

Company number: 06324769

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

APPELLO LIMITED

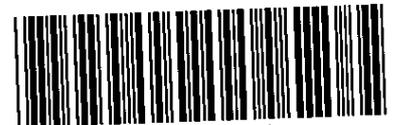
Adopted by special resolution on 30 August 2019

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David Edwards
Barrister at Law
30/08/19

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

APPELLO LIMITED

(the "Company")

Adopted by special resolution on 30 August 2019

1 **Preliminary**

1.1 The articles 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 by any subsequent or future articles (the "**Model Articles**") shall apply to the Company so far as they relate to private companies limited by shares but save in so far as they are excluded or varied hereby and such articles (save as so excluded or varied) and the articles hereinafter contained shall be the articles of association of the Company.

1.2 In these articles the following expressions shall have the following meanings:

Act: the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force;

A Ordinary Shareholders: the holders of the A Ordinary Shares in issue from time to time;

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

Associated Company: has the meaning given to the term "**associated bodies corporate**" in section 256 of the Act;

Bad Leaver: an A Ordinary Shareholder who ceases to be an employee of the Company and/or a Group Company and is not a Good Leaver;

Business Days: a day other than a Saturday, a Sunday or a public holiday in England when banks in London are open for business;

Called Shareholders: has the meaning given to it in article 24.1;

Called Shares: has the meaning given to it in article 24.1;

conflict of interest: any reference in these articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties;

Controlling Interest: in relation to a person means the ownership by that person and his or its connected persons of Shares carrying the right to more than 50% of the total number of votes which may be cast on a poll at a general meeting of the Company;

Defaulting Shareholder: has the meaning given to it in article 7.2;

Default Shares: has the meaning given to it in article 7.3;

Disposal Consideration: has the meaning given to it in article 6.2;

Distribution Proceeds: has the meaning given to it in article 5.1;

Drag Along Notice: has the meaning given in article 24.2;

Drag Along Option: has the meaning given in article 24.1;

Drag Shares: has the meaning given in article 24.1;

electronic means: has the meaning given to that term in section 1168 of the Act;

Encumbrance: any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, and any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having similar effect;

Fair Market Value: the fair market value of the relevant Shares either (i) as agreed between the board of directors of Appello Holdings and the relevant Shareholder, or (ii) if no such agreement is reached between the parties within 14 Business Days of such an agreement being required, as determined in accordance with article 27;

Good Leaver: an A Ordinary Shareholder who ceases to be an employee of the Company or any Group Company by reason of:

- (a) permanent disability or permanent incapacity through ill-health;
- (b) death,

or the board of directors of Appello Holdings determine (in their absolute discretion) is classed as a Good Leaver;

Group: the Company and its subsidiary undertakings from time to time, or any of them as the context requires (and "Group Company" shall be construed accordingly);

Independent Accountants: an independent firm of chartered accountants nominated by the Parent and which are not, at the time of the nomination, engaged as the auditors to the Company;

Issue Price: in relation to any Share, the amount paid up or credited as paid up on such Share including the full amount of any premium at which such Share was issued;

Appello Holdings: shall mean Appello Holdings Limited (company number: 12056759)

New Holding Company: a company which obtains control of the Company where the majority or 51% or more of the New Holding Company's ordinary shares are held in substantially the same proportions by substantially the same persons who previously held the Company's A Ordinary Shares and Ordinary Shares then in issue;

Offer Period: has the meaning given to it in article 25.2;

Ordinary Shareholders: the holders of the Ordinary Shares in issue from time to time;

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

Parent: shall mean Appello Holdings;

Parent Shares: has the meaning given to it in article 26.1;

Parent Undertaking: a parent undertaking of Parent within the meaning given to it in section 1162 of the Act;

Proposed Purchaser: has the meaning given to it in article 7.3;

Purchaser: has the meaning given to it in article 24.1;

Relevant Event: has the meaning given to it in article 7.2;

Sale: the disposal of the shares of the Company or the Parent or a Parent Undertaking to a person or persons, other than where:

- (a) the disposal is to a group undertaking (as defined in section 1161(5) of the Act);
- (b) the disposal is to a New Holding Company in which case such company shall be considered to be the Company for the purpose of this definition; or
- (c) the relevant transfer is to a person or person(s) connected with the transferring shareholder,

pursuant to which the Company or Parent or Parent Undertaking ceases (or will cease), following such a sale, to be controlled by the person who controlled it immediately prior to the date of adoption of these articles (control having the meaning given to it by section 1124 of the Corporation Tax Act 2010);

Selling Shareholders: has the meaning given to it in article 24.1;

Share: any A Ordinary Share and Ordinary Share from time to time in issue;

Shareholders: together, the A Ordinary Shareholders and the Ordinary Shareholders;

Tag Offer: has the meaning given to it in article 25.1;

Tag Shares: has the meaning given to it in article 25.1;

Tagged Shares: has the meaning given to it in article 25.1;

these articles: these articles of association as originally adopted or as altered from time to time by special resolution;

the seal: the common seal of the Company and includes any official seal kept by the Company by virtue of sections 49 or 50 of the Act;

the secretary: the secretary of the Company and includes any assistant or deputy secretary and a person appointed by the directors to perform any of the duties of the secretary;

Values: has the meaning given to it in article 27.1; and

working day: any day other than a Saturday, Sunday or any other day which is a public holiday in England.

1.3 In these articles:

1.3.1 an "**interest**" in a share includes any interest of any kind whatsoever in a share or a right attaching to it, including where there is a contingent interest or right;

1.3.2 "**transfer**" of a Share includes:

1.3.2.1 any direction by a Shareholder that a Share be allotted, issued or transferred to a person other than himself; and

- 1.3.2.2 any sale or any other disposition (including the creation, or allowing the creation, of any Encumbrance over it) of any interest in, or rights attaching to, it;
- 1.3.3 “**writing**” or “**written**” includes any methods of representing or reproducing words in a legible and non-transitory form, including by way of electronic communications;
- 1.3.4 where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose;
- 1.3.5 the headings in these articles do not affect the interpretation of these articles;
- 1.3.6 words denoting the singular number include the plural number and vice versa;
- 1.3.7 words denoting the masculine gender include the feminine gender; and words denoting persons include corporations;
- 1.3.8 any reference to any enactment shall be construed as a reference to it as consolidated, amended, modified or re-enacted from time to time;
- 1.3.9 words or expressions shall bear the same meaning as in the Act and the Model Articles but excluding any statutory modification of them not in force at the date of adoption of these articles;
- 1.3.10 the headings are inserted for convenience only and shall not affect the construction of these articles;
- 1.3.11 save where expressly defined otherwise, any word or expression to which a meaning is assigned by the Act has the meaning so assigned save that:
 - 1.3.11.1 references to a “**company**” shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established and a company shall be treated for the purposes only of the membership requirement contained in sub-sections 1159(1)(b) and (c) of the Act, as a member of another company even if its shares in that other company are registered in the name of: (i) another person (or its nominee), whether by way of security or in connection with the taking of security; or (ii) its nominee;
 - 1.3.11.2 in the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (i) references in sub-sections 1159(1)(a) and (c) thereof to voting rights are to the members’ rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (ii) the reference in sub-section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights; and
 - 1.3.11.3 any question as to whether a person is connected with any other person shall be determined in accordance with the provisions of Income Tax Act 2007 section 993.

1.4 In these articles:

- 1.4.1 powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto;

- 1.4.2 the word "**directors**" in the context of the exercise of any power contained in these articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional directors of the Company to which or, as the case may be, to whom the power in question has been delegated;
- 1.4.3 no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and
- 1.4.4 except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by another body or person who is for the time being authorised to exercise it under these articles or under another delegation of the power.

2 Share capital

The share capital of the Company comprises A Ordinary Shares and Ordinary Shares.

3 Rights attaching to the A Ordinary Shares

- 3.1 Subject to obtaining prior written consent of the Parent and only following any restrictions placed on the Company to not make such distributions (by virtue of contractual agreement or commitments of the Company or the Parent) being waived or otherwise released by the beneficiary thereof, the holders of A Ordinary Shares may be paid a dividend in respect of each financial year of the Company out of profits available for distribution and from time to time as may be resolved by the board of directors. Subject to obtaining prior written consent of the Parent, the board of directors may resolve to pay a dividend on the A Ordinary Shares as a class as a whole.
- 3.2 Subject to article 3.1, the board may in its absolute discretion resolve to declare a dividend on the A Ordinary Shares or pay an interim dividend on the A Ordinary Shares out of the profits available for distribution without declaring a dividend on the Ordinary Shares. The holders of the Ordinary Shares will not be entitled to any equivalent dividend or compensatory payment in respect of a dividend declared on the A Ordinary Shares.
- 3.3 The A Ordinary Shares confer the right to receive notice and to attend and vote at a general meeting and the holder of each A Ordinary Share is entitled to five (5) % of the voting rights in the Company irrespective of the number of A Ordinary Shares held by him.
- 3.4 On a return of capital on liquidation, winding up or otherwise, the A Ordinary Shares shall have the rights set out in article 5.
- 3.5 On a Sale, the A Ordinary Shares shall have the rights set out in article 6.

4 Rights attaching to the Ordinary Shares

- 4.1 Subject to obtaining prior written consent of the Parent and only following any restrictions placed on the Company to not make such distributions (by virtue of contractual agreement or commitments of the Company or the Parent) being waived or otherwise released by the beneficiary thereof, the holders of Ordinary Shares may be paid a dividend in respect of each financial year of the Company out of profits available for distribution and from time to time as may be resolved by the board of directors. Subject to obtaining prior written consent of the Parent, the board of directors may resolve to pay a dividend on the Ordinary Shares as a class as a whole.
- 4.2 Subject to article 4.1, the board may in its absolute discretion resolve to declare a dividend on the Ordinary Shares or pay an interim dividend on the Ordinary Shares out of the profits available for distribution without declaring a dividend on the A Ordinary Shares. The holders

of the A Ordinary Shares will not be entitled to any equivalent dividend or compensatory payment in respect of a dividend declared on the Ordinary Shares.

- 4.3 The Ordinary Shares confer the right to receive notice and to attend and vote at a general meeting and the holder of each Ordinary Share is entitled to one vote per Ordinary Share held by him.
- 4.4 On a return of capital on liquidation, winding up or otherwise, the Ordinary Shares shall have the rights set out in article 5.

4.5 On a Sale, the Ordinary Shares shall have the rights set out in article 6.

5 **Distribution of surplus on winding-up**

5.1 On a return of capital on liquidation, winding up or otherwise, the assets of the Company available for distribution among the members (the "**Distribution Proceeds**") shall be distributed amongst the holders of the A Ordinary Shares and the Ordinary Shares in the following manner and proportions:

5.1.1 four (4)% amongst all the A Ordinary Shareholders as a class on a pro rata basis according to the proportion that the number of A Ordinary Shares held by each A Shareholder bears to the total number of A Ordinary Shares; and

5.1.2 ninety six (96)% amongst all the Ordinary Shareholders as a class on a pro rata basis according to the proportion that the number of Ordinary Shares held by each Ordinary Shareholder bears to the total number of Ordinary Shares.

6 **Sale**

6.1 In the event of a Sale, notwithstanding anything to the contrary in the terms and conditions governing such Sale, the Disposal Consideration (as defined below) shall be apportioned between the Shareholders in the same manner and proportions set out in article 5.1.1 and 5.1.2 above as though the Disposal Consideration was Distribution Proceeds *mutatis mutandis*.

6.2 In this article the term "**Disposal Consideration**" means either:

6.2.1 in the event of the disposal of the Company, the consideration payable by the purchasers, being the aggregate of the cash consideration and/or the cash equivalent of any non-cash assets (including in each case any deferred or contingent consideration) paid or agreed to be paid for the sale, transfer or disposal of an interest in the Company, after deduction of any fees or other expenses related to or triggered by the Sale; or

6.2.2 in the event of the disposal being the sale, transfer or disposal of an interest in the Parent or a Parent Undertaking, the consideration payable to the A Ordinary Shareholders for the sale of their A Ordinary Shares shall, in accordance with article 26.2, be the Fair Market Value, after deduction of any fees or other expenses related to or triggered by the Sale.

6.3 If any of the relevant Shareholders do not execute transfer(s) in respect of all of the relevant shares held by him at the appropriate time pursuant to the terms of these articles, the defaulting shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration, to deliver such transfer(s) to the Company (or as the Company may direct) as the holder thereof. After the Company (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of the transferred shares.

7 **Transfer of A Ordinary Shares**

Transfers with consent

- 7.1 Unless in accordance with articles 24, 25 or 26, no transfer of A Ordinary Shares may be made by a Shareholder without the prior written consent of the board of directors of the Company and the Parent.

Compulsory transfers

- 7.2 For the purposes of this article 7, a "**Relevant Event**" shall occur in relation to an A Ordinary Shareholder (the "**Defaulting Shareholder**") who:

7.2.1 becomes bankrupt and/or has an order made by a court having jurisdiction (whether in the United Kingdom or elsewhere) for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

7.2.2 ceases to be employed by the Company and/or any Group Company.

- 7.3 Subject to article 7.5, upon the happening of a Relevant Event in relation to a Defaulting Shareholder, the Defaulting Shareholder shall be deemed to have immediately given a transfer notice specifying that he wishes to transfer all the A Ordinary Shares held by such Defaulting Shareholder (the "**Default Shares**") to such party (the "**Proposed Purchaser**") as directed by the Company (including, but not limited to, the buyback of the Default Shares by the Company) and at a price per share equal to:

7.3.1 the Fair Market Value in the case where such Defaulting Shareholder is a Good Leaver; or

7.3.2 the lower of:

7.3.2.1 Issue Price; and

7.3.2.2 Fair Market Value,

in the case of a Relevant Event pursuant to article 7.2.1 or where the Defaulting Shareholder is a Bad Leaver.

- 7.4 On the occurrence of a Relevant Event, any director of the Company may execute and deliver to the Proposed Purchaser a transfer of the Default Shares on behalf of the Defaulting Shareholder in accordance with article 7.3 and give a good discharge on behalf of the Defaulting Shareholder of the consideration received by the Company on behalf of the Proposed Purchaser.

- 7.5 Notwithstanding the provisions of articles 7.3 and 7.4, upon the occurrence of a Relevant Event whereby the Defaulting Shareholder is a Bad Leaver, the Directors may determine, in their absolute discretion that any number of shares of such Defaulting Shareholder are to be treated as shares of a Good Leaver.

8 **Variation of rights**

Whenever the capital of the Company is divided into different classes, the rights attached to any class of share may be varied, either whilst the Company is a going concern or during or in contemplation of a winding up, but only if the holders of shares of that class consent in accordance with either of the following:

- 8.1.1 consent in writing from the holders of at least 75 per cent of the issued shares of that class; or

- 8.1.2 a special resolution passed at a separate general meeting of the holders of that class sanctioning the variation. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company or to the proceedings at them shall apply, with necessary modifications, except that the necessary quorum, other than for an adjourned meeting, shall be two persons, together holding, or representing by proxy, or being the duly authorised representative of a corporation which is, a member holding, at least one third in nominal value of the issued shares of that class or, if all the shares of the class are registered in the name of a single member and at an adjourned meeting, the quorum shall be one person being the member or his proxy or corporate representative, and the holders of shares of that class shall on a poll have one vote in respect of every share of that class held by them respectively.

9 **Liability of members**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

10 **Shares**

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

11 **Partly paid shares**

11.1 The provisions contained in articles 52 to 62 inclusive of the Model Articles for public companies shall apply to the Company.

11.2 Article 21 in the Model Articles shall not apply to the Company.

12 **General meetings**

12.1 Every notice convening a general meeting shall comply with the provisions of the Act as to giving information to members in regard to their right to appoint proxies.

12.2 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in article 12.4 below.

12.3 Any decision taken by a sole member pursuant to article 12.2 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.

12.4 Resolutions under section 168 of the Act for the removal of a director before the expiration of his period of office and under section 510 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered and passed by the Company in general meeting.

12.5 An instrument of proxy is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to speak at the meeting and to vote (whether on a show of hands or on a poll) on any resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.

12.6 Where the same person is appointed proxy for more than one member he shall on a show of hands have as many votes as the number of members for whom he is proxy in addition to his own vote (if any) as a member.

12.7 Subject to section 327 of the Act, the instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited at the place specified in the notice of meeting up to the commencement of the meeting or (in any case where a poll is taken otherwise than at the meeting) of the taking of the poll or may be handed to the chairman of the meeting prior to the commencement of the business of the meeting. A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting. Article 44(2) of the Model Articles shall not apply to these articles.

12.8 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

13 **Directors**

13.1 The maximum number and minimum number respectively of the directors may be determined from time to time by ordinary resolution. Subject to any other such determination the maximum number of directors shall be 10 and the minimum number of directors shall be two. Whenever the minimum number of directors is one, a sole director shall have authority to exercise all the powers and discretions expressed to be vested in the directors generally by the Model Articles and by these articles in accordance with article 7(2) of the Model Articles, and article 11 in the Model Articles shall be modified accordingly.

13.2 No person shall be appointed a director at any general meeting unless either:

13.2.1 he is recommended by the directors; or

13.2.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

13.3 Subject to article 13.2, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.

13.4 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with article 13.1 above as the maximum number of directors and for the time being in force.

13.5 Notwithstanding any other provision of these articles, the members having a right to attend and cast a majority of the votes at a general meeting may, by memorandum in writing signed by or on behalf of them and delivered to the Company's registered office or tendered at a meeting of the directors or at a general meeting of the Company, at any time and from time to time appoint any person to be a director (either to fill a vacancy or as an additional director) or remove any director from office (no matter how such director was appointed).

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

14 **Alternate directors**

Appointment and removal of alternates

- 14.1 Any director (the "**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- 14.1.1 exercise that director's powers, and
 - 14.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- 14.2 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.
- 14.3 The notice must:
- 14.3.1 identify the proposed alternate, and
 - 14.3.2 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.

Rights and responsibilities of alternate directors

- 14.4 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- 14.5 Except as the articles specify otherwise, alternate directors:
- 14.5.1 are deemed for all purposes to be directors;
 - 14.5.2 are liable for their own acts and omissions;
 - 14.5.3 are subject to the same restrictions as their appointors; and
 - 14.5.4 are not deemed to be agents of or for their appointors.
- 14.6 A person who is an alternate director but not a director:
- 14.6.1 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
 - 14.6.2 may sign a written resolution (but only if it is not signed or to be signed by that person's appointor).
- 14.7 No alternate may be counted as more than one director for such purposes.
- 14.8 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.

Termination of alternate directorship

- 14.9 An alternate director's appointment as an alternate terminates:
- 14.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

- 14.9.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 14.9.3 on the death of the alternate's appointor; or
- 14.9.4 when the alternate's appointor's appointment as a director terminates.

15 Directors' powers

Subject to any restrictions placed on the Company by virtue of contractual agreement or commitments or otherwise, the directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

16 Directors' interests

16.1 Subject to article 16.2 a director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum participating at the meeting.

16.2 Each director shall comply with his obligations to disclose the nature and extent of his interests in proposed and existing transactions and arrangements with the Company under sections 177 and 182 of the Act. A director shall not be required to disclose the nature and extent of his interests in proposed transactions and arrangements with the Company under this article 16.2 where the interest or potential interest has arisen by reason of that director also acting as a director of any group undertaking (as defined in section 61(5) of the Act).

16.3 Article 14 in the Model Articles shall not apply to the Company.

16.4 The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise:

16.4.1 any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest; and

16.4.2 a director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of article 16.4.1 of this article 16 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the director in question and any other interested director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

16.5 For the purposes of this article 16 an interest includes both direct and indirect interests.

16.6 A director shall not be regarded as in breach of the duty set out in section 175 of the Act in relation to conflicts of interest or potential conflicts of interest which arise by reason of that

director also acting as a director of any group undertaking (as defined in section 1161(5) of the Act).

- 16.7 Where a matter, or office, employment or position, has been authorised by the directors subject to terms and conditions under article 16.4, the director must act in accordance with those terms and conditions.
- 16.8 If a matter, or office, employment or position, has been authorised by the directors in accordance with this article 16 then:
- 16.8.1 the director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company or to use such information in relation to the Company's affairs if to make such a disclosure or use would result in a breach of duty or obligation or confidence owed by him to another person in relation to or in connection with that matter, or that office, employment or position;
- 16.8.2 the director may absent himself from meetings of the directors at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- 16.8.3 the director may make such arrangements as such director thinks fit for board and committee papers of the Company to be received and read by a professional adviser on behalf of that director.
- 16.9 The general duties which a director owes to the Company pursuant to sections 171 to 177 of the Act will not be infringed by anything done (or omitted to be done) by a director in accordance with the provisions of this article or any terms or conditions imposed pursuant to article 16.4.
- 16.10 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the directors pursuant to this article 16 (subject to any limits or conditions to which such approval was subject), nor shall the receipt of such benefit constitute a breach of his duty under section 176 of the Act, and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

17 **Proceedings of directors**

- 17.1 The quorum for the transaction of business at a meeting of the directors is two directors.
- 17.2 A decision of the directors may be taken when all eligible directors take a decision together in the form of a directors' written resolution. A resolution in writing of the directors is effective, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 17.3 References in article 17.1 to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 17.4 A director or his alternate may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment, including electronic means if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote at the meeting subject to article 16.
- 17.5 A meeting at which one or more of the directors attends in the manner referred to in article 17.4 is deemed to be held at such place as the directors shall at the said meeting resolve. In the absence of such a resolution, the meeting shall be deemed to be held at the place, if any, where a majority of the directors attending the meeting are physically present, or in

default of such a majority, the place at which the chairman of the meeting is physically present.

17.6 Articles 8 and 10 of the Model Articles shall not apply.

18 **The secretary**

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

19 **The seal**

19.1 If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by (i) the secretary, (ii) a second director or (iii) a witness in whose presence a director signs and attests the signature. The obligation under article 24 of the Model Articles relating to the sealing of share certificates shall apply only if the Company has a seal. Article 49 of the Model Articles shall not apply to the Company.

19.2 The Company may exercise the powers conferred by section 49 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

20 **Notices**

20.1 Any documents or information to be sent or supplied to the Company pursuant to the Act, these articles or otherwise, must be sent or supplied in accordance with the provisions of sections 1143 to 1148 and Schedule 4 of the Act.

20.2 Any documents or information to be sent or supplied by the Company pursuant to the Act, these articles or otherwise, must be sent or supplied in accordance with the provisions of sections 1143 to 1148 and Schedule 5 of the Act.

20.3 Article 48 of the Model Articles shall be modified accordingly.

20.4 Notwithstanding the foregoing (i) a notice may be given to a shareholder or director in person (and shall be deemed delivered with immediate effect) or by email sent to an email address used by the recipient within seven days prior to the sending of such email (and shall be deemed delivered at the time it is sent unless the sender receives an automatically generated notification of non-delivery and (ii) notice may be given to the Company by delivery to any director.

21 **Indemnity of officers and funding directors' defence costs**

21.1 For the purposes of this article a "**liability**" is any loss or liability incurred by a person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties, powers or office in relation to the Company.

21.2 To the extent permitted by the Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in relation to the Company or its affairs provided that such indemnity shall not apply in respect of any liability incurred by him:

- 21.2.1 to the Company or to any Associated Company;
- 21.2.2 to pay a fine imposed in criminal proceedings;
- 21.2.3 to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising);
- 21.2.4 in defending any criminal proceedings in which he is convicted;
- 21.2.5 in defending any civil proceedings brought by the Company, or an Associated Company, in which judgment is given against him; or
- 21.2.6 in connection with any application under any of the following provisions in which the court refuses to grant him relief, namely:
 - 21.2.6.1 section 661(3) or (4) of the Act (acquisition of shares by nominee); or
 - 21.2.6.2 section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct).
- 21.3 To the extent permitted by the Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or officer of the Company acting as a trustee of an occupational pension scheme shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in connection the Company's activities as trustee of the scheme provided that such indemnity shall not apply in respect of any liability incurred by him:
 - 21.3.1 to pay a fine imposed in criminal proceedings; or
 - 21.3.2 to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising); or in defending criminal proceedings in which he is convicted.
- 21.4 Without prejudice to article 21.2 or to any indemnity to which a director may otherwise be entitled, and to the extent permitted by the Act and otherwise upon such terms and subject to such conditions as the board may in its absolute discretion think fit, the board shall have the power to make arrangements to provide a director or other officer with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with an application under section 661(3) or (4) of the Act (acquisition of shares by nominee) or section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct) or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority or to enable a director to avoid incurring any such expenditure, so long as if it is done under the terms as provided under section 205 of the Act.
- 21.5 Subject to the provisions of the Act and without prejudice to any protection from liability which may otherwise apply the directors shall have power to purchase and maintain for any director or other officer of the Company, or of an Associated Company, insurance against any liability as is mentioned in this article 21.
- 21.6 This article 21 shall only have effect in so far as its provisions are not avoided by section 232 of the Act.
- 21.7 Articles 52 and 53 in the Model Articles shall not apply to the Company.

22 **Change of name**

Subject to the provisions of article 17 the name of the Company may be changed by the passing of a resolution of the directors.

23 **Purchase of own shares**

The Company may purchase its own Shares to the extent permitted by section 692(12A) of the Act.

24 **Drag along rights**

24.1 If the holders of a Controlling Interest (the "**Selling Shareholders**") wish to transfer all of their interest in their Shares (the "**Drag Shares**") to a bona fide arm's length purchaser (the "**Purchaser**"), the Selling Shareholders may require all other shareholders (the "**Called Shareholders**") to sell and transfer all their shares (the "**Called Shares**") to the Purchaser (or as the Purchaser directs). The consideration payable shall be on the same basis as that set out in article 6 and otherwise on the same terms (including as to the time of completion and the manner of payment) as the Purchaser has offered the Selling Shareholders to purchase the Controlling Interest (the "**Drag Along Option**").

24.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to the Called Shareholders to that effect (the "**Drag Along Notice**") at any time before the transfer of their shares to the Purchaser. The Drag Along Notice shall specify:

24.2.1 that the Called Shareholders are required to transfer the Called Shares;

24.2.2 the identity of the Purchaser to whom the Called Shares are to be transferred;

24.2.3 the consideration payable and other terms and conditions of payment;

24.2.4 the proposed date of the transfer; and

24.2.5 the number of Called Shares proposed to be purchased.

24.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their shares to the Purchaser within 21 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

24.4 Within 5 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver duly executed stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company.

24.5 If the Purchaser has not paid the consideration due on the shares as at proposed date of the transfer, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 24 in respect of their shares.

24.6 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by him, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Purchaser (or as the Purchaser may direct) as the holder thereof. After the Purchaser (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by

any such person. Failure to produce a share certificate shall not impede the registration of the transferred shares.

25 **Tag along rights**

- 25.1 Notwithstanding any other provision of these articles, the Selling Shareholders who wish to transfer all their interest in their shares (the "**Tag Shares**") to a bona fide arm's length purchaser shall not do so unless (and no transfer of those shares shall be made or registered until) the proposed purchaser has offered irrevocably and unconditionally to purchase itself (or another entity directed by the proposed purchaser) all the Shares (the "**Tagged Shares**") and the consideration payable shall be on the same basis as that set out in article 6 and otherwise on the same terms (including as to the time of completion and the manner of payment) as the proposed purchaser has offered the Selling Shareholders to purchase the Tag Shares (the "**Tag Offer**").
- 25.2 An offer made under article 25.1 shall be in writing open for acceptance for at least 21 days (the "**Offer Period**") and shall be deemed to be rejected by an offeree who has not accepted it in accordance with its terms within 28 days from the date of offer by the proposed purchaser.
- 25.3 If any holder of the Tagged Shares accepts the proposed purchaser's offer to acquire their Tagged Shares within the Offer Period, completion of the sale, and registration of the transfer, of the Tag Shares shall be conditional on completion of the sale, and registration of the transfer of, such Tagged Shares.
- 25.4 No Tag Offer need be issued if a Drag Along Notice has been served under article 24.

26 **Sale of Parent or a Parent Undertaking**

- 26.1 If the holders of shares in the Parent or a Parent Undertaking carrying the right to more than 50% of the total number of votes which may be cast on a poll at a general meeting of the Parent or a Parent Undertaking wish to transfer all of their interest in their shares in the Parent or a Parent Undertaking (the "**Parent Shares**") to a bona fide arm's length purchaser, the A Ordinary Shareholders will be required to sell and transfer all their A Ordinary Shares to the Company (or as the Company directs) at the price agreed between the Parent and the relevant Shareholder or, in the absence of such agreement, as per article 26.2 below.
- 26.2 In the absence of an agreement between Appello Holdings and the relevant A Ordinary Shareholder, the price payable for their A Ordinary Shares shall be Fair Market Value.
- 26.3 In the event of any transfer of Parent Shares in the circumstances set out in article 26.1 above, the provisions of articles 24.4 to 24.6 (inclusive) shall apply *mutatis mutandis* to the transfer of the A Ordinary Shares.

27 **Determination of Fair Market Value**

- 27.1 The Fair Market Value and any other values required pursuant to these articles that are not determined by the board of directors of Appello Holdings shall be determined in accordance with this article 27 by Independent Accountants appointed by the Company (the "**Values**").
- 27.2 The Independent Accountants shall be instructed to determine in writing, within 30 Business Days of its appointment, the Values as at the applicable date.
- 27.3 The following provisions shall also apply in relation to the determination of the Values:
- 27.3.1 save where the Company has ceased to carry on business as a going concern, the determination of the Values shall be on the basis that the Company is carrying on business as a going concern, and will continue to do so;

- 27.3.2 the Values shall be determined as at the applicable date either as identified in these articles or as at the date of the calculation;
- 27.3.3 the Values shall take into account the rights and restrictions attaching to individual Shares and classes of Shares taking into account minority shareholdings;
- 27.3.4 the Values shall take into account all loans with Shareholders (if applicable);
- 27.3.5 if appropriate, the Values shall take into account any payment of dividends (which, for this purpose, means any distributions of income or capital made by the Company);
- 27.3.6 the Independent Accountants may consult with (or obtain valuations from) such valuers or other professionals as it shall see fit prior to making its determination;
- 27.3.7 the Independent Accountants shall be deemed to be acting as an expert and not as an arbitrator and its decision shall, in the absence of manifest error, be final and binding on the parties;
- 27.3.8 the relevant parties shall procure that there is made available to the Independent Accountants such information relating to the Company as it may reasonably require in order to determine the Values;
- 27.3.9 each of the Shareholders shall be entitled to make written representations and cross-representations to the Independent Accountant, which representations shall be copied to the other Shareholders; and
- 27.3.10 a copy of the Independent Accountants' determination of the Values shall be provided to all relevant Shareholders.