.
- 9.9 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 9.9.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - 9.9.2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 9.9.3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - 9.9.4 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;
 - 9.9.5 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
 - 9.9.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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.

10. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

11. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

12. ALTERNATE DIRECTORS

- 12.1 Any director (other than an alternate director) (the "**Appointor**") may appoint any person (whether or not a director), to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the

- directors, in the absence of the Appointor. A person may be appointed an alternate director by more than one director.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 12.3 The notice must:
- 12.3.1 identify the proposed alternate; and
 - 12.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors:
- 12.5.1 are deemed for all purposes to be directors;
 - 12.5.2 are liable for their own acts and omissions;
 - 12.5.3 are subject to the same restrictions as their Appointors; and
 - 12.5.4 are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.
- 12.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:
- 12.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
 - 12.6.2 participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 12.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.
- 12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- 12.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
 - 12.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
 - 12.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

SHARES

13. SHARE TRANSFERS: 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 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 16 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, 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 agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the shareholders and the Company, in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 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 require:
- 13.6.1 any holder (or the legal representatives of a deceased holder); or
- 13.6.2 any person named as a transferee in a transfer lodged for registration; or
- 13.6.3 such other person as the directors 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 within 10 Business Days of receipt of such written notice, then:
- 13.7.1 the relevant Shares shall cease to confer on the holder of them any rights:
- 13.7.1.1 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;
- 13.7.1.2 to receive dividends or other distributions otherwise attaching to those Shares; or
- 13.7.1.3 to participate in any future issue of Shares; and
- 13.7.2 the directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).
- The directors may (reinstate the rights referred to in article 13.7.1 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to article 13.7.2.
- 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:
- 13.8.1 it does not contain a Minimum Transfer Condition;

- 13.8.2 it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with Article 17; and
- 13.8.3 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 a Drag Along Notice (as defined in article 19.1)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.
- 14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**
- 14.1 Except where the provisions of article 15, article 18 or article 19 apply, any transfer, assignment or other disposal of a beneficial or other interest of Shares by a shareholder shall be subject to the pre-emption rights in this article 14.
- 14.2 A shareholder ("**Seller**") wishing to transfer his Shares ("**Sale Shares**") must give notice in writing (a "**Transfer Notice**") to the Company giving details of the proposed transfer including:
- 14.2.1 the number of Sale Shares;
- 14.2.2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- 14.2.3 the price (in cash) at which he wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the directors ("**Transfer Price**")); and
- 14.2.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders ("**Minimum Transfer Condition**").
- 14.3 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 14.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 14.5 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 14.6 to article 14.14 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 14.6 As soon as practicable following the receipt of a Transfer Notice, the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 14.7 The directors shall offer the Sale Shares to the Company, inviting it to confirm in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares it wishes to buy.
- 14.8 If at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Company. The balance (the "**Initial Surplus Shares**") shall be dealt with in accordance with article 14.9.
- 14.9 At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to all the shareholders holding Shares other than the Seller (the "**Continuing Shareholders**"), inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the "**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy.
- 14.10 If, 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 Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded 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 among the Continuing Shareholders shall be determined by the directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

- 14.11 If, at the end of the Second Offer Period, the 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 Continuing Shareholders in accordance with their applications. The balance (the "**Second Surplus Shares**") shall be dealt with in accordance with article 14.12.
- 14.12 At the end of the Second Offer Period, the directors shall offer the Second Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the "**Third Offer Period**") for the maximum number of Second Surplus Shares they wish to buy.
- 14.13 If, at the end of the Third Offer Period, the number of Second Surplus Shares applied for is equal to or exceeds the number of Second Surplus Shares, the directors shall allocate the Second Surplus Shares to each Continuing Shareholder who has applied for Second Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Second Surplus Shares during the Third Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Second Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Second Surplus Shares which he has stated he is willing to buy.
- 14.14 If, at the end of the Third Offer Period, the number of Second Surplus Shares applied for is less than the number of Second Surplus Shares, the directors shall allocate the Second Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the "**Third Surplus Shares**") shall be dealt with in accordance with article 14.19.
- 14.15 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the directors shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 14.6 to article 14.14, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 14.16 If:
- 14.16.1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- 14.16.2 allocations under article 14.6 to article 14.14 have been made in respect of some or all of the Sale Shares,
- the directors shall give written notice of allocation (an "**Allocation Notice**") to the Seller and the Company and/or each Continuing 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, the amount payable by each Applicant for the number of Sale Shares allocated to him ("**Consideration**") and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than 20 Business Days, after the date of the Allocation Notice).

- 14.17 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.
- 14.18 If the Seller fails to comply with article 14.17:
- 14.18.1 the Chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller;
 - 14.18.2 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - 14.18.3 receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
 - 14.18.4 (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and
 - 14.18.5 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the directors may reasonably require to prove good title to those Sale Shares, to the Company.
- 14.19 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 14.14 then, subject to article 14.20 and within eight weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Third Surplus Shares or the Sale Shares (in the case of a lapsed offer) (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 14.19 shall continue to be subject to any Minimum Transfer Condition.
- 14.20 The Seller's right to transfer Sale Shares under article 14.19 does not apply if the directors reasonably consider that:
- 14.20.1 the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company; or
 - 14.20.2 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
 - 14.20.3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the directors to enable it to form the opinion mentioned above.
- 14.21 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Sale Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article.

15. PERMITTED TRANSFERS

- 15.1 An Original Shareholder may transfer all or any of his Shares to:
- 15.1.1 a Privileged Relation; or
 - 15.1.2 a Family Trust.
- 15.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- 15.2.1 any Privileged Relation(s) of the Original Shareholder;
 - 15.2.2 subject to article 15.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
 - 15.2.3 subject to article 15.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

- 15.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the directors are satisfied:

15.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);

15.3.2 with the identity of the proposed trustee(s); and

15.3.3 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

- 15.4 If a Permitted Transfer has been made to a Privileged Relation of an Original Shareholder, the Privileged Relation, shall within 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

15.4.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Privileged Relation of the Original Shareholder) for such consideration as may be agreed between them; or

15.4.2 give a Transfer Notice to the Company in accordance with article 14.2,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 15.4. This article 15.4 shall not apply to a transferee of a Privileged Relation if that transferee is also a Privileged Relation of the Original Shareholder, to the extent that such transferee is legally or beneficially entitled to those Shares.

- 15.5 Notwithstanding any other provision of this article 15, a transfer of any Shares approved by the directors may be made without any price or other restriction and any such transfer shall be registered by the directors.

16. **COMPULSORY TRANSFERS**

- 16.1 A person entitled to a Share in consequence of the bankruptcy of a shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Shares at such time as the directors determine.

- 16.2 If a company that is a shareholder resolves to appoint (or has appointed) a liquidator, administrator or administrative receiver over it or a material part of its business (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction), that shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by it at such time as the Directors determine.

- 16.3 If a shareholder is in material breach of these Articles or any shareholders' agreement (or similar document) in force between any of the shareholders and the Company, then upon written notice being sent by the directors on the shareholder, that shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Shares.

- 16.4 If an Employee Shareholder becomes a Departing Employee Shareholder a Deemed Transfer Notice shall, unless the directors otherwise direct in writing in respect of any particular 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 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.

- 16.5 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall be the aggregate Fair Value of such Sale Shares.

- 16.6 If a shareholder serves a Transfer Notice (a "**Recent Transfer Notice**") on the Company pursuant to which that shareholder sells some or all of his Shares to the Company and/or the Continuing Shareholders in accordance with article 14, but then that Shareholder ceases to be a director or employee of the Company within six calendar months of serving that Recent Transfer Notice (and who does not continue as, or become, a director or employee of any other Group Company) then, unless the directors agree otherwise, to the extent that the Shares sold pursuant to the Recent Transfer Notice were not sold for the Fair Value, the

Valuers shall be appointed to determine the Fair Value of the Shares sold as at the date of the Recent Transfer Notice (as nearly as the Valuers are able to do so), in accordance with article 17.

- 16.7 To the extent that any Fair Value determined in accordance with articles 16.6 and 17 in respect of Shares sold pursuant to a Recent Transfer Notice is less than the Transfer Price actually paid for the Shares set out in the Recent Transfer Notice, the Seller shall pay to the Company the difference between the Transfer Price and the Fair Value (the "**Excess**") within 10 Business Days of determination of the Fair Value.
- 16.8 The Company shall be responsible for distributing monies received from the Seller pursuant to article 16.7 to the Company and/or the Continuing Shareholders who originally purchased the Shares pursuant to the Recent Transfer Notice on a pro rata basis without deduction.
- 16.9 All voting rights attached to Shares, if any, where either article 16.1, 16.2, 16.3 or 16.4 applies, shall be suspended on the Termination Date ("**Restricted Shares**"). However, the holders of Restricted Shares shall have the right to receive a notice of, and to attend, all general meetings of the Company, but shall have no right to vote either in person or by proxy.
- 16.10 All voting rights attached to the Restricted Shares transferred under this Article 16 shall be automatically restored on completion of the transfer..

17. VALUATION

- 17.1 As soon as practicable after deemed service of a Transfer Notice under article 13.8 or where no cash price is agreed between the Seller and the directors under article 14.2.3, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares.
- 17.2 The Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the shareholders in writing of their determination.
- 17.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
 - 17.3.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
 - 17.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 17.3.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - 17.3.4 the Sale Shares are sold free of all encumbrances;
 - 17.3.5 the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - 17.3.6 to take account of any other factors that the Valuers reasonably believes should be taken into account.
- 17.4 The shareholders are entitled to make submissions to the Valuers and shall provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 17.5 To the extent not provided for by this article 17, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 17.6 The Valuers' written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 17.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any

fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct.

18. TAG ALONG

- 18.1 Notwithstanding any other provision of these Articles, no sale or transfer of any shares which would result, if made and registered, in shareholders transferring 51% or more of the issued Shares (whether to one or more persons) whether in one transaction or series of connected transactions (the "**Relevant Transactions**"), shall be made or registered unless, before the transfer is lodged for registration, the proposed transferee has offered in writing to purchase a percentage of the Shares from the other shareholders (not being the proposed transferors) equal to the percentage of the proposed transferor's holding of Shares to be transferred pursuant to the Relevant Transactions. The price to be offered by the proposed transferee shall be the Specified Price. Such offer shall be capable of acceptance for a period of not less than 20 Business Days. If any such offer is accepted, the sale and registration of the transfer of the relevant Shares shall be conditional on completion of the purchase of the/each acceptor's Shares.
- 18.2 For the purpose of this article 18 the "**Specified Price**" shall mean a price per Share equal to that offered or paid or payable by the proposed transferee or transferees for the relevant Shares to the shareholder(s) thereof plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the shareholder(s) of the relevant Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as a part of the price paid or payable for the relevant Shares (excluding, for the avoidance of doubt, any sum genuinely payable by way of compensation for other benefits given up).
- 18.3 In the event of disagreement about the calculation on the determination of the Specified Price in respect of Shares under article 18.2 shall be referred to the accountants of the Company (acting as experts and not arbitrators) whose decision shall be final and binding.

19. DRAG ALONG

- 19.1 Notwithstanding any other provision of these Articles, if the holders of 51% or more of the issued Shares wish to transfer all their Shares pursuant to an offer (the "**Offer**") by any person not being an existing shareholder or a person Connected to an existing shareholder (the "**Purchaser**") provided that the Net Equity Amount derived from such Offer exceeds £10,000,000, such shareholder(s) may (together) serve a written notice on the board of directors stating that they wish to sell their Shares on such basis to such Purchaser and to procure that the other shareholders sell their Shares to the Purchaser and stating the price per Share payable under the Offer (the "**Drag Along Notice**"). If the board of directors or any other shareholder shall not have procured an offer for the entire issued and to be issued Shares on no less favourable terms within 30 days of receipt of such notice, the Offer will be deemed to have been extended to all the issued and to be issued Shares and all such shareholders (the "**Called Shareholders**") will be deemed to have accepted the Offer referred to in the Drag Along Notice and to transfer their Shares to the Purchaser on the 30th day following the expiry of such 60 day period, on the terms (including as to price) which for these purposes shall include any amount payable by the Purchaser (or a Connected person) which ought reasonably to be treated as consideration for the Shares but without requiring the Called Shareholders to give any warranties or indemnities except as to title to their Shares) of the Offer and the Called Shareholders will in accordance with this article 19, be required to transfer their Shares pursuant to this article 19 to the Purchaser upon receipt of the purchase monies.
- 19.2 If the Called Shareholders make default in transferring their shares pursuant to this article 19, then:
- 19.2.1 the chairman of the board of directors or, failing him, one of the directors, or some other person duly nominated by a resolution of the board of directors for that purpose, shall forthwith be deemed to be the duly appointed attorney of the relevant Called Shareholder(s) with full power to execute, complete and deliver in the name of any on behalf of the relevant Called Shareholder(s) all documents necessary to give effect to the transfer of the relevant shares to the Purchaser;

- 19.2.2 the board of directors (or any one of them) may receive and give a good discharge for the purchase money on behalf of the relevant Called Shareholder(s) and (subject to the transfer being duly stamped) enter the name of the Purchaser in the register of members as the holder or holders by transfer of the shares so purchased by him or them; and
- 19.2.3 the board of directors 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 relevant Called Shareholder(s) until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the board of directors, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money. The appointment referred to in article 19.2.1 shall be irrevocable and is given by way of security for the performance of the obligations of the relevant shareholder under these Articles.

DECISION MAKING BY SHAREHOLDERS

20. QUORUM FOR GENERAL MEETINGS

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

21. CHAIRING GENERAL MEETINGS

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the directors shall be entitled to appoint another director present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

22. VOTING

At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

23. POLL VOTES

- 23.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 23.2 Article 44(3) of the Model Articles 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 article.

24. PROXIES

- 24.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced 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 general meeting (or adjourned meeting) to which they relate".
- 24.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

25. MEANS OF COMMUNICATION TO BE USED

- 25.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 25.1.1 if delivered by hand, at the time of delivery; or

- 25.1.2 if sent by fax, at the time of transmission; or
- 25.1.3 if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, two Business Days after posting; or
- 25.1.4 if sent by airmail to an address outside the country from which it is sent, five Business Days after posting; or
- 25.1.5 if sent by reputable international overnight courier to an address outside the country from which it is sent, at the time of delivery; or
- 25.1.6 if deemed receipt under the previous paragraphs of this article 25.1 is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of receipt), when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 25.2 To prove service, it is sufficient to prove that:
 - 25.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 25.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 25.2.3 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted.
- 25.3 In proving that any notice, document or information was properly addressed, it shall suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.
- 26. INDEMNITY AND INSURANCE**
- 26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 26.1.1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - 26.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - 26.1.1.2 in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),
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 affairs; and
 - 26.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26.1.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.
- 26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 26.3 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.
- 26.4 In this article:
 - 26.4.1 a "**relevant officer**" means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the