

Company number 06055271

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

SHEPHERD DIRECT LIMITED (Company)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following written resolutions were passed on 18 DECEMBER 2015:

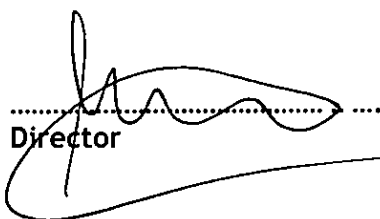
- resolutions 1 and 2 are passed as special resolutions (**Special Resolutions**); and
- resolution 3 is passed as an ordinary resolution (**Ordinary Resolution**).

#### SPECIAL RESOLUTIONS

1. THAT, subject to the passing of resolution 3 and in accordance with section 570 of the Companies Act 2006, the directors be generally empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) (or any other pre-emption rights in favour of the shareholders of the Company under any other document) pursuant to the authority conferred by resolution 3, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment.
2. THAT the draft articles of association in the form attached to this Written Resolution (**New Articles**) be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.

#### ORDINARY RESOLUTION

3. THAT, in accordance with section 551 of the Companies Act 2006, the directors of the Company (**Directors**) be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for shares in the Company (**Rights**) up to an aggregate nominal amount of £112,232.00 (comprising 74,882 A ordinary shares of £1.00 each and 37,350 B ordinary shares of £1.00 each in the capital of the Company) provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date falling five years from the date on which the resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

  
.....  
Director

18 DECEMBER 2015  
.....  
Date



A12 13/01/2016 #202  
COMPANIES HOUSE

PRIVATE & CONFIDENTIAL



**Articles of Association**

of

**Shepherd Direct Limited**

Company number. 06055271

(Private company limited by shares)

as adopted by written special resolutions

passed on 18 DECEMBER 2015

PRIVATE & CONFIDENTIAL

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Company number: 6055271

**The Companies Act 2006**

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**Private company limited by shares**

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**Articles of Association**

of

**Shepherd Direct Limited ("the Company")**

(as adopted by written special resolution passed on 18 DECEMBER 2015)

**1 Preliminary**

1.1 The following shall be the Articles of the Company, which for ease of reference are set out in the following parts

- **Part A** – Share capital, rights and transfers
- **Part B** – Key provisions about directors
- **Part C** – Useful provisions based on the Model Articles for private companies
- **Part D** – Defined terms and interpretation

1.2 Notwithstanding any other provision of these Articles, no regulations for management of the Company set out in any statute concerning companies or contained in any regulations, order, instrument or other subordinate legislation made pursuant to a statute (including, but not limited to, the regulations contained in the model articles for private companies limited by shares as set out in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) (as amended from time to time) (the "**Model Articles**") shall apply to the Company

## **PART A – Share capital, rights and transfers**

### **2 Share capital**

- 2.1 Whenever the Company has only one class of shares, unless otherwise authorised by these Articles, the directors shall not (save with Investor Consent) exercise any power of the Company pursuant to Section 550, CA2006 to allot shares or to grant rights to subscribe for, or convert any security into, any shares in the Company
- 2.2 Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may (with Investor Consent)
- (a) issue shares with such rights or restrictions as may be determined by ordinary resolution,
  - (b) issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder on such terms as the directors may determine, and
  - (c) issue shares which are nil, partly or fully paid
- 2.3 The Company may (with Investor Consent) pay any person a commission in consideration for that person subscribing, or agreeing to subscribe, for shares or procuring, or agreeing to procure, subscriptions for shares. Any such commission may be paid in cash, or fully paid or partly paid shares or other securities, or partly in one way and partly in the other and in respect of a conditional or an absolute subscription
- 2.4 The liability of the members is limited to the amount, if any, unpaid on the shares held by them

### **3 Rights attaching to shares**

#### **3.1 Income**

##### **(a) Preference Shares**

- (i) The holders of Preference Shares shall be entitled to receive, in priority to the holders of any other class of shares, a fixed cumulative preferential net cash dividend (the "**Preference Dividend**") at a rate on each Preference Share which is equal to 3.5% above the Bank of England base rate from time to time ("**Preference Dividend Rate**"), calculated in accordance with article 3.1(a)(ii), which shall accrue from day to day and shall be paid monthly in equal amounts in arrears (each a "**Dividend Date**"), the first such payment to be made on 31 December 2015 (and shall include amounts accrued for the whole month of December 2015 prior to the adoption of these Articles)
- (ii) The Preference Dividend Rate for each month shall be calculated using the Bank of England base rate on the first day of the respective month, and that rate shall apply for the entire month

##### **(b) A Ordinary Shares**

- (i) Subject to payment of the Preference Dividend, the holders of A Ordinary Shares as a class shall be entitled to receive, in priority to the holders of the Ordinary Shares and B Ordinary Shares in respect of each financial year from and including the financial year commencing or current on 31 March 2021, a cumulative preferential net cash dividend (the "**Long Term Dividend**") of a sum which is equal to the higher of
  - (A) the Minimum Fixed Return, and
  - (B) 9.3% of the Net Profits
- (ii) The Long Term Dividend shall be paid in two instalments in respect of each year on the following dates
  - (A) the Interim Payment to be paid on 30 September of that year, and
  - (B) the Balancing Payment to be paid on the earlier of

(i) end of month 4 in each year in respect of the financial year of the Company ending on 31 March of the previous year, or

(ii) 3 days after the Accounts for the relevant financial year are approved by the Board,

provided that if, due to delays in the preparation of the Accounts, the Balancing Payment cannot be calculated by the date it is due for payment there shall be paid forthwith (subject always to Article 3 1(d)(iii)) a further Interim Payment. The next and (if appropriate) any subsequent Long Term Dividend shall be adjusted to take account of any underpayment in respect of the said Balancing Payment which becomes apparent when the Accounts are available.

(iii) If the Long Term Dividend needs to be calculated to a date part way through the Company's financial year it will be calculated according to the Net Profits earned in the relevant period by reference to the most relevant financial information available at that time.

(c) Further distributions

Subject to Investor Consent, the balance of any profits resolved to be distributed in any financial year or period shall be distributed amongst the holders of the Equity Shares pro rata according to the number of Equity Shares held.

(d) Declaration and payment of dividends

(i) Subject to the provisions of paragraph (iii) below, every sum which shall become payable by the Company on any due date ("**Dividend Date**") in respect of the Preference Shares and the A Ordinary Shares in accordance with the foregoing provisions of this Article 3 1 shall on that Dividend Date and without any resolution of the directors or of the Company in general meeting, become a debt due from the Company and immediately payable.

(ii) The Company shall procure that each of its Subsidiaries shall from time to time and so far as it is legally able declare and pay to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company or parent undertaking) such dividends as are lawful and necessary to permit prompt payment by the Company of the Preference or Long Term Dividends.

(iii) In the event, whether by reason of any principle of law or otherwise, the Company is unable to pay in full on a Dividend Date any Long Term Dividend which would otherwise be required to be paid pursuant to the foregoing provisions of this Article on that Dividend Date, then

(A) on the Dividend Date the Company shall pay the maximum sum (if any) which can then consistently with any such principle of law or other restrictive circumstance be properly paid by the Company in or towards paying off all arrears of the Preference Dividend and second, in or towards paying off all arrears of the Long Term Dividend, and

(B) on every succeeding Dividend Date the Company shall pay to such holders and in such order on account of the balance of the relevant dividend for the time being remaining outstanding (until the relevant dividend shall have been paid in full) the maximum sum (if any) on each such succeeding Dividend Date respectively which can, consistent with any principle of law or circumstance still prevailing, be properly paid by the Company after payment of the Preference Dividend and Long Term Dividend in respect of the relevant Dividend Date, and

(C) interest shall accrue from day to day on the amount of the relevant dividend unpaid (plus the associated tax credit) at the rate of 4% per annum above the base lending rate of Barclays Bank plc from time to time and shall become due (as a charge against the Company) and be paid at the same time as the amount to which it relates is paid or, if any such

amount remains outstanding on 30 June or 31 December in any year, on such half-yearly dates to the extent accrued at that time

### 3.2 Capital

- (a) Subject always to the provisions of Article 10.11, on an Exit or a return of capital of the Company (other than a redemption of Shares or the purchase by the Company of its own Shares), the surplus assets and retained profits of the Company after payment of all liabilities (other than arrears and accruals of Long Term Dividend) and available for distribution among the shareholders or proceeds of the Exit will be applied in the following order and priority if

- (i) such surplus assets and retained profits, or
- (ii) the proceeds of the Exit

are equal to or less than the A Ordinary Threshold

Priority	Class of Share	Amount to be paid.
1	Preference Shares	Amounts Credited as Paid Up on all issued Preference Shares, together with an amount equal to all arrears and accruals of Preference Dividend whether earned or declared or not
2	A Ordinary Shares	Amounts Credited as Paid Up on all issued A Ordinary Shares, together with an amount equal to all arrears and accruals of Long Term Dividend whether earned or declared or not and any other dividend declared on the A Ordinary Shares
3	Ordinary Shares and B Ordinary Shares	The balance of surplus assets and retained profits or proceeds of Exit

- (b) Except where Article 3.2(a) applies on an Exit or a return of capital of the Company (other than a redemption of shares or the purchase by the Company of its own shares) then, subject always to the provisions of Article 10.11

- (i) the surplus assets and retained profits of the Company after payment of all liabilities and arrears and accruals of Long Term Dividend and available for distribution among the shareholders, or
- (ii) the proceeds of the Exit after payment of all arrears and accruals of Long Term Dividend

will be applied in the following order and priority

Priority	Class of Share	Amount to be paid:
1	Preference Shares	Amounts Credited as Paid Up on all issued Preference Shares, together with an amount equal to all arrears and accruals of Preference Dividend whether earned or declared or not
2	A Ordinary Shares, Ordinary Shares and B Ordinary Shares (as if one class)	Any balance of such surplus assets and retained profits / proceeds of Exit



- (c) Any return on a particular class of shares will be made amongst their holders pro rata as nearly as possible to their respective holdings of shares of that class

### 3 3 Exit provisions

- (a) Immediately prior to a Listing the Company shall issue to each holder of A Ordinary Shares such number (if any) of Ordinary Shares that are required so that the proportion of the Equity Shares held by that member following the completion of all such issues and the conversion of all A Ordinary Shares shall be equal to the proportion of the proceeds that member would have been entitled to receive on a Sale (assuming a valuation of the Company equal to the Pre-New Money Valuation)
- (b) The additional Ordinary Shares to be allotted under this Article 3 3 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the directors. The capitalisation shall not require any action on the part of the members and the directors shall allot the Ordinary Shares arising on the capitalisation to the members entitled to them in accordance with this Article 3 3
- (c) If the Company is not permitted to carry out the capitalisation under the Companies Acts or other applicable law, the holders of the A Ordinary Shares shall be entitled to subscribe at par in each case for that number of additional Ordinary Shares as would otherwise have been issued pursuant to this Article 3 3

### 3 4 Redemption of Preference Shares

- (a) Subject to the provisions of the Companies Acts, and subject to articles 3 4(a) and 3 4(b) below the Company shall redeem the following number of Preference Shares on the following dates

Date	No. of Preference Shares
10 July 2016	500,000 (as held by Christopher Hickling and Julia Hickling in equal amounts of 250,000)
10 July 2017	500,000 (as held by Julia Hickling)

- (b) Subject to the provisions of the Companies Acts the Company may upon serving 5 Business Days' notice on the holders of all Preference Shares, redeem all or (in instalments of not less than 100,000 Preference Shares) some of the Preference Shares in advance of the due date for redemption and in the absence of any contrary agreement between such holders and the Company any partial redemption shall be deemed to relate to the shares falling due for redemption in inverse order of maturity
- (c) Subject to the provisions of the Companies Acts, on the date upon which a Sale, Disposal or Listing occurs or on the date on which a Controlling Interest is transferred, all of the Preference Shares shall be redeemed immediately
- (d) Subject to receipt of the relevant share certificates or an indemnity in respect of them in a form reasonably satisfactory to the Company, on the dates fixed for any redemption the Company shall pay to the holder of each Preference Share then to be redeemed
- (i) £1 00 per share, and
  - (ii) all arrears and accruals of Preference Dividend payable on it (whether earned or declared or not) calculated to and including the date fixed for redemption which shall become a debt due and payable by the Company to the holder
- (e) If any share certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant redemption date a fresh certificate for the Preferences Shares not so redeemed shall immediately be issued to the member concerned
- (f) Save as specified in Article 3 4(a), if there is more than one holder of Preference Shares, the number of each holder's Preference Shares to be redeemed on each occasion on which Preference Shares are redeemed shall be such number (as nearly

as may be) as shall bear the same proportion to the total number of Preference Shares to be redeemed on each such occasion as that proportion which each such holder's entire holding of Preference Shares bears to the total number of Preference Shares then in issue

- (g) If the Company is unable at any time to redeem in accordance with the Companies Acts the number of Preference Shares then due to be redeemed pursuant to this Article, the Company shall

- (i) redeem on the date fixed for redemption such number of Preference Shares as it is then able to redeem in accordance with the Companies Acts and shall redeem the balance as soon as it is able to do so, and
- (ii) interest shall accrue from day to day on the redemption monies then due and payable in accordance with this Article 3 4 (*Redemption of Preference Shares*) at the rate of 4% per annum above the base lending rate of Barclays Bank plc from time to time and shall become due (as a charge against the Company) and be paid at the same time as the amount to which it relates is paid or, if any such amount remains outstanding on 30 June or 31 December in any year, on such half-yearly dates to the extent accrued at that time

### 3 5 Voting

(a) Preference Shares

The holders of the Preference Shares shall be entitled to receive notice of any general meeting and a copy of every written resolution of the Company and to attend either in person (or, being a corporation, by duly authorised representative) or by proxy and speak at any general meeting of the Company but shall not be entitled to vote (either personally, by authorised representative or by proxy)

(b) Equity Shares

- (i) Subject to Articles 3 5(b)(ii) and 3 5(c), the holders of the Equity Shares shall have the right to receive notice of and attend and vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company. Save, in each case, as provided otherwise in the CA2006, each such holder present in person or by proxy or by representative shall be entitled on a show of hands to one vote and on a poll or written resolution to one vote for each Equity Share held by him
- (ii) Subject to Articles 3 5(c) and 18 5, the voting rights conferred on the holders of the A Ordinary Shares pursuant to Article 3 5(b)(i) shall be restricted to the lower of 40% of the voting rights attaching to all shares and the number of votes allocated pursuant to Article 3 4(a)(i)

(c) Enhanced Voting Rights

If any Enhanced Voting Event occurs then BGF may serve written notice on the Company of the Enhanced Voting Event requiring that BGF's voting rights shall be increased from the date such notice is served, and until such notice has been withdrawn by BGF the voting rights attaching to the A Ordinary Shares shall be increased to

- (i) in the case of an Enhanced Voting Event other than those referred to in paragraphs (a) or (d) of the definition of Enhanced Voting Event 51%, and
- (ii) in the case of an Enhanced Voting Event referred to in paragraphs (a) or (d) of the definition of Enhanced Voting Event, 49 9%,

in each case, of the voting rights attaching to all the shares in the capital of the Company

### 3 6 Redesignation

Any Ordinary Shares or B Ordinary Shares transferred to a holder of A Ordinary Shares shall (without further authority than is contained in this Article) forthwith on their transfer be deemed to have been re-designated as A Ordinary Shares (on the basis of one A Ordinary Share for every one Ordinary Share or B Ordinary Share) having all the rights, privileges and restrictions

attaching to the A Ordinary Shares Any A Ordinary Shares transferred to a holder of Ordinary Shares or B Ordinary Shares or to an Employee Trust shall (without further authority than is contained in this Article) forthwith on their transfer be deemed to have been re-designated as Ordinary Shares or B Ordinary Shares (on the basis of one Ordinary Share or B Ordinary Share for every one A Ordinary Share) having all the rights, privileges and restrictions attaching to the Ordinary Shares or B Ordinary Shares (in each case, as the case may be)

#### 4 Further issues of shares

4 1 Unless Investor Consent to the contrary is given

- (a) any Relevant Securities to be granted or allotted by the Company ("**Further Issue**") shall first be offered to the holders of the Equity Shares by way of written offer in the same proportion as nearly as possible as the nominal amount of their existing holding of Equity Shares bears to the total nominal amount of the Equity Shares in issue and such offers shall be open for acceptance for not less than 14 days from the latest date of despatch of the written offer to the members,
- (b) each such offer shall be conditional upon the holder also subscribing for the same proportion of any debt instrument to be issued in connection with the issue of the Relevant Securities as nearly as possible as the nominal amount of Relevant Securities actually granted or allotted to the member bears to the total nominal amount of Relevant Securities actually granted or allotted under the relevant Further Issue, and
- (c) when applying for his allocation, it shall be open to each such holder to specify the number of Relevant Securities in excess of his proportionate entitlement for which he is willing to subscribe

4 2 If the total number of Relevant Securities applied for pursuant to an offer made under Article 4 1 is

- (a) equal to or less than the number of Relevant Securities available, the Relevant Securities shall be allocated in satisfaction of the applications received, or
- (b) more than the number of Relevant Securities available, the Board shall allocate Relevant Securities in accordance with the following formula This formula shall be applied repeatedly until there are no Relevant Securities remaining to be allocated Each application of the formula is referred to below as an "iteration"

$$A = \frac{B}{C} \times D$$

A is the number of Relevant Securities to be allocated to the relevant member in the iteration

B is the number of Equity Shares held by the relevant member

C is the number of Equity Shares held by all the members to whom the iteration is being applied

D is the number of Relevant Securities or, after the first iteration, the number of Relevant Securities remaining unallocated by previous iterations

If in any iteration, a member would be allocated more than all of the Relevant Securities for which he applied (including allocations from previous iterations) then any excess will not be allocated to that member, who will cease to take part in any further iterations, and the excess Relevant Securities will be available for allocation in the next iteration

4 3 The Board shall notify each member who applied for Relevant Securities of the number of Relevant Securities that have been allocated and the persons to whom they have been allocated The notification shall include the place and time (being not later than 14 days after the latest date by which applications had to be received) at which the allotment of the Relevant Securities shall be completed provided that where a debt instrument is also to be issued, each member must also subscribe and pay in full for his proportion of such debt instrument at the same time as he subscribes and pays for the Relevant Securities

4 4 Any Relevant Securities and debt instrument not accepted or subscribed for by the members shall be at the disposal of the directors who may (within a period of 3 months from the end of the last offer period under Article 4 1), subject to Investor Consent allot, grant options over or otherwise dispose of the same to such persons at a price per share and on terms no less favourable than that/those at which the same were offered to the holders of Equity Shares, and otherwise on such terms as they think proper

4 5 Pursuant to Section 567, CA2006, sub-section (1) of Section 561, CA2006 and sub-sections (1) to (5) inclusive of Section 562, CA2006 shall be excluded from applying to the Company

## 5 **Dispute**

In the event of disagreement as to whether any dividend, shares or Relevant Securities shall be due under the provisions of these Articles to the holders of any class of share capital in the Company, or as to the amount of such dividend or number of such shares or Relevant Securities, any such disagreement shall be referred to the auditor of the Company or, if it should decline to act for this purpose, to an umpire (acting as expert and not as arbiter) nominated by the parties concerned (or in the event of disagreement as to nomination by the President for the time being of the Institute of Chartered Accountants in England and Wales on application by any such party) whose decision shall be final and binding (save in the case of fraud or manifest error) and the costs of such umpire shall be borne equally by the parties to the dispute or disagreement or as the umpire shall otherwise determine

## 6 **Variation of class rights**

6 1 Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled only with the consent in writing of the holders of 75% of the issued shares of that class

6 2 Without prejudice to the generality of this Article 6, the special rights attached to the Preference Shares and the A Ordinary Shares shall be deemed to be varied by

- (a) the creation, allotment or issue of any shares or securities by any Group Company or the grant of any option or other right to require the allotment or issue of them,
- (b) the modification, variation, alteration or abrogation of the rights attached to any of the classes of share capital of any Group Company,
- (c) the alteration, increase, reduction, consolidation, sub-division, re-denomination or other re-organisation of any Group Company's issued share capital or any part of it,
- (d) the passing of any resolution amending any Group Company's Articles,
- (e) the purchase, redemption or any distribution of capital profits or reserves of any Group Company in respect of any shares otherwise than in accordance with the provisions of the Articles,
- (f) the application by way of capitalisation of any sum in or towards paying any debenture or debenture stock (whether secured or unsecured) of any Group Company

## 7 **Permitted transfers**

7 1 Transfers to Privileged Relations, Family Trusts and nominees

- (a) Any member other than BGF may at any time transfer up to 25% of the shares in the capital of the Company held by him to a Privileged Relation (who may transfer such shares without restriction to the original member or to another Privileged Relation of the original member but any other transfer by the Privileged Relation shall be subject to the same restrictions as though they were transfers by the original member himself) or the trustees of his Family Trust
- (b) The trustees of a Family Trust may transfer shares held by them in their capacity as trustees
  - (i) on a change of trustees, to the new trustees of that Family Trust,
  - (ii) to a person (other than a charity) who has an immediate beneficial interest under the Family Trust, or

- (iii) to another Family Trust which has the same member as settlor
- (c) Shares may be transferred by a member to a person to hold such shares as his bare nominee and the nominee may transfer such shares without restriction to the original member or to another bare nominee of such original member but any other transfers by the nominee shall be subject to the same restrictions as though they were transfers by the original member himself

7 2 Transfers by corporate shareholders

A corporate member may at any time transfer shares to another member of its Wholly-owned Group

7 3 Transfers with consent

A transfer of shares may be made to any person with Investor Consent and the consent of the holders of 75% of the Ordinary Shares and B Ordinary Shares (as if they were one class of shares)

7 4 Transfers by Investment Managers and Investment Funds

Notwithstanding any other provision of these Articles, a transfer of any shares may be made without restriction as to price or otherwise (and any such transfers shall be registered by the directors) between

- (a) any member (or a nominee of a member) who is
  - (i) a person whose principal business is to make, manage or advise upon investments (an "Investment Manager"), or
  - (ii) a fund, partnership, company, investment trust, syndicate or other entity whose principal business is to make investments and whose business is managed or advised by an Investment Manager (an "Investment Fund"), or
  - (iii) a nominee of an Investment Manager or an Investment Fund,and
- (b) where that member is an Investment Manager or a nominee of an Investment Manager
  - (i) any participant or partner in or member of any Investment Fund in respect of which the shares to be transferred are held (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course), or
  - (ii) any Investment Fund whose business is managed or advised by the Investment Manager who is or whose nominee is the transferor, or
  - (iii) any other Investment Manager who manages or advises the business of the Investment Fund in respect of which the shares are held,or
- (c) where that member is an Investment Fund or nominee of an Investment Fund
  - (i) any participant or partner in or member of the Investment Fund which is or whose nominee is the transferor (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course), or
  - (ii) any other Investment Fund whose business is managed or advised by the same Investment Manager as manages or advises the Investment Fund which is or whose nominee is the transferor, or
  - (iii) the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor; or
  - (iv) any co-investment scheme, being a scheme under which certain officers, employees or partners of such Investment Fund or its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to

acquire shares which the Investment Fund would otherwise acquire ("Co-Investment Scheme") and any person holding Shares in connection with a Co-Investment Scheme may at any time transfer any share

(A) to another person which holds or is to hold shares in connection with such Co-Investment Scheme, and/or

(B) to any person on their becoming entitled to the same under the terms of such Co-Investment Scheme

**7 5 Transfers to and from an Employee Trust**

Any member may at any time transfer shares to the trustees of an Employee Trust and the trustees of an Employee Trust may transfer any shares

(a) upon change of trustees, to the new or remaining trustee or trustees for the time being of an Employee Trust, and

(b) with Investor Consent, to any bona fide Employees on their becoming entitled to the same under the terms of an Employee Trust

**7 6 BGF Transfers**

BGF may transfer any Shares without restriction as to price or otherwise to

(a) any BGF Connected Person, and/or

(b) any third party acquirer of the whole or part (being more than one) of BGF's portfolio of investments

**7 7 Transfers of disenfranchised Shares**

Notwithstanding any other provision of these Articles, no transfer of any Shares that have been disenfranchised in accordance with Articles 8 7 and 9 1(e) may be made without Investor Consent

**8 Mandatory transfers**

**8 1 Transfer if trust ceases to be a Family Trust**

If any trust whose trustees hold shares in the capital of the Company ceases to be a Family Trust or there cease to be any beneficiaries of the Family Trust other than a charity or charities, then the trustees shall without delay notify the Company that such event has occurred and if the trustees have not, within 14 days of receiving a request from the directors to do so, transferred the shares back to the settlor of that Family Trust, they shall be deemed to have served the Company with a Transfer Notice in respect of all such shares on the date on which the trust ceased to be a Family Trust or the date there ceased to be any beneficiaries other than a charity or charities (as appropriate) and such shares may not otherwise be transferred

**8 2 Transfer if shares cease to be held by a Privileged Relation**

If a Privileged Relation holding shares transferred to him under Article 7 1 ceases to be a Privileged Relation of the original member who held them, the Privileged Relation then holding the shares shall without delay notify the Company that this event has occurred and transfer the shares to the original member and such shares may not otherwise be transferred. The provisions of this article 8 2 shall not apply in respect of Elizabeth Gratton being divorced from Paul Gratton

**8 3 Transfer on change of control of corporate member**

(a) If a corporate member holding shares transferred to it under Article 7 2 ceases to be a member of the same Wholly-owned Group as the original corporate member who held them, the corporate member then holding those shares shall without delay notify the Company that this event has occurred and transfer the shares to the original corporate member or another member of the Wholly-owned Group and such shares may not otherwise be transferred

(b) If there is a change in the legal or beneficial ownership (or, if more than one, any of them) of a corporate member other than BGF, or any holding company of a corporate

member other than BGF, then that member shall notify the Company that such event has occurred and shall be deemed to have served the Company with a Transfer Notice in respect of all shares then held by it as at the date on which the change in legal or beneficial ownership occurred and such shares may not otherwise be transferred

**8 4 Transfer on death or bankruptcy of member**

A person entitled to a share or shares in consequence of the death of a member (save where such member becomes a Leaver) or the bankruptcy of a member

- (a) shall be deemed to have served the Company with a Transfer Notice in respect of all such share(s) on the date of death or bankruptcy (as appropriate), and
- (b) shall be bound by any notice given to the member in respect of the shares

**8 5 Transfer on insolvency of corporate member**

If a corporate member either suffers or resolves for the appointment of a liquidator, administrator or administrative or other receiver over it or any material part of its assets or enters into an arrangement with its creditors, the relevant member shall be deemed to have given a Transfer Notice in respect of all the shares held by it as at the date of such liquidation, administration, administrative or other receivership or arrangement

**8 6 Deemed Transfer Notice**

Save where these Articles expressly provide otherwise, if in any case under the provisions of these Articles

- (a) the directors require a Transfer Notice to be given in respect of any shares pursuant to Article 14 4(c), or
- (b) a person has become bound to give a Transfer Notice in respect of any shares,

and such a Transfer Notice is not duly given within a period of two weeks of demand being made or within the period allowed thereafter respectively a Transfer Notice shall be deemed to have been given at the expiration of the said period

**8 7 Effect on share rights**

- (a) Unless Investor Consent to the contrary is given, the provisions of this Article 8 7 apply
  - (i) from the date of the Transfer Notice or deemed Transfer Notice to any shares which become subject to a Transfer Notice or deemed Transfer Notice served under the provisions of this Article 8 or Article 9, and
  - (ii) from the date of issue of any shares issued to the proposed transferor under a Transfer Notice or deemed Transfer Notice served under the provisions of this Article 8 or Article 9 where such shares are issued after the date of such Transfer Notice or deemed Transfer Notice (whether by virtue of the exercise of any right or option granted or arising by virtue of the holding of the shares or otherwise),
- (b) Any shares to which this Article 8 7 applies shall cease to confer the right to be entitled to receive notice of or to attend or vote at any general meeting or on any written resolution of the Company or at any meeting or on any written resolution of the holders of any class of shares in the capital of the Company and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or required for the purposes of a written resolution of any members or class of members or any consent under these Articles or otherwise. Such rights shall be restored immediately upon a Sale, a Listing or, unless BGF directs otherwise, the Company registering a transfer of the relevant shares pursuant to these Articles

**9 Employee shares**

**9 1 Transfer by Leaver**

Unless Investor Consent to the contrary is given

- (a) if an Employee becomes a Leaver, a Transfer Notice shall be deemed to have been served on the Cessation Date in respect of

- (i) in the case of a Bad Leaver, 50% of the Leaver's Shares, or
  - (ii) in the case of a Good Leaver, 20% of the Leaver's Shares,
- (b) an Independent Director (whether appointed as Chairman or not) becomes a Leaver, a Transfer Notice shall be deemed to have been served on the Cessation Date in respect of all of the Leaver's Shares irrespective of whether such person is a Good Leaver or a Bad Leaver
- (c) any existing Transfer Notice relating to a Leaver's Shares or any of them in force at the Cessation Date shall immediately be cancelled (unless the transferee(s) are bound to pay for such shares and the transferor(s) are bound to transfer them in accordance with Article 10 8) and no further Transfer Notice shall be issued or be deemed to be issued in respect of the relevant Leaver's Shares except pursuant to this Article 9 1,
- (d) no Leaver's Shares shall be transferred pursuant to Article 7 until the Leaver can no longer be bound to transfer them under this Article 9 1 or Article 10, and
- (e) all Leaver's Shares whether or not subject to a deemed Transfer Notice under Article 9 1(a) (and any shares issued or transferred to the Leaver or to which the Leaver otherwise subsequently becomes entitled after the Cessation Date whether by virtue of the exercise of any right or option granted or arising by virtue of the holding of the Leaver's Shares or otherwise) shall, unless BGF directs otherwise, cease to confer the right to be entitled to receive notice of or to attend or vote at any general meeting or on any written resolution of the Company or at any meeting or on any written resolution of the holders of any class of shares in the capital of the Company and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or required for the purposes of a written resolution of any members or class of members or any consent under these Articles or otherwise. Such rights shall be restored immediately upon a Sale, a Listing or, unless BGF directs otherwise, the Company registering a transfer of the relevant Leaver's Shares pursuant to these Articles

## 9 2 Price of Leaver's Offered Shares

The price for the Leaver's Offered Shares shall be

- (a) in the case of a Bad Leaver who is an Employee the lower of £14 23 per Share and Market Price at the time the Leaver's Offered Shares are sold,
- (b) in the case of a Good Leaver who is an Employee the Market Price at the time the Leaver's Offered Shares are sold, and
- (c) in the case of a Leaver who is an Independent Director (whether appointed as Chairman or not), the Market Price at the time the Leaver's Offered Shares are sold

and the Market Price for the relevant Leaver's Offered Shares referred to above shall be as agreed between the transferor and the Board (with Investor Consent) save that if agreement is not reached within 10 Business Days of the day on which the Transfer Notice is deemed to be given, either the transferor, BGF or the Board may refer determination of the Market Price to a Valuer in accordance with Article 11

## 10 Pre-emption procedure

- 10 1 Except as permitted in these Articles, any member who desires to transfer (or enter into an agreement to transfer) any interest in his shares must first offer them to the other members whether or not of the same class in accordance with this Article 10. The offer may be in respect of all or part only of the shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company (a "**Transfer Notice**")
- 10 2 The Transfer Notice shall specify the number and class of shares offered (the "**Offered Shares**") and the name and address of the proposed transferee(s) (if any). Save where it is required or deemed to be given under Article 8, the Transfer Notice may contain a provision that, save with the consent of the Board (with Investor Consent), unless all the Offered Shares are sold under this Article, none shall be sold ("**Total Transfer Condition**") and/or a provision that, if the Offered Shares are of different classes, unless a proportionate number of the different classes of Offered Shares are sold under this Article, none shall be sold ("**Stapling**")



**Condition")** and those provisions shall have effect. The Transfer Notice shall constitute the directors as the agent of the proposing transferor for the sale of the Offered Shares at the Sale Price. Upon receipt, the Company shall send BGF a copy of the Transfer Notice (or if appropriate, notify BGF that a Transfer Notice is deemed to have been given). Save for as set out in Article 11 4, a Transfer Notice may not be varied or revoked other than with Investor Consent.

10 3 The Sale Price means

- (a) in the case of a deemed Transfer Notice in respect of Leaver's Shares, the price determined in accordance with Article 9 2,
- (b) in the case of a deemed Transfer Notice (other than in respect of Leaver's Shares), the Market Price as at the date of the deemed Transfer Notice as agreed between the transferor and the Board (with Investor Consent) save that if agreement is not reached within 10 Business Days of the day on which the Transfer Notice is deemed to be given, either the transferor or the Board may refer determination of the Market Price to a Valuer, and
- (c) in all other cases, the price specified in the Transfer Notice by the proposing transferor or, if none is specified, the Market Price as at the date of the Transfer Notice as agreed between the transferor and the Board (with Investor Consent) save that if agreement is not reached within 10 Business Days of the day on which the Transfer Notice is given, either the transferor or the Board may refer determination of the Market Price to a Valuer.

10 4 In the case only of Leaver's Offered Shares, as soon as practicable after determination of the Sale Price, any Leaver's Offered Shares will be offered to the Company, which

- (a) may direct that all or some of such shares be transferred to one or more Board Invitees, and/or
- (b) may direct that all or some of the shares be transferred to any person with Investor Consent, and/or
- (c) may direct that all or some of the shares be transferred to all members in accordance with Article 10 5 with Investor Consent, and/or
- (d) will, if the holders of 75% or more of the A Ordinary Shares have served written notice on the Company directing it to do so, direct that Leaver's Offered Shares shall be transferred to such persons as nominated by such holders of the A Ordinary Shares provided that (unless otherwise agreed by the Board), the holders of A Ordinary Shares may only acquire Leaver's Offered Shares pursuant to this Article 10 4(d) up to the BGF Proportion of such Leaver's Offered Shares and if each holder of Ordinary Shares and/or B Ordinary Shares (other than the Leaver) is given the opportunity to acquire his pro rata share of such Leaver's Offered Shares.

10 5 In the case of Offered Shares other than Leaver's Offered Shares, as soon as practicable after the determination of the Sale Price (and provided the Transfer Notice has not been withdrawn in accordance with Article 11 4), or, in the case of Leaver's Offered Shares directed to be offered to all members pursuant to Article 10 4(c), as soon as practicable after the such shares are offered to all members, the directors shall give notice to all the members (other than the proposing transferor) of the number and description of the Offered Shares (excluding any which have been transferred under Article 10 4), the Sale Price and whether or not the Offered Shares are subject to a Total Transfer Condition or a Stapling Condition. The notice shall invite each of the members to state in writing to the Company within 20 Business Days of such notice being given whether he is willing to purchase any of the remaining Offered Shares, and if so the maximum number. The directors shall at the same time give a copy of the notice to the proposing transferor.

10 6 On the expiration of the 20 Business Day period the directors shall allocate the remaining Offered Shares to or amongst the members who have accepted the invitation ("**Pre-emption Purchasers**") and such allocation shall be made as follows

- (a) subject to the provisions of Article 10 7, to the holders of the Equity Shares on a par passu basis (as if they were one class of shares) pro rata to their existing holdings but

so that the number allocated shall not exceed the maximum which such holders have expressed a willingness to purchase, and

- (b) if the Transfer Notice contains a valid Total Transfer Condition, no allocation will be made unless all the Offered Shares are allocated and if the Transfer Notice contains a valid Stapling Condition, no allocation will be made unless the Offered Shares are allocated in the appropriate proportions

- 10 7 Whenever the Offered Shares are Ordinary Shares and/or B Ordinary Shares, all holders of Ordinary Shares and/or B Ordinary Shares to whom the offer is made must, before making their applications for Offered Shares and in any event within 10 Business Days from the date of the notice given by the Company, notify BGF in writing of whether they intend to accept the offer and if so, the number of Offered Shares for which they intend to apply. The holders of the Ordinary Shares and/or B Ordinary Shares shall only accept such offer with Investor Consent
- 10 8 On the allocation being made, the directors shall give details of the allocation in writing to the proposing transferor and each Pre-emption Purchaser and, on the 5th Business Day after such details are given, the Pre-emption Purchasers to whom the allocation has been made shall be bound to pay the Sale Price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the Sale Price, to transfer the Offered Shares to the respective Pre-emption Purchasers to whom the allocation has been made
- 10 9 If the proposing transferor after becoming bound to transfer any or all of the Offered Shares fails to do so, the Company may receive the Sale Price and the directors may appoint a person (acting as agent for the transferor(s)) to execute instruments of transfer of the Offered Shares in favour of the transferee to whom the allocation has been made and shall (subject only to stamping of the transfers, if required) cause the names of those transferees to be entered in the register of members of the Company as the holders of the Offered Shares and shall hold the Sale Price on trust for the proposing transferor. The receipt of the Company shall be a good discharge to those transferees and, after their names have been entered in the register of members of the Company under this provision, the validity of the transactions shall not be questioned by any person
- 10 10 If, following the expiry of the 20 Business Day period referred to in Article 10 5, any of the Offered Shares have not been allocated under that Article, the proposing transferor may at any time within a period of 3 months after the expiry of the 20 Business Day period transfer the Offered Shares not allocated to any person and at any price (being not less than the Sale Price) provided that
  - (a) the transferee is a person (or nominee for a person) approved by Investor Consent (such consent not to be unreasonably withheld or delayed),
  - (b) if the Transfer Notice contained a Total Transfer Condition, he shall not be entitled to transfer any of the Offered Shares unless in aggregate all the Offered Shares are so transferred,
  - (c) if the Transfer Notice contained a Stapling Condition, he shall not be entitled to transfer any of the Offered Shares unless they are transferred in the appropriate proportions,
  - (d) the directors may require to be satisfied that those shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the instrument of transfer (without prejudice, however, to the directors' absolute discretion to refuse to approve or register any transfer of shares in the circumstances described in Article 14), and
  - (e) the transferor has not failed or refused to provide promptly information available to him and reasonably requested by the directors for the purpose of enabling them to form the opinions mentioned above
- 10 11 If any Leavers' Offered Shares have not been allocated under Articles 10 4, 10 5 and/or 10 10, that Leaver shall be entitled to retain the unallocated Offered Shares which shall remain disenfranchised in accordance with Article 9 1(e) and upon any future return of capital in relation to the Offered Shares or any future sale of the Offered Shares the price of those shares shall not be greater than the price determined in accordance with Article 9 2

## 11 Valuation

- 11 1 Any Valuer is deemed to be appointed jointly by the Company and the relevant transferor but the Board (acting with Investor Consent) has sole discretion to agree the terms of the Valuer's engagement and such terms as the Board agrees shall be binding on the Company and the relevant transferor provided they are not contradictory or irrational. Any director authorised by the Board (acting with Investor Consent) shall be entitled to sign such terms on behalf of the Company and the relevant transferor. If the Valuer is the auditor of the Company, its appointment is effective upon it agreeing to act for this purpose. In any other case, the Valuer's appointment is effective upon its terms of engagement being agreed by the Valuer and the Board.
- 11 2 Any Valuer appointed under these Articles shall be considered to be acting as an expert and not as an arbiter and its decision shall be final and binding on the parties (in the absence of fraud or manifest error).
- 11 3 The Board will give the Valuer access to all accounting records or other relevant documents of the Company subject to it agreeing such confidentiality provisions as the Board may reasonably impose.
- 11 4 The Valuer shall be requested to reach its determination within 20 Business Days of its appointment and to notify the Board of its determination. The Board shall deliver a copy of the determination to the relevant transferor(s) (or their agent) as soon as reasonably practicable after receipt. Save where the valuation relates to a Transfer Notice which is required or deemed to be given under Articles 8 or 9, the transferor may revoke the Transfer Notice by written notice to the Company within 5 Business Days of the service on him (or his agent) of the Valuer's determination.
- 11 5 The fees, expenses and any other charges of the Valuer in respect of a valuation shall be borne as to 50% by the relevant transferor and 50% by the Company or as the Valuer shall otherwise determine.

## 12 Tag along

- 12 1 Except as permitted by Article 7 or required by Articles 8 and 9 no sale or transfer of any interest in any Equity Shares may be made or validly registered if, as a result of such sale or transfer and registration, a Controlling Interest in the Company would be obtained or increased by a person or persons Acting in Concert unless such persons are bona fide at arm's length purchasers and have made an Approved Offer.
- 12 2 Any transfer of shares pursuant to an Approved Offer shall not be subject to the restrictions on transfer contained in these Articles.

## 13 Drag along

- 13 1 If the holders of 50 1% or more of the Ordinary Shares and B Ordinary Shares (as if they were one class of shares) in issue for the time being (excluding any disenfranchised shares pursuant to Article 9 1(e)) (the "**Majority Sellers**") wish to transfer all their interest in Equity Shares (the "**Majority Sellers' Shares**") to a bona fide at arm's length purchaser or purchasers Acting in Concert (the "**Third Party Purchaser**") who has made an Approved Offer, the Majority Sellers shall, have the option (the "**Exit Option**") to require
- (a) all the other members, and
  - (b) any holders of any options or other rights to acquire or convert an interest into shares (which is fully and unconditionally exercisable) to exercise them,
- (together the "**Called Shareholders**") to sell and transfer all their shares, including those allotted pursuant to such exercise or conversion (the "**Called Shares**") to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of Articles 13 2 to 13 8 below.
- 13 2 The Majority Sellers may exercise the Exit Option by giving a written notice to that effect (an "**Exit Notice**") at any time before the transfer of the Majority Sellers' Shares to the Third Party Purchaser. An Exit Notice shall specify that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance

with this Article and Article 3 2) and the proposed date of transfer which shall be at least 5 Business Days after the date on which the Exit Notice is served

- 13 3 Exit Notices shall be irrevocable but shall lapse if for any reason there is not a sale of the Majority Sellers' Shares by the Majority Sellers to the Third Party Purchaser within 30 Business Days after the date of service of the Exit Notice. The Majority Sellers shall be entitled to serve further Exit Notices following the lapse of any particular Exit Notice
- 13 4 The Called Shares shall be acquired on the same terms and conditions (including time of payment and form of consideration) for which the Majority Sellers shall have agreed to sell provided that BGF and its permitted transferees under Article 7
- (a) will receive cash or marketable securities as consideration for the transfer of their shares, and
  - (b) will not be required to provide the Third Party Purchaser with any representations, warranties or indemnities (save as to title and capacity) or give any restrictive covenants or undertakings
- 13 5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Majority Sellers' Shares unless
- (a) all of the Called Shareholders and the Majority Sellers agree otherwise, or
  - (b) that date is less than three Business Days after the Exit Notice where it shall be deferred until the third Business Day after the Exit Notice
- 13 6 The restrictions in Article 10 shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which an Exit Notice has been duly served in accordance with Article 13 2
- 13 7 If any Called Shareholder fails to complete the sale of his Called Shares in accordance with this Article 13, he shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Sellers to be his agent and attorney to execute all necessary transfer(s), power(s) of attorney relating to the rights attached to his Called Shares and indemnities for missing share certificate(s) on his behalf and, against receipt by the Company of the purchase monies or any other consideration payable for the Called Shares (held on trust for the relevant Called Shareholder), to deliver such transfer(s), power(s) and indemnities to the Third Party Purchaser (or as he may direct). The directors shall (subject only to stamping of the transfers, if required) immediately register the Third Party Purchaser (or as he may direct) as the holder of the relevant Called Shares. After the Third Party Purchaser (or his nominee) has been registered as the holder of the relevant Called Shares, the validity of such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this Article 13 7 that no share certificate has been produced
- 13 8 Upon any person, following the issue of an Exit Notice which has not lapsed, exercising a pre-existing option to acquire shares, whether or not such person is registered as a member of the Company, an Exit Notice shall be deemed to have been served upon such person on the same terms as the previous Exit Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article 13 shall apply mutatis mutandis to such person save that completion of the sale of such shares shall take place immediately upon the Exit Notice being deemed served on such person where completion of the transfer of the Called Shares has already taken place
- 14 **Registration**
- 14 1 The directors shall refuse to register
- (a) a purported transfer of any share not made under or permitted by Articles 7 to 13,
  - (b) a purported transfer of any share on a Sale where the proceeds of such Sale are not distributed in accordance with Article 3 2,
  - (c) an allottee or transferee of shares or a person entitled to shares by transmission (unless he is already a party to the Investment Agreement, the transfer is pursuant to an Approved Offer or Investor Consent is given) until he has executed a Deed of Adherence under which he undertakes to adhere to and be bound by the provisions of

the Investment Agreement as if he were an original party to it and an original copy of this Deed of Adherence has been delivered to the Company, and/or

- (d) a transfer to an Employee or prospective Employee until such Employee has made an election pursuant to Section 431(1), Income Tax (Earnings and Pensions) Act 2003, in the form prescribed by HMRC, to elect that the market value of the shares or securities covered by the election is to be calculated as if the shares or securities were not restricted and that Sections 425 to 430, Income Tax (Earnings and Pensions) Act 2003 do not apply to such shares or securities

14 2 The directors may in their absolute discretion refuse to register a transfer of any share, whether or not it is a fully paid share and whether or not the Company has a lien on such share (save that (in the absence of fraud) the directors shall have no such discretion in respect of and shall register a transfer of shares made under or permitted by Articles 7 to 12)

14 3 For the purposes of ensuring that a transfer of shares is duly authorised or that no circumstances have arisen whereby a Transfer Notice is required to be given the directors may and shall at the written request of BGF and at the Company's expense request any member or past member or the personal representative or trustee in bankruptcy, administrative receiver or liquidator or administrator of any member or any person named as transferee in any instrument of transfer lodged for registration to furnish to the Company such information and evidence as the directors may reasonably think fit regarding any matter which they may deem relevant to such purpose

14 4 Failing such information or evidence being furnished to the reasonable satisfaction of the directors within 10 Business Days after such request or if such information or evidence discloses that the transfer was made in breach of these Articles (including that a Transfer Notice ought to have been given in respect of any shares)

- (a) the directors shall be entitled to refuse to register the transfer in question,
- (b) the relevant shares shall cease to confer upon the holder of them (or any proxy) any rights to receive dividends or other distributions otherwise attaching to the shares or to receive any further shares issued in respect of those shares, and
- (c) the directors may by notice in writing require that a Transfer Notice be given forthwith in respect of all the shares concerned

14 5 Any transfer of a share by way of sale which is required to be made under these Articles will be deemed to include a warranty that the transferor sells with full title guarantee

14 6 No share shall be issued or transferred to any un-discharged bankrupt or a person who lacks mental capacity

## **15 Quorum for general meetings**

15 1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless the persons attending it constitute a quorum when the meeting proceeds to business (and nothing in these Articles shall prevent any other business being transacted at such general meeting if the persons attending it do not constitute a quorum from time to time thereafter throughout the meeting)

15 2 Whenever the Company has only one member, the member present (being an individual) in person or by proxy, or (being a corporation) by a duly authorised representative or by proxy, shall be a quorum. Subject to the provisions of Section 318(2), CA2006, whenever the Company has two or more members, two persons entitled to vote upon the business to be transacted each being a member (being an individual) present in person or by proxy, or (being a corporation) present by a duly authorised representative or by proxy (at least one of whom must be a holder of A Ordinary Shares or a proxy or a duly authorised representative of such a holder), shall be a quorum

## **PART B – Key provisions about directors**

### **16 Number of directors**

The number of directors (other than alternate directors) shall not be less than 2 nor more than 8

### **17 Methods of appointing directors**

- 17 1 Subject to these Articles and Investor Consent, and provided that the appointment does not cause the number of directors to exceed the maximum number set out in Article 16, any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director

- (a) by ordinary resolution, or
- (b) by a decision of the directors

### **18 The Investor Director and Independent Director**

- 18 1 BGF shall be entitled to appoint one person as a director of the Company (the "Investor Director") and to remove from office any person so appointed and (subject to such removal) to appoint another person in his place. Article 31 (Termination of director's appointment) shall not apply to an Investor Director appointed under this Article

- 18 2 Upon request by BGF, the Company shall procure that the Investor Director be appointed as a director of any Subsidiary. The Company shall procure that such Investor Director is not removed from his office as director of the relevant Subsidiary other than at the request of BGF or if he ceases to be a director of the Company

- 18 3 In addition to any Investor Director appointed pursuant to Article 18 1 BGF shall be entitled to appoint any person to be a non-executive director (the "Independent Director") who will, if directed by BGF be appointed as Chairman of the Board and to remove from office any person so appointed and (subject to such removal) to appoint another person in his place. BGF will consult with the Company prior to appointing any Independent Director

- 18 4 Any appointment or removal of an Investor Director or Independent Director pursuant to Articles 18 1 or 18 2 shall be by signed instrument in writing served on the Company on behalf of BGF and shall take effect on and from the date on which such instrument is lodged or deposited at the registered office of the Company or sent or supplied to such other address (including electronic address) designated for the purpose

- 18 5 Subject to Section 168, CA2006, on any resolution to remove an Investor Director or Independent Director, upon election in writing to the Company by BGF, the shares held by BGF may, at its option in writing together carry at least one vote in excess of 75% of the votes exercisable in respect of that resolution at the general meeting at which such resolution is to be proposed or in respect of the total voting rights of members eligible to vote on that resolution if proposed as a written resolution

- 18 6 The Investor Director (and any alternate director appointed by them) shall be entitled to consider the interests of and make such disclosure to BGF in relation to the business and affairs of the Group as he may in his absolute discretion determine

### **19 Directors' general authority**

Subject to these Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company

### **20 Directors may delegate**

- 20 1 Subject to these Articles and with Investor Consent, the directors may delegate any of the powers which are conferred on them under these Articles

- (a) to such person or committee,
- (b) by such means (including by power of attorney),
- (c) to such an extent,
- (d) in relation to such matters or territories, and

- (e) on such terms and conditions,  
as they think fit (including whether any such delegation shall be made either collaterally with or to the exclusion of the powers otherwise conferred on the directors under these Articles)
- 20 2 If the directors so specify, acting with Investor Consent, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated
- 20 3 The directors, acting with Investor Consent, may revoke any delegation in whole or part, or alter its terms and conditions
- 21 Committees**
- 21 1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by directors
- 21 2 The directors may, acting with Investor Consent, make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them
- 21 3 Committees to whom the directors delegate any of their powers may consist of one or more co-opted persons other than directors on whom voting rights may be conferred as members of the committee but so that
  - (a) the number of co-opted members of the committee shall be less than one-half of the total number of members of the committee,
  - (b) no resolution of the committee shall be effective unless a majority of the members of the committee voting on the resolution are directors, and
  - (c) any such committee shall include the Investor Director(s)
- 22 Shareholders' reserve power**
- 22 1 The shareholders may, by special resolution and with Investor Consent, direct the directors to take, or refrain from taking, specified action
- 22 2 No such special resolution invalidates anything which the directors have done before the passing of the resolution
- 23 Calling a directors' meeting**
- 23 1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice
- 23 2 Notice of any directors' meeting must indicate
  - (a) its proposed date and time,
  - (b) where it is to take place, and
  - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting
- 23 3 Save as otherwise provided in these Articles, notice of a directors' meeting must be given to each director, but need not be in writing
- 23 4 Except with the prior consent of the Investor Director, at least 5 Business Days' notice of each directors' meeting shall be given in accordance with these Articles
- 23 5 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it
- 24 Participation in directors' meetings**
- 24 1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when
  - (a) the meeting has been called and takes place in accordance with these Articles, and

- (b) they can each communicate orally including by means of telephone, video conference or other audio or audio-visual link or any other form of telecommunication to the others any information or opinions they have on any particular item of the business of the meeting
- 24 2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other, provided that all persons participating in the meeting can hear each other
- 24 3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is
- 25 **Quorum for directors' meetings**
- 25 1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting
- 25 2 The quorum necessary for the transaction of business of the directors is 2 eligible directors at least one of whom shall be an Investor Director if at the time of the meeting an Investor Director has been appointed unless the Investor Director has waived his right to attend in writing, save that
  - (a) where there is a sole director, the quorum is one, and
  - (b) where the business to be transacted at the meeting is authorisation of a Conflict Situation of an Investor Director pursuant to Section 175(4), CA 2006 and Article 28 (Authorisation of conflicts of interest), the quorum is one eligible director and an Investor Director's presence is not required to constitute a quorum
- 25 3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision
  - (a) to appoint further directors, or
  - (b) to call a general meeting so as to enable the shareholders to appoint further directors
- 26 **Chairing of directors' meetings**
- 26 1 If a Chairman has been appointed pursuant to Article 18, he shall chair directors' meetings if present and willing to do so If a Chairman has not been so appointed, the directors may appoint a director to chair their meetings
- 26 2 If the directors appoint a director to chair their meetings, the person so appointed for the time being is known as the Chairman and the directors may terminate his appointment at any time
- 26 3 If the Chairman is unwilling to chair a directors' meeting or is not participating in a directors' meeting within ten minutes of the time at which it was to start or, if at any time during the meeting, the Chairman ceases to be a participating director, the participating directors must appoint one of themselves to chair it (or chair such part of it in relation to which the Chairman ceases to be a participating director, as the case may be)
- 27 **Casting vote**
- 27 1 Subject to Article 27 2, if, at a meeting of the directors, the numbers of votes for and against a proposal are equal, the Chairman or other director appointed to chair the meeting pursuant to these Articles shall not have a casting vote
- 27 2 At a meeting of the directors (or any part thereof), the Chairman or other director appointed to chair the meeting pursuant to these Articles shall not have a casting vote in respect of any proposal where the numbers of votes for and against are equal if, in relation to such proposal, such Chairman or other director appointed to chair the meeting is not an eligible director
- 28 **Authorisation of conflicts of interest**
- 28 1 Subject to and in accordance with the CA2006
  - (a) the directors may authorise any matter or situation arising on or after 1 October 2008 in which a director, including any shadow director, (the "Conflicted Director") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of



any property, information or opportunity, whether or not the Company could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "Conflict Situation"),

- (b) any authorisation given in accordance with this Article 28 may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, excluding the Conflicted Director and any other interested director from certain directors' meetings, withholding from him or them certain Board or other papers and/or denying him or them access to certain confidential Company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated, and
- (c) in considering any request for authorisation in respect of a Conflict Situation, the directors shall be entitled to exclude the Conflicted Director from any meeting or other discussion (whether oral or written) concerning the authorisation of such Conflict Situation and they shall also be entitled to withhold from such Conflicted Director any Board or other papers concerning the authorisation of such Conflict Situation,

provided that, in the case of a director who is not an Investor Director, the provisions of this Article 28 1 shall be subject to Investor Consent

28 2 If any Conflict Situation is authorised or otherwise permitted under these Articles, the Conflicted Director (for as long as he reasonably believes such Conflict Situation subsists)

- (a) shall not be required to disclose to the Company (including the directors or any committee) any confidential information relating to such Conflict Situation which he obtains or has obtained otherwise than in his capacity as a director of the Company or an Investor Director, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person,
- (b) shall be entitled to attend or absent himself from all or any meetings of the directors (or any committee) at which anything relating to such Conflict Situation will or may be discussed,
- (c) shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including, without limitation, directors' papers (or those of any committee of the directors)) relating to any such Conflict Situation and/or for such documents or information to be received and read by a professional adviser on his behalf, and
- (d) in the case of the Investor Director, shall be entitled to give or withhold consent or give any direction or approval under the Investment Agreement and these Articles on behalf of BGF,

and in so doing, such Conflicted Director shall not be in breach of any general duty he owes to the Company pursuant to Sections 171 to 177 (inclusive), CA2006 and the provisions of this Article 28 shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles

28 3 For the purposes of Section 175 of the CA2006 any Investor Director and/or Independent Director shall be authorised to hold office as a director or other officer of, be employed or engaged by, hold shares or other securities in, or otherwise be interested in, whether directly or indirectly

- (a) BGF,
- (b) any BGF Affiliate,
- (c) any other company in which BGF or a BGF Affiliate also holds shares or other securities or is otherwise interested, and
- (d) any Group Company

28 4 Provided permitted by the Companies Acts, and provided he has disclosed to the other directors the nature and extent of his interest pursuant to Section 177 or Section 182, CA2006

or otherwise in accordance with these Articles (as the case may be), a director (including the Investor Director), notwithstanding his office

- (a) shall be entitled to be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested and may hold any other office or place of profit under the Company (except that of auditor or of auditor of a Subsidiary) in addition to the office of director and may act by himself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the directors may arrange either in addition to or in lieu of any remuneration provided for by any other Article,
- (b) shall be authorised to be a member, director or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in, any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any Group Company,
- (c) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from
  - (i) any matter, office, employment or position which relates to a Conflict Situation authorised in accordance with Article 28 1, or
  - (ii) any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to paragraphs (a) and (b) of this Article 28 4,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any director having any such interest or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit authorised in accordance with Article 28 1 or permitted pursuant to paragraphs (a) or (b) of this Article 28 4 and the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176, CA2006

- 28 5 For the avoidance of doubt, a director may be or become subject to one or more Conflict Situations as a result of any matter referred to in paragraph (b) of Article 28 4 without requiring authorisation under the provisions of Article 28 1 provided he has declared, as soon as reasonably practicable, the nature and extent of his interest in the Conflict Situation (save in respect of a Conflict Situation of an Investor Director permitted under paragraph (b) of Article 28 4 where such Investor Director shall not be required to make any such declaration) The provisions of Section 177(2), Section 177(3), Section 177(5), Section 177(6), Section 184 and Section 185, CA2006 shall be applied (with any necessary modifications) in respect of any declaration required pursuant to this Article

**29 Directors may have interests and vote and count for quorum**

- 29 1 Subject to Section 175(6), CA2006 and save as otherwise provided in these Articles, a director may vote at any meeting of the directors or any meeting of any committee of which he is a member on any resolution and a director may participate in the transaction of the business of the directors and count in the quorum at any such meeting of the directors or meeting of any committee of which he is a member notwithstanding that it concerns or relates in any way to a matter in which he has directly or indirectly any kind of interest or duty This Article does not affect any obligation of a director to disclose any such interest, whether pursuant to Section 177, CA2006, Section 182, CA2006 or otherwise
- 29 2 Subject to Article 29 3, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and conclusive (except in a case where the nature or extent of any interest of the director has not been fairly disclosed)
- 29 3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

**PART C – Useful provisions based on the Model Articles for private companies**

**FURTHER PROVISIONS ABOUT DIRECTORS AND SECRETARY**

**30 Further methods of appointing directors**

30 1 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee of the last shareholder to have died or to have had a bankruptcy order made against him, as the case may be, shall have the right, by notice in writing to the Company, to appoint any one person to be a director, provided such person is a natural person in accordance with Section 155, CA2006 and provided such person is willing to be so appointed and is otherwise permitted by law to be a director of the Company

30 2 For the purposes of Article 30 1, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

**31 Termination of director's appointment**

A person ceases to be a director as soon as

- (a) that person ceases to be a director by virtue of any provision of the CA2006 or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- (e) by reason of that person's mental health, a court having jurisdiction (whether in the United Kingdom or elsewhere) makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have, or
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

**32 Directors to take decisions collectively**

32 1 The general rule about decision-making by directors is that, save as otherwise provided for in these Articles, any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 33 (Unanimous decisions)

32 2 At any meeting of the directors each director (or his alternate director) present at the meeting shall be entitled to one vote

**33 Unanimous decisions**

33 1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means, excluding the means of text messaging, that they share a common view on a matter

33 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

33 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 held to discuss the matter in question

**34 Records of decisions to be kept**

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors. Notwithstanding the provisions of Article 32, where the Company only has one director, the provisions of this Article 34 shall apply to any decision taken by such director, howsoever taken by him

**35 Directors' discretion to make further rules**

Subject to these Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors

**36 Directors' remuneration**

36 1 Directors may undertake any services for the Company that the directors decide

36 2 Directors are entitled to such remuneration as the directors determine

- (a) for their services to the Company as directors, and
- (b) for any other service which they undertake for the Company

36 3 Subject to these Articles, a director's remuneration may

- (a) take any form, and
  - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director
- 36 4 Unless the directors decide otherwise, directors' remuneration accrues from day to day
- 36 5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Subsidiaries or of any other body corporate in which the Company is interested
- 37 **Directors' expenses**  
The Company may pay any reasonable expenses which the directors and the Company secretary (if any) properly incur in connection with their attendance at (or returning from)
  - (a) meetings of directors or committees of directors,
  - (b) general meetings, or
  - (c) separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the business of the Company, the exercise of their powers and the discharge of their duties and responsibilities in relation to the Company
- 38 **Appointment and removal of alternates**
- 38 1 Any director (other than an alternate director) (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, who is willing to act to
  - (a) exercise that director's powers, and
  - (b) carry out that director's responsibilities,
 in relation to the taking of decisions by the directors in the absence of the alternate's appointor. A person (whether or not otherwise a director) may be appointed as an alternate by more than one appointor
- 38 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors
- 38 3 The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice
- 38 4 The appointment of an alternate director who is not otherwise a director shall be valid notwithstanding that he is approved by a resolution of the directors after his appointment as alternate director. Where an alternate director who is not otherwise a director attends a meeting of the directors and no objection is raised at the meeting to his presence then he shall be deemed to have been approved by a resolution of the directors
- 39 **Rights and responsibilities of alternate directors**
- 39 1 Except as these Articles specify otherwise, an alternate director has the same rights in relation to any directors' meeting, directors' written resolution or any other directors' decision-making as the alternate's appointor, including, but not limited to, the right to receive notice of all meetings of directors and all meetings of committees of directors of which his appointor is a member
- 39 2 Except as these Articles specify otherwise, alternate directors
  - (a) are deemed for all purposes to be directors,
  - (b) are liable for their own acts and omissions,
  - (c) are subject to the same restrictions as their appointors, and
  - (d) are not deemed to be agents of or for their appointors
- 39 3 A person who is an alternate director but not otherwise a director
  - (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
  - (b) may participate in a unanimous decision of the directors (but only if that person's appointor is an eligible director in respect of such decisions and only that person's appointor does not participate),
 provided that (notwithstanding any other provision of these Articles) such person shall not be counted as more than one director for the purposes of paragraphs (a) and (b) above
- 39 4 A director who is also an alternate for one or more directors is entitled, in the absence of the relevant appointor, to a separate vote on behalf of each appointor in addition to his own vote on any decision of the directors (provided the relevant appointor is

an eligible director in relation to that decision) but shall not count as more than one director for the purposes of determining whether a quorum is present

- 39 5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company

40 **Termination of alternate directorship**

An alternate director's appointment as an alternate terminates

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
- (c) on the death of the alternate's appointor, or
- (d) when the alternate's appointor ceases to be a director for any reason

41 **Secretary**

The directors may appoint any person who is willing to act as the secretary of the Company on such terms (including but not limited to, term of office and remuneration) and subject to such conditions as they may think fit and from time to time remove such person and, if the directors determine, appoint a replacement secretary of the Company, in each case by a decision of the directors

**Liens, calls and forfeiture**

42 **Company's lien**

- 42 1 The Company has a lien (the "**Company's lien**") over every share (whether fully paid or not) registered in the name of any person (whether he is the sole registered holder or one of two or more joint holders) for all moneys payable by him or his estate (and whether payable by him alone or jointly with any other person) to the Company (whether presently payable or not)

42 2 **The Company's lien over a share**

- (a) takes priority over any third party's interest in that share, and
- (b) extends to any dividend (or other assets attributable to it) or other money payable by the Company in

respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share

- 42 3 The directors may, at any time, decide that a share which is or would otherwise be subject to a lien pursuant to these Articles shall not be subject to it, either wholly or in part

43 **Enforcement of the Company's lien**

- 43 1 Subject to the provisions of this Article 43, if a lien enforcement notice has been given in respect of a share and the person to whom the notice was given has failed to comply with it, the Company may sell that share in such manner as the directors decide

43 2 **A lien enforcement notice**

- (a) may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the share concerned,
- (c) must require payment of the sum payable within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- (d) must be addressed either to the holder of the share or to any transferee of that holder or any other person otherwise entitled to the share, and
- (e) must state the Company's intention to sell the share if the notice is not complied with

43 3 **Where any share is sold pursuant to this Article**

- (a) the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
- (b) the transferee of the share(s) shall be registered as the holder of the share(s) to which the transfer relates notwithstanding that he may not be able to produce the share certificate(s) and such transferee is not bound to see to the application of the consideration and the transferee's title to the share is not affected by any irregularity in or invalidity of the process leading or relating to the sale

- 43 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
  - (b) second, to the person entitled to the share(s) immediately before the sale took place, but only after the certificate for the share(s) sold has been surrendered to the Company for cancellation or an indemnity in a form acceptable to the directors has been given to the Company for any lost certificate(s) and subject to a lien (equivalent to the Company's lien over the share(s) immediately before the sale took place) for all moneys payable by such person or his estate (whether immediately payable or not) in respect of all share(s) registered in the name of such person (whether he is the sole registered holder or one of two or more joint holders) and in respect of any other moneys payable (whether immediately payable or not) by him or his estate to the Company, after the date of the lien enforcement notice
- 43 5 A statutory declaration by a director or the Company secretary (if any) that the declarant is a director or the Company secretary and that a share has been sold to satisfy the Company's lien on a specified date
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share(s), and
  - (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share(s)
- 44 **Call notices**
- 44 1 Subject to these Articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a shareholder (or his estate) requiring such shareholder (or his estate) to pay the Company a specified sum of money (a "call") which is payable to the Company in respect of shares which that shareholder (or his estate) holds at the date when the directors decide to send the call notice
- 44 2 A call notice
- (a) may not require a shareholder (or his estate) to pay a call which exceeds the total sum unpaid on the shares in question (whether as to nominal value or any amount payable to the Company by way of premium),
  - (b) must state when and how any call to which it relates is to be paid, and
  - (c) may permit or require the call to be paid by instalments
- 44 3 A shareholder (or his estate) must comply with the requirements of a call notice but shall not be obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent
- 44 4 Before the Company has received any call due under a call notice, the directors may revoke it wholly or in part or specify a later date and/or time for payment than is specified in the notice, by a further notice in writing to the shareholder (or his estate) in respect of whose shares the call is made
- 45 **Liability to pay calls**
- 45 1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid. Joint holders of a share are jointly and severally liable to pay all calls in respect of that share
- 45 2 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them to pay calls which are not the same or to pay calls at different times
- 46 **Payment in advance of calls**
- 46 1 The directors may, if they think fit, receive from any shareholder willing to advance it all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in advance of calls shall extinguish only to that extent the liability on the shares on which it is made
- 46 2 The Company may pay interest on the money paid in advance or so much of it as exceeds the amount for the time being called up on the shares in respect of which such advance has been made at such rate not exceeding 15% per annum as the directors may decide until and to the extent that it would, but for the advance, become payable
- 46 3 The directors may at any time repay the amount so advanced on giving to such shareholder not less than 14 days' notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) of its intention in that regard, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced

- 46 4 No sum paid in advance of calls shall entitle the holder of a share in respect of them to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become payable
- 47 **When call notice need not be issued**
- 47 1 call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium)
- (a) on allotment,
  - (b) on the occurrence of a particular event, or
  - (c) on a date fixed by or in accordance with the terms of issue
- 47 2 If, however, the due date for payment of such a sum has passed and it has not been paid, the holder of the share(s) concerned (or his estate) is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture
- 48 **Failure to comply with call notice automatic consequences**
- 48 1 If a person is liable to pay a call and fails to do so by the call payment date (as such is defined below) the directors may issue a notice of intended forfeiture to that person and unless and until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate (as such is defined below)
- 48 2 Subject to 48 3, for the purposes of this Article
- (a) the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date,
  - (b) the "relevant rate" is
    - (i) the rate fixed by the terms on which the share in respect of which the call is due was allotted, or, if none,
    - (ii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors,
 provided that if no rate is fixed in either of the manners specified above it shall be, 5 per cent per annum
- 48 3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a)
- 48 4 The directors may waive any obligation to pay interest on a call wholly or in part
- 49 **Notice of intended forfeiture**
- 49 1 A notice of intended forfeiture
- (a) may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,
  - (b) must be sent to the holder of that share (or to all the joint holders of that share) or to a transmittee of that holder,
  - (c) must require payment of the call and any accrued interest together with all costs and expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
  - (d) must state how the payment is to be made, and
  - (e) must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited
- 50 **Directors' power to forfeit shares**
- If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture
- 51 **Effect of forfeiture**
- 51 1 Subject to these Articles, the forfeiture of a share extinguishes all interests in that share, and all claims and demands against the Company in respect of it and all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company
- 51 2 Any share which is forfeited in accordance with these Articles
- (a) is deemed to have been forfeited when the directors decide that it is forfeited,

- (b) is deemed to be the property of the Company, and
  - (c) may be sold, re-allotted or otherwise disposed of as the directors think fit
- 51 3 If a person's shares have been forfeited
  - (a) the Company must send that person notice that forfeiture has occurred and record it in the register of members,
  - (b) that person ceases to be a shareholder in respect of those shares,
  - (c) that person must surrender the certificate for the shares forfeited to the Company for cancellation,
  - (d) that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those shares, including any interest, costs and expenses (whether accrued before or after the date of forfeiture), and
  - (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- 51 4 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest, costs and expenses due in respect of it and on such other terms as they think fit
- 52 **Procedure following forfeiture**
- 52 1 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer
- 52 2 A statutory declaration by a director or the Company secretary that the declarant is a director or the Company secretary and that a share has been forfeited on a specified date is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the share
- 52 3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share
- 52 4 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which
  - (a) was, or would have become, payable, and
  - (b) had not, when that share was forfeited, been paid by that person in respect of that share,
 but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them
- 53 **Surrender of shares**
- 53 1 A shareholder may surrender any share
  - (a) in respect of which the directors may issue a notice of intended forfeiture,
  - (b) which the directors may forfeit, or
  - (c) which has been forfeited
- 53 2 The directors may accept the surrender of any such share. The effect of surrender on a share is the same as the effect of forfeiture on that share. A share which has been surrendered may be dealt with in the same way as a share which has been forfeited
- 54 **Company not bound by less than absolute interests**

Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or these Articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it
- 55 **Share certificates**
- 55 1 The Company must issue each shareholder with one or more certificates in respect of the shares which that shareholder holds and, save as provided otherwise in these Articles, such certificates must be issued free of charge
- 55 2 Every certificate must specify
  - (a) in respect of how many shares, of what class, it is issued,
  - (b) the nominal value of those shares,
  - (c) the amount paid up on the shares, and
  - (d) any distinguishing numbers assigned to them
- 55 3 No certificate may be issued in respect of shares of more than one class



- 55 4 If more than one person holds a share, only one certificate may be issued in respect of it
- 55 5 Certificates must
- (a) have affixed to them the Company's common seal, or
  - (b) be otherwise executed in accordance with the Companies Acts
- 56 **Replacement share certificates**
- 56 1 If a certificate issued in respect of a shareholder's shares is
- (a) damaged or defaced, or
  - (b) said to be lost, stolen or destroyed,
- that shareholder is entitled to be issued with a replacement certificate in respect of the same shares
- 56 2 A shareholder exercising the right to be issued with such a replacement certificate
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
  - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced, and
  - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide
- 57 **Instruments of transfer**
- 57 1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and unless the share is fully paid, by and on behalf of the transferee
- 57 2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share
- 57 3 The Company may retain any instrument of transfer which is registered
- 57 4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it
- 57 5 Any instrument of transfer which the directors refuse to register must (unless they suspect that the proposed transfer may be fraudulent) be returned to the transferee
- 58 **Fractional entitlements**
- 58 1 Whenever, as a result of a consolidation or division of shares, any shareholders are entitled to fractions of shares, the directors may
- (a) sell the shares representing the fractions to any person (including (provided permitted by law) the Company) for the best price reasonably obtainable,
  - (b) authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and
  - (c) distribute the net proceeds of sale in due proportion among those shareholders
- 58 2 Whenever any shareholder's entitlement to a portion of sale amounts to less than a minimum figure determined by the directors, that shareholder's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland
- 58 3 The person to whom the shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions and nor shall such transferee's title to the shares be affected by any irregularity in or invalidity of the process leading to their sale
- Further provisions about Dividends and Other Distributions**
- 59 **Procedure for declaring dividends**
- 59 1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends
- 59 2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors
- 59 3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights
- 59 4 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears
- 59 5 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment
- 59 6 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights

59 7 This Article 59 is subject to any contrary provisions in these Articles

**60 Calculation of dividends**

60 1 Except as otherwise provided by these Articles and by the rights attached to shares, all dividends must be

- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
- (b) apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid

60 2 If any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly

60 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of a call or otherwise paid up in advance of its due payment date

**61 Payment of dividends and other distributions**

61 1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means

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

61 2 If

- (a) a share is subject to the Company's lien, and

- (b) the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the Company in respect of that share to the extent that they are entitled to requirement payment under a lien enforcement notice. Money so deducted must be used to pay any of the sums payable in respect of that share

61 3 The Company must notify the distribution recipient in writing of

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

61 4 In these Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable

- (a) the holder of the share, or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

**62 No interest on distributions**

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the Company

**63 Unclaimed distributions**

63 1 All dividends or other sums which are

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed

63 2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it

- 63 3 If
- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and

- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company

#### 64 Non-cash distributions

- 64 1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any Company)

- 64 2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution

- (a) fixing the value of any assets,
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
- (c) vesting any assets in trustees

#### 65 Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

#### Capitalisation of Profits

#### 66 Authority to capitalise and appropriation of capitalised sums

- 66 1 Subject to these Articles, the directors may, if they are so authorised by an ordinary resolution

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are

not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and

- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions

#### 66 2 Capitalised sums must be applied

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them

- 66 3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct. A capitalised sum which was appropriated from profits available for distribution may be applied

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

#### 66 4 Subject to these Articles, the directors may

- (a) apply capitalised sums in accordance with Article 66 3 partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments), and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article

#### Decision-making by Shareholders

#### 67 Notice of general meetings

- 67 1 A general meeting of the Company (other than an adjourned meeting) shall be called by notice of at least 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the shareholders

- having a right to attend and vote being a majority together holding not less than ninety percent in nominal value of the shares giving that right
- 67 2 Every notice convening a general meeting shall specify
- (a) the place, the date and the time of the meeting,
  - (b) the general nature of the business to be dealt with at the meeting,
  - (c) if the meeting is convened to consider a special resolution, the text of the resolution and intention to propose the resolution as a special resolution, and
  - (d) with reasonable prominence, that a member is entitled to appoint another person (who does not have to be a member) as his proxy to exercise all or any rights of his to attend, speak and vote at the meeting and that a member may appoint more than one proxy in relation to the meeting (provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him) and shall also specify any more extensive rights (if any) conferred by these Articles to appoint more than one proxy
- 67 3 The notice shall be given to the members (other than any who under the provisions of these Articles or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the directors and to the auditors and if more than one for the time being, to each of them
- 67 4 Subject to the provisions of these Articles, notice of a general meeting of the Company may be given
- (a) in hard copy form,
  - (b) in electronic form, or
  - (c) by means of a website,
- or partly by one such means and partly by another and the provisions of Article 80 (Company Communications) shall apply accordingly
- 67 5 The accidental failure to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person or persons entitled to receive the same shall not invalidate the proceedings at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given
- 68 **Attendance and speaking at general meetings**
- 68 1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- 68 2 A person is able to exercise the right to vote at a general meeting when
- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting
- 68 3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it
- 68 4 In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other
- 68 5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them
- 69 **Chairing general meetings**
- 69 1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so
- 69 2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start
- (a) the directors present, or
  - (b) (if no directors are present), the meeting,
- must appoint a director or shareholder (which may include any proxy appointed by a shareholder) to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting
- 69 3 The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting"

**70 Attendance and speaking by directors and non-shareholders**

**70 1** Directors may attend and speak at general meetings, whether or not they are shareholders

**70 2** The chairman of the meeting may permit other persons who are not

- (a) shareholders of the Company, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting

**71 Adjournment**

**71 1** If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, the chairman of the meeting must adjourn it

**71 2** The chairman of the meeting may adjourn a general meeting at which a quorum is present if

- (a) the meeting consents to an adjournment, or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner

**71 3** The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

**71 4** When adjourning a general meeting, the chairman of the meeting must

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting

**71 5** If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)

- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain

**71 6** No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting (or if, during the meeting, a quorum ceases to be present), the meeting shall be dissolved

**72 Voting: general**

**72 1** A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles

**72 2** No shareholder shall, unless the directors otherwise decide, be entitled to vote (either in person or by proxy) at a general meeting, at any adjournment of it or on any poll called at or in relation to it in respect of any share held by him or to exercise any right as a shareholder unless all calls or other sums presently payable by him in respect of that share in the Company have been paid to the Company

**73 Errors and disputes**

**73 1** No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid

**73 2** Any such objection must be referred to the chairman of the meeting, whose decision is final and conclusive

**74 Demanding a poll and procedure on a poll**

**74 1** A poll on a resolution may be demanded

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

**74 2** A poll may be demanded by

- (a) the chairman of the meeting,
- (b) the directors,
- (c) two or more persons having the right to vote on the resolution,
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution, or
- (e) by a person or persons holding shares in the Company conferring a right to vote on the resolution, being

- shares on which an aggregate sum has been paid up to not less than one tenth of the total sum paid up on all the shares conferring that right
- 74 3 A demand for a poll may be withdrawn if
- (a) the poll has not yet been taken, and
  - (b) the chairman of the meeting consents to the withdrawal,
- and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made
- 74 4 Polls must be taken immediately and in such manner as the chairman of the meeting directs
- 75 **Content of proxy notices**
- 75 1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which
- (a) states the name and address of the shareholder appointing the proxy,
  - (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed,
  - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
  - (d) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate
- 75 2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes
- 75 3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions
- 75 4 Unless a proxy notice indicates otherwise, it must be treated as
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
  - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself
- 76 **Delivery of proxy notices**
- 76 1 The appointment of a proxy and the power of attorney or other authority (if any) under which it is signed (or a copy of such authority certified notari ally or in some other way approved by the directors) shall be sent or supplied in hard copy form, or (subject to any conditions and limitations which the directors may specify) in electronic form
- (a) to the registered office of the Company, or
  - (b) to such other address (including electronic address) as is specified in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting, or
  - (c) as the directors shall otherwise direct,
- to be received before the time for the holding of the meeting or adjourned meeting to which it relates or, in the case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the poll
- 76 2 Instrument of proxy not so sent or supplied or received shall be invalid unless the directors at any time prior to the meeting or the chairman of the meeting at the meeting, in their or his absolute discretion, accept as valid an instrument of proxy where there has not been compliance with the provisions of this Article and such proxy shall thereupon be valid notwithstanding such default
- 76 3 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person
- 76 4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf
- 77 **Revocation of proxy notices**
- 77 1 The validity of
- (a) a vote given or poll demanded in accordance with the terms of an appointment of a proxy, or
  - (b) anything done by a proxy acting as duly appointed chairman of a meeting, or
  - (c) any decision determining whether a proxy counts in a quorum at a meeting,
- shall not be affected notwithstanding the death or mental disorder of the appointor or the revocation of the appointment of the proxy (or of the authority under which the

appointment of the proxy was executed) or the transfer of the share in respect of which the appointment of the proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been

- (d) sent or supplied to the Company or any other person as the Company may require in the notice of the meeting, any instrument of proxy sent out by the Company in relation to the meeting or in any invitation to appoint a proxy issued by the Company in relation to the meeting, in any manner permitted for the sending or supplying of appointments of proxy pursuant to these Articles, and
- (e) received at the registered office of the Company (or such other address (including electronic address) as has been designated for the sending or supplying of appointments of proxy), before the time for the holding of the meeting or adjourned meeting to which it relates or, in the case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the poll

## 78 Votes of proxies

- 78 1 The Company shall be under no obligation to ensure or otherwise verify that any vote(s) cast by a proxy are done so in accordance with any such instructions given by the member by whom such proxy is appointed. In the event that a vote cast by such proxy is not done so in accordance with the instructions of the member by whom such proxy is appointed, such vote shall not be deemed to be invalid
- 78 2 On a vote on a resolution on a show of hands, where a proxy is appointed by more than one member (provided that, where some only of those members by whom the proxy is appointed instruct the proxy to vote in a particular way, those members all instruct such proxy to vote in the same way on a resolution (either "for" or "against")) such proxy shall be entitled to cast a second vote the other way in relation to any discretionary vote(s) given to him by other members by whom such proxy is appointed

## 79 Amendments to resolutions

- 79 1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if
  - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the

meeting is to take place (or such later time as the chairman of the meeting may determine), and

- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution

79 2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

79 3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman of the meeting's error does not invalidate the vote on that resolution

## Administrative Arrangements

### 80 Company communications

- 80 1 Subject to the provisions of the Companies Acts (and save as otherwise provided in these Articles), any document or information required or authorised to be sent or supplied by the Company to any member or any other person (including a director) pursuant to these Articles, the Companies Acts or any other rules or regulations to which the Company may be subject, may be sent or supplied in hard copy form, in electronic form, by means of a website or in any other way in which documents or information may be sent or supplied by the Company pursuant to the Companies Acts
- 80 2 Subject to these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked in writing to be sent or supplied with such notices or documents for the time being
- 80 3 The provisions of the CA2006 which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts by making it available on a website shall, mutatis mutandis, apply to the sending or supplying of any document or information required or authorised to be sent by these Articles or any other rules or regulations to which the Company may be subject, by making it available on a website
- 80 4 The Company may send or supply any document or information to a member or

- any other person (including a director) pursuant to these Articles, the Companies Acts or any other rules or regulations to which the Company may be subject, either personally, or by post in a prepaid envelope addressed to the member (or such other person) at his registered address or at his address for service, or by leaving it at that address or any other address for the time being notified to the Company by the member (or such other person) for the purpose, or by sending or supplying it using electronic means to an electronic address for the time being notified to the Company by the member (or such other person) for the purpose, or by any other means authorised in writing by the member (or such other person) concerned
- 80 5 A shareholder whose registered address is not within the United Kingdom and who gives the Company an address within the United Kingdom to which documents or information may be sent or supplied to him or gives an electronic address to which documents or information may be sent or supplied using electronic means, shall be entitled to have documents or information sent or supplied to him at that address, but otherwise no such shareholder shall be entitled to receive any document or information from the Company
- 80 6 In the case of joint holders of a share, if the Company sends or supplies any document or information to one of the joint holders, it shall be deemed to have properly sent or supplied such document or information to all the joint holders
- 80 7 If, on at least 2 consecutive occasions, the Company has attempted to send any document or information by electronic means to an address specified (or deemed specified) for the purpose and a delivery failure (or other similar) notification has been received by the Company, the Company thereafter shall, send documents or information in hard copy form or electronic form (but not by electronic means) to such member at his registered address or address for service within the United Kingdom (whether by hand, by post or by leaving it or them at such address), in which case the provisions of Article 80 8 shall apply
- 80 8 If on 3 consecutive occasions documents or information have been sent or supplied to any shareholder at his registered address or address for the service of such documents or information in the United Kingdom but have been returned undelivered, such shareholder shall not thereafter be entitled to receive any documents or information from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of documents or information or an electronic address to which documents or information may be sent or supplied using electronic means
- 80 9 Any shareholder present, in person or by proxy at any meeting of the Company or of the holders of any class of shares of the Company, shall be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called
- 80 10 Save as provided otherwise in these Articles, any document or information, addressed to a shareholder (or other person to whom such document or information is required or authorised to be sent pursuant to these Articles, the Companies Acts or otherwise) at his registered address or address for service (in the case of a shareholder, in the United Kingdom) or electronic address, as the case may be shall
- (a) if hand delivered or left at a registered address or other address for service (in the case of a shareholder in the United Kingdom), be deemed to have been served or delivered on the day on which it was so delivered or left,
  - (b) if sent or supplied by post (whether in hard copy form or in electronic form), be deemed to have been received at the expiration of 24 hours after the envelope was posted,
  - (c) if sent or supplied by electronic means (other than by means of website), be deemed to have been received (if sent or supplied between the hours of 9 a.m. and 5 p.m. on a Business Day) at the time it was sent, or (if sent or supplied at any other time) at 9 a.m. on the next following Business Day, and
  - (d) if sent or supplied by means of a website, be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website
- 80 11 In calculating a period of hours for the purpose of Article 80 10, no account shall be taken of any part of a day that is not a Business Day
- 80 12 A director may agree with the Company that documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time



to be less than those set out in Article 80 10

- 80 13 Subject to Article 80 9, in proving such service or delivery it shall be sufficient to prove that the envelope containing the document or information was properly addressed and put into the post in a prepaid envelope or, in the case of a document or information sent or supplied by electronic means, that it was sent or supplied in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators entitled "Electronic Communications with Shareholders 2007" (as such guidance is amended or updated from time to time)
- 80 14 The Company shall not be held responsible for any failure in transmission beyond its reasonable control and the provisions of Article 80 9 to Article 80 13 (inclusive) shall apply regardless of any document or information being returned undelivered and regardless of any delivery failure notification or "out of office" or other similar response and any such "out of office" or other similar response shall not be considered to be a delivery failure
- 80 15 This Article 80 is subject to the provisions of the Investment Agreement
- 81 Company seals**
- 81 1 Any common seal may only be used by the authority of the directors or a committee of the directors
- 81 2 The directors may decide by what means and in what form any common seal is to be used
- 81 3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature
- 81 4 For the purposes of this Article, an authorised person is
- (a) any director of the Company,
  - (b) the Company secretary (if any), or
  - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied
- 82 No right to inspect accounts and other records**
- Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder

**83 Provision for employees on cessation of business**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its Subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that Subsidiary

**84 Indemnity and Funds**

84 1 Subject to Article 84 2 (but otherwise to the fullest extent permitted by law) and without prejudice to any indemnity to which he may otherwise be entitled

- (a) a relevant director, secretary or other officer (other than any person engaged as auditor) of the Company or an associated Company may be indemnified out of the Company's assets against all or any part of any costs, charges, losses, expenses and liabilities incurred by that director secretary or other officer
- (b) in the actual or purported exercise of his powers in relation to the affairs of the Company or associated Company, and
- (c) in connection with the activities of the Company or an associated Company in its capacity as a trustee of an occupational pension scheme, and
- (d) a relevant director, secretary or other officer (other than any person engaged as auditor) of the Company or any holding Company may be provided with funds to meet any expenditure incurred or to be incurred by him as provided in Section 205 and/or Section 206, CA2006 (or enable him to avoid incurring any such expenditure)

84 2 This Article does not authorise any indemnity or provision of funds which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

**85 Insurance**

Subject to the provisions of the CA2006, the directors may in their absolute discretion decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director secretary or other officer (other than any person engaged as auditor) of the Company or associated Company in respect of all or any part of any relevant loss

## PART D – Defined terms and interpretation

### 86 Defined terms

In these Articles, unless a contrary intention is expressly stated, the following words and expressions shall have the following meanings

**"Accounts"** means the audited individual accounts of the Company or, if at the end of the relevant financial year the Company is a parent company and is not exempt from the requirement to produce group accounts, the audited group accounts of the Company and its subsidiary undertaking(s), for each financial year

**"Acting in Concert"** has the meaning set out in the City Code on Takeovers and Mergers (as amended from time to time)

**"alternate" or "alternate director"** has the meaning set out in Article 38 (*Appointment and removal of alternates*)

**"A Ordinary Shares"** means the A ordinary shares of £1 00 each in the capital of the Company

**"A Ordinary Threshold"** means the aggregate amount after payment of all liabilities (other than arrears and accruals of Long Term Dividend) of the

- (a) surplus assets and retained profits of the Company available for distribution among the shareholders, or
- (b) proceeds of an Exit

that would be required to enable the holders of the A Ordinary Shares (in their capacity as holders of the A Ordinary Shares only) as a class to receive an amount equal to the aggregate amount Credited as Paid Up on the A Ordinary Shares on an allocation of such assets and retained profits or proceeds of Exit to the holders of the Shares pro rata to their holdings of Equity Shares

**"appointor"** has the meaning set out in Article 38 (*Appointment and removal of alternates*)

**"Approved Offer"** means a bona fide offer in writing served on all shareholders holding Equity Shares (including the proposing transferor), offering to purchase all of the Equity Shares held by such shareholders (including any shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Equity Shares in existence at the date of such offer) which

- (a) is stipulated to be open for acceptance for at least 15 Business Days,
- (b) offers consideration for each Equity Share taking into account the respective rights of the holders on an Exit or other return of capital, as set out in Article 3 2 and subject to the restrictions on price in Article 9 2,
- (c) in the case of the A Ordinary Shares, includes provision for the payment of all arrears and accruals of the Long Term Dividend (if any) and a price for each A Ordinary Share which is not less than the amount Credited as Paid Up on each A Ordinary Share,
- (d) makes provision for the redemption of the Preference Shares in accordance with these Articles and for the redemption of the BGF Loan Notes or, if the Company is unable lawfully to effect any such redemption or purchase, makes provision for the purchase of such Preference Shares and BGF Loan Notes at the price at which they would have been redeemed or purchased by the Company,
- (e) is on terms that the sale and purchase of shares in respect of which the offer is accepted will be completed at the same time, and
- (f) has Investor Consent

**"Articles"** means the Company's articles of association as altered or varied from time to time (and **"Article"** means a provision of the Articles)

**"B Ordinary Shares"** means the B ordinary shares of £1 00 each in the capital of the Company

**"Bad Leaver"** means, unless otherwise determined by the Board with Investor Consent, a Leaver whose reason for ceasing employment or appointment with the Company is either

- (a) that they voluntarily resign as an Employee or Independent Director (whether appointed as Chairman or not) of the Group, or
- (b) that their employment or appointment is terminated by the Group due to circumstances which would entitle any Group Company to summarily dismiss him

**"Balancing Payment"** means in respect of each year a sum equal to the Long Term Dividend for that year less the Interim Payment

**"Bank"** means any provider of finance facilities any Group Company from time to time and including HSBC Bank plc

**"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy

**"BGF"** means BGF Investments LP a limited partnership with number LP14928 whose registered office is at 21 Palmer Street, London SW1H 0AD

**"BGF Affiliate"** means, in relation to BGF

- (a) a BGF Connected Person,
- (b) any Investment Manager of BGF or a BGF Affiliate and/or any Investment Fund managed by any such Investment Manager from time to time,
- (c) any person, from time to time, in which BGF and/or a BGF Affiliate may have or is proposing to have a direct or indirect economic interest, including without limitation any portfolio company investee,
- (d) any person who is a controls or which is controlled, managed or advised or promoted by BGF and/or a BGF Affiliate, and/or
- (e) any trustee, manager, beneficiary, shareholder, partner, unit holder or other financier or participant in or of BGF and/or a BGF Affiliate

**"BGF Connected Person"** means in relation to BGF

- (a) any person who is a Connected Person of BGF or Business Growth Fund plc, and
- (b) any general partner, limited partner or other partner in, or trustee, nominee, manager of, adviser, promoter, beneficiary, unit holder or other financier of BGF or any person who is a Connected Person of BGF or Business Growth Fund plc

**"BGF Proportion"** means the number of A Ordinary Shares in issue divided by the number of Equity Shares in issue (other than Leaver's Offered Shares) multiplied by 100 expressed as a percentage,

**"Board"** means the board of directors of the Company from time to time

**"Board Invitee"** means an Employee Trust or an existing or prospective Employee nominated by the Board, with Investor Consent

**"Business Day"** means a day (other than a Saturday or Sunday) on which clearing banks are open for business in the City of London or Edinburgh

**"CA2006"** means the Companies Act 2006

**"call"** has the meaning set out in Article 44 1 (*Call notices*)

**"call notice"** has the meaning set out in Article 44 1 (*Call notices*)

**"call payment date"** has the meaning set out in Article 48 (*Failure to comply with call notice automatic consequences*)

**"Called Shareholders"** has the meaning set out in Article 13 1 (*Drag along*)

**"Called Shares"** has the meaning set out in Article 13 1 (*Drag along*)

**"capitalised sum"** has the meaning set out in Article 66 (*Authority to capitalise and appropriation of capitalised sum*)

**"Cessation Date"** means

- (a) the date on which a Leaver ceases to be an Employee, or

- (b) in the case of an Independent Director (whether appointed as Chairman or not) the date on which their appointment is terminated by the Independent Director or by the Board with Investor Consent

**"Chairman"** means the chairman of the Board appointed pursuant to Article 18 (*The Investor Director and Independent Director*) or Article 26 (*Chairing of directors' meetings*)

**"chairman of the meeting"** has the meaning set out in Article 69 (*Chairing general meetings*)

**"Co-Investment Scheme"** has the meaning set out in Article 7 4(c)(iv) (*Transfers by Investment Managers and Investment Funds*)

**"Companies Acts"** has the meaning set out in Section 2, CA2006

**"Company's lien"** has the meaning set out in Article 42 1 (*Company's lien*)

**"Conflicted Director"** has the meaning set out in Article 28 1 (*Authorisation of conflicts of interest*)

**"Conflict Situation"** has the meaning set out in Article 28 1 (*Authorisation of conflicts of interest*)

**"Connected Person"** has the meaning set out in section 1122 of the Corporation Tax Act 2010

**"Controller"** means in relation to a corporate member a person who has the power or ability to direct the management or the policies of that member, whether through the ownership of voting capital, by contract or otherwise

**"Controlling Interest"** means an interest in shares (as defined in Schedule 1 of the CA2006) conferring in aggregate more than 50% of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue

**"Credited as Paid Up"** means the amounts paid up or credited as paid up on a share including any premium or in respect of an A Ordinary Share together with amounts paid up or credited as paid up on such A Ordinary Share including any premium and the purchase price paid for such A Ordinary Share to the Shareholders (if applicable) on or about the adoption date of these Articles

**"Deed of Adherence"** means a deed of adherence to the Investment Agreement substantially in the form set out in the Investment Agreement

**"director"** means a director of the Company, and includes any person occupying the position of director, by whatever name called

**"Disposal"** means the sale or other disposal (whether by one transaction or a series of related transactions) of

- (a) the whole or a substantial part of the business and assets of the Company, or
- (b) 50% or more of the issued share capital of any immediate Subsidiary or Subsidiaries to the extent that it or they comprise the whole or a substantial part of the business and assets of the Group

**"distribution recipient"** has the meaning set out in Article 61 (*Payment of dividends and other distributions*)

**"Dividend Date"** has the meaning set out in Article 3 1(a) (*Rights attaching to shares –Income*)

**"document"** includes, unless otherwise specified, any summons, notice, order, register, certificate or other legal process and includes any such document sent or supplied in electronic form

**"eligible director"** means a director who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the resolution in question)

**"Employee"** means a person who at the date of the adoption of these Articles or subsequently is employed by, or is a consultant to, any Group Company and/or holds the office of executive director in any Group Company (but for the avoidance of doubt, shall exclude any person who holds office as a non-executive director of the Company)

**"Employee Trust"** means the trust to be established by the Board (with Investor Consent) to encourage or facilitate the holding of shares in the Company by bona fide Employees or by any

section of such Employees, the trustees of which shall be such persons as the Board (including the Investor Director) shall agree

**"Enhanced Voting Event"** means any occasion when

- (a) the Company and/or the directors of the Company are in breach of any of the provisions of clause 7 (Consents) of the Investment Agreement, and/or
- (b) the Company fails to pay, within 5 business days of the due date, any due and payable
  - (i) interest pursuant to the terms of the Loan Note Instrument and/or;
  - (ii) any accrued Preference Dividend or Long Term Dividend to the extent that it is legally payable, and/or
- (c) the Company fails to redeem when due any Loan Notes issued pursuant to the Loan Note Instrument, and/or
- (d) any director other than the Independent Director, Chris Hickling, Nigel Tamplin or Ian Fergusson is a Bad Leaver, and/or
- (e) the Company is in breach of any financial covenants provided to the Bank, and/or
- (f) the Board is proposing a liquidation of the Company other than by way of a member's voluntary liquidation

**"Equity Shares"** means the Ordinary Shares, the A Ordinary Shares and the B Ordinary Shares

**"Exit"** means a Sale, a Disposal, a Liquidation, or a Listing

**"Exit Notice"** has the meaning set out in Article 13 2 (*Drag along*)

**"Exit Option"** has the meaning set out in Article 13 1 (*Drag along*)

**"Family Trust"** means a trust, the terms of which have been approved by Investor Consent, under which

- (a) no immediate beneficial interest in the shares held by it or income from such shares is for the time being or may in the future be vested in any person other than the settler or a Privileged Relation of such settler or any one or more of his children (including step or adopted children), and
- (b) no power or control over the voting powers conferred by the shares held by it is for the time being exercisable by or subject to the consent of any person other than the trustee or trustees or the settler or a Privileged Relation of such settler or any one or more of his children (including step or adopted children)

**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company

**"Further Issue"** has the meaning set out in Article 4 (*Further issues of shares*)

**"Good Leaver"** means a Leaver who is not a Bad Leaver

**"Group"** means the Company and its Subsidiaries (if any) for the time being and **"Group Company"** means any of them

**"holder"** in relation to shares means the person whose name is entered in the register of members as the holder of the shares

**"Independent Director"** means a director appointed pursuant to Article 18 3 (*The Investor Director and Independent Director*)

**"instrument"** means a document in hard copy form

**"Interim Payment"** means a sum which is equal to 50% of the Minimum Fixed Return

**"Investment Agreement"** means the investment agreement dated 5 February 2015 between (1) the Company, (2) J & E Nominees Limited, (3) J & E Shepherd LLP, (4) the Chairman (as defined therein), (5) Christopher Hickling (6) the Managers (as defined therein), (7) BGF Investments LP and (8) Business Growth Fund plc as that agreement may be amended from time to time

**"Investment Fund"** has the meaning set out in Article 7 4(a)(i) (*Transfers by Investment Managers and Investment Funds*)

**"Investment Manager"** has the meaning set out in Article 7 4(a)(i) (*Transfers by Investment Managers and Investment Funds*)

**"Investor Consent"** means the prior written consent of BGF

**"Investor Director"** means the director of the Company appointed by BGF under Article 18 (*The Investor Director and Independent Director*) or the Investment Agreement or his alternate

**"Leaver"** means -

- (a) an Employee who ceases to be so for whatever reason and does not continue to be an Employee by reason of his status in relation to any Group Company, or
- (b) a director appointed as an Independent Director (whether appointed as Chairman or not) who ceases to be so for whatever reason and does not continue to be the Chairman/Independent Director by reason of his status in relation to any Group Company

**"Leaver's Shares"** means in relation to a Leaver, all shares in the capital of the Company held by him or his Privileged Relations or their Family Trusts, or any nominees of the Leaver or such parties, other than

- (a) B Ordinary Shares, and/or
- (b) shares held by Privileged Relations that BGF declares itself satisfied were not acquired either directly or indirectly from the Leaver or by reason of the Privileged Relation's connection with the Leaver and the decision of BGF in this respect will, in the absence of manifest error, be final and binding

**"lien enforcement notice"** has the meaning set out in Article 43 (*Enforcement of the Company's lien*)

**"Liquidation"** means the liquidation, dissolution or winding-up of the Company pursuant to the making of a winding-up order by the court on the passing of a resolution by the shareholders that the Company be wound up or dissolved (save for a solvent winding-up for the purpose of reconstruction or amalgamation previously approved by a resolution of the shareholders with Investor Consent)

**"Listing"** means the becoming effective of a listing of any Group Company's securities on a Stock Exchange or the granting of permission for any of any Group Company's securities to be traded on a Stock Exchange and the listing shall be treated as occurring on the day on which trading in the securities began

**"Loan Notes"** means the unsecured loan notes to be constituted and issued in accordance with the terms of the Loan Note Instruments

**"Loan Note Instruments"** means the two loan note instruments in the agreed form

- (a) creating up to £5,000,000 unsecured Loan Notes of the Company, and
- (b) creating up to £1,934,925 12 unsecured Loan Notes of the Company

**"Long Term Dividend"** has the meaning set out in Article 3 1 (*Rights attaching to shares – Income*)

**"Majority Sellers"** has the meaning set out in Article 13 1 (*Drag along*)

**"Majority Sellers' Shares"** has the meaning set out in Article 13 1 (*Drag along*)

**"Market Price"** means the market value of the shares concerned on the following assumptions and bases

- (a) to disregard the rights and restrictions attached to the shares in respect of income, capital and transfer,
- (b) to assume that the sale is on an arms' length basis between a willing vendor and a willing purchaser,
- (c) to disregard whether or not the shares represent a minority or majority interest,

- (d) to take no account of whether the shares do or do not carry control of the Company, and
- (e) if the Company is then carrying on business as a going concern, to assume that it will continue to do so in the same manner as immediately prior to the date of the Transfer Notice or deemed Transfer Notice giving rise to the valuation

**"member"** means a person who is the holder of a share

**"Minimum Fixed Return"** means a sum which is equal to 10% of the amount Credited as Paid Up on the A Ordinary Shares

**"Model Articles"** has the meaning given in Article 1 2

**"Net Profits"** means the profit on ordinary activities after taxation of the Company and its Subsidiaries calculated on the historical cost accounting basis and shown in the Accounts for the relevant financial year but adjusted by adding back any payment or provision which has been made for any dividend on any share capital of the Company or any of its Subsidiaries, the transfer of any sum to reserve and any amortisation of goodwill

**"Offered Shares"** has the meaning set out in Article 10 2 (*Pre-emption procedure*)

**"Ordinary Shares"** means the ordinary shares of £1 00 each in the capital of the Company

**"paid"** means paid or credited as paid

**"participate"**, in relation to a directors' meeting, has the meaning set out in Article 24 (*Participation in directors' meetings*)

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

**"persons entitled"** has the meaning set out in Article 66 1 (*Authority to capitalise and appropriation of capitalised sum*)

**"Pre-emption Purchasers"** has the meaning set out in Article 10 6 (*Pre-emption procedure*) and

**"Pre-emption Purchaser"** means any one of them

**"Preference Dividend"** has the meaning set out in Article 3 1(a) (*Rights attaching to shares – Income*)

**"Preference Shares"** means the redeemable preference shares of £1 00 each in the capital of the Company

**"Pre-New Money Valuation"** means the result of multiplying the total number of Equity Shares in issue by the Realisation Price

**"Privileged Relation"** means in relation to a member, the spouse, civil partner or widow, widower or surviving civil partner, children (including step and adopted children and grandchildren) of the member

**"proxy notice"** has the meaning set out in Article 75 (*Content of proxy notices*)

**"Realisation Price"** means the value of each Ordinary Share in issue immediately prior to a Listing, determined by reference to the price per share at which Ordinary Shares in the Company are to be offered for sale, placed or otherwise marketed pursuant to such Listing

**"relevant director"** means any director or former director of the Company or any associated company (within the meaning of Section 256, CA2006)

**"relevant loss"** means any costs, charges, losses, expenses and liabilities which have been or may be incurred by a relevant director, secretary or other officer in the actual or purported execution or discharge of his duties or in the actual or purported exercise of his powers in relation to the affairs of the Company, any associated company (within the meaning of Section 256, CA2006), any pension fund (including any occupational pension scheme) or any employees' share scheme of the Company or associated company

**"relevant rate"** has the meaning set out in Article 48 2 (*Failure to comply with call notice automatic consequences*)

**"Relevant Securities"** means all shares, rights to subscribe for shares or to receive them for no consideration and all securities convertible into shares, but excluding

- (a) the grant of options to subscribe for Ordinary Shares under a Share Option Scheme, and the subsequent allotment of those shares,
- (b) the shares proposed to be issued under the Investment Agreement,
- (c) shares issued in order for the Company to comply with its obligations under the Articles (other than Article 4 (Further issues of shares)),
- (d) any shares to be allotted and issued to an Employee Trust,
- (e) any shares the Board (with Investor Consent) has resolved to issue to an Employee or Director of the Company as a replacement for a Good Leaver who is entitled to retain his shares pursuant to Article 9 1, and
- (f) shares or securities convertible into shares issued in consideration of an acquisition by the Company of any company or business, such acquisition having received Investor Consent

**"Sale"** means

- (a) the sale or other disposal (whether by one transaction or a series of related transactions) of 50% or more of the issued share capital of the Company on completion, or
- (b) where the purchaser(s) and its connected persons (within the meaning of Section 252, CA 2006) or associated bodies corporate (within the meaning of Section 256, CA2006), as appropriate, already hold shares in the capital of the Company, the sale or other disposal of such number of shares such that the purchaser(s) and his connected persons or associated bodies corporate, as appropriate, hold 50% or more of the issued share capital of the Company)

**"Sale Price"** has the meaning set out in Article 10 3 (*Pre-emption procedure*)

**"Share Option Scheme"** means any share option scheme of the Company for the incentivisation and/or reward of current and/or prospective Employees of the Company and any Group Company on terms, including the class of shares comprising the options and the allocation of any options which have received Investor Consent

**"shares"** means shares in the Company

**"Stapling Condition"** has the meaning set out in Article 10 2 (*Pre-emption procedure*)

**"Stock Exchange"** means The London Stock Exchange plc (including the Alternative Investment Market operated by The London Stock Exchange plc), PLUS Markets plc (including the PLUS-listed market and PLUS-quoted market operated by PLUS Markets plc) or any other recognised investment exchange (as defined by Section 285, Financial Services and Markets Act 2000) and their respective share dealing markets

**"Subsidiary"** means a subsidiary (as defined in Section 1159, CA2006) or a subsidiary undertaking (as defined in Section 1162, CA2006) and **"Subsidiaries"** shall be construed accordingly

**"Third Party Purchaser"** has the meaning set out in Article 13 1 (*Drag along*)

**"Total Transfer Condition"** has the meaning set out in Article 10 2 (*Pre-emption procedure*)

**"Transfer Notice"** has the meaning set out in Article 10 1 (*Pre-emption procedure*)

**"transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law

**"Valuer"** means an independent accountant nominated by agreement between the Board (acting with Investor Consent) and the transferor(s) or, failing agreement within 10 Business Days, nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales

**"Wholly-owned Group"** means a body corporate and any holding company of which it is a wholly-owned subsidiary and any other wholly-owned subsidiaries of that holding company (including any



wholly-owned subsidiary of the body corporate) with all such terms construed in accordance with the CA2006

**"writing"** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods and **"written"** shall be construed accordingly

## **87 Interpretation**

### **87 1 In these Articles**

- (a) words in the singular include the plural and vice versa and words in one gender include any other gender,
- (b) a reference to
  - (i) **"transfer of shares"** or any similar expression shall be deemed to include, in respect of a share in the capital of the Company
    - (A) any sale or other disposition of the legal or equitable interest in a share (including any voting right attached to a share),
    - (B) the creation of any mortgage, charge, pledge or other encumbrance over any legal or equitable interest in a share,
    - (C) any direction by a person entitled to an allotment or issue of shares that a share be allotted or issued to some other person, and
    - (D) any grant of an option to acquire, or agreement to enter into a grant of an option to acquire, any legal or equitable interest in a share,
  - (ii) **"person"** includes any individual, firm, corporation, body corporate, association, partnership, trust, unincorporated association, employee representative body, government or state or agency or department thereof, executors, administrators or successors in title (whether or not having a separate legal personality),
- (c) the table of contents and headings are for convenience only and do not affect the interpretation of these Articles,
- (d) general words shall not be given a restrictive meaning
  - (i) if they are introduced by the word "other" or "including" or similar words by reason of the fact that they are preceded by words indicating a particular class of act, matter or thing, or
  - (ii) by reason of the fact that they are followed by particular examples intended to be embraced by those general words, and
- (e) for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), CA2006, shares registered in the name of a person (or its nominee) by way of security or in connection with the taking of security shall be treated as held by the person providing the security and shares held by a person as nominee for another shall be treated as held by the other

### **87 2 Unless the context otherwise requires (or unless otherwise defined or stated in these Articles), words or expressions contained in these Articles shall have the same meaning as in the CA2006**

PRIVATE & CONFIDENTIAL



**Articles of Association**  
of  
**Shepherd Direct Limited**  
Company number 06055271  
(Private company limited by shares)  
as adopted by written special resolutions  
passed on 2015