

**SHOOSMITHS**

Force 24 Ltd

# Articles of Association

adopted on 16 October 2023

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Company number: 07448931

Private Company Limited by Shares

Articles of Association of

Force 24 Ltd (the Company)

1 Definitions and interpretation

1.1 In these Articles the following definitions will apply:

Accounting Period: an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;

acting in concert: has the meaning set out in the City Code on Takeovers and Mergers in force for the time being;

Act: the Companies Act 2006;

Acquisition Agreement: has the meaning given in the Investment Agreement;

Adoption Date: the date of the adoption of these Articles by the Company;

A Ordinary Share: an A ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

A Ordinary Return: a Cash Return applicable to the A Ordinary Shares equal to 1.2 x the A Ordinary Investment;

A Ordinary Investment: the aggregate of (a) the total amount paid up in respect of the A Ordinary Shares (including any share premium) plus (b) the Share Consideration;

Asset Sale: the disposal by any one or more Group Companies of assets (whether together with associated liabilities or otherwise and as part of an undertaking or otherwise) which represent 50% or more (by book value) of the consolidated gross tangible assets of the Group at that time;

Auditors: the auditors or accountants of the Company for the time being or if, in relation to any reference made to such auditors or accountants in accordance with these Articles, they are unable or unwilling to act in connection with that reference, a chartered accountant nominated by, and engaged on terms approved by, the Directors with the consent of the Fund Manager and acting as agent for the Company and each relevant Member;

B Ordinary Share: a B ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

Bad Leaver: a Leaver whose reason for ceasing employment or appointment with a Group Company is as a result of:

- (a) the cessation of that Leaver's employment or appointment by reason of his fraud or gross misconduct (save where the Leaver's employment is terminated in circumstances that are determined by a decision of an Employment Tribunal or Court, which decision is final and no longer appealable, to be or amount to constructive or unfair dismissal (save in the case of a procedural defect) and where the Leaver has commenced proceedings in respect of such claim within 3 months of the date of cessation of the Leaver's employment (determined in accordance with article 13.8));
- (b) the Leaver is convicted of a criminal offence (other than a minor motoring offence);

- (c) save in respect of the Founders and the holders of B Ordinary Shares and D Ordinary Shares, the voluntary resignation of that Leaver at any time (other than due to critical illness or permanent incapacity as certified by an independent doctor); or
- (d) in respect of the Founders only, the voluntary resignation of the relevant Founder (other than due to critical illness or permanent incapacity as certified by an independent doctor) before the second anniversary of the Relevant Date;
- (e) in respect of the holders of B Ordinary Shares only, the voluntary resignation of the Shareholder (other than due to critical illness or permanent incapacity as certified by an independent doctor) before the first anniversary of the B Relevant Date;

B Relevant Date: means 8 July 2022;

Board: the board of Directors of the Company for the time being;

Business Day: any day (other than a Saturday, Sunday or public holiday) during which banks in London are open for normal business;

C Ordinary Share: a C ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

Cash Return: the aggregate Investor Cash Flow;

Chair: the person appointed as the chair of the Directors from time to time in accordance with article 18.2;

Change of Control: the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser together with any person connected with or acting in concert with that Third Party Purchaser (other than any such person who was a party to the Investment Agreement on the Adoption Date) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company;

Compulsory Transfer Notice: has the meaning given in article 12.2;

Compulsory Transfer Shares: in relation to a Relevant Member, any Shares:

- (a) held by the Relevant Member at the time of the relevant Transfer Event;
- (b) held at the time of the relevant Transfer Event by any Family Member or Family Trust of the Relevant Member; and
- (c) acquired by the Relevant Member, his Family Members, Family Trusts, and/or personal representatives after the occurrence of the Transfer Event pursuant to any Share Option Scheme or any other scheme or arrangement entered into prior to the Transfer Event,

together with, in any case, the Relevant Proportion of any Connected Shares and any further Shares received by any person referred to in paragraphs (a), (b) and (c) above at any time after the relevant Transfer Event which are derived from any such Shares, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise;

Connected Shares: any Shares held at the time of the relevant Transfer Event by any body corporate in which the Relevant Member is interested in shares comprised in the equity share capital of that body corporate of a nominal value of at least 20% of the share capital or in which the Relevant Member is entitled to exercise or control the exercise of more than 20% of the voting power at any general meeting of that body corporate (Connected Company);

D Leaver Shares: has the meaning given in article 13.4;

D Ordinary Share: a D ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

Director: a duly appointed director of the Company for the time being;

EBITDA: means earnings before interest, taxes, depreciation and amortisation;

Eligible Director: a Director who would be entitled to vote on a matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to eligible directors in article 8 of the Model Articles shall be construed accordingly;

Employee Trust: any trust, approved by the Fund Manager, which is established for the benefit of the employees of the Company or any Group Company and/or any of the persons referred to in section 1166 of the Act;

Encumbrance: any mortgage, charge (fixed or floating), pledge, lien, option, hypothecation, restriction, right to acquire, right of pre-emption or interest (legal or equitable) including any assignment by way of security, reservation of title, guarantee, trust, right of set off or other third party right or any other encumbrance or security interest having a similar effect howsoever arising;

Equity Shares: the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares and Ordinary Shares in issue from time to time (including all Shares in issue which are derived from any of them, whether by conversion, consolidation or sub-division or by way of capitalisation, rights or bonus issue or otherwise);

Event of Default: any of the following:

- (a) any act, omission or event occurring which constitutes or may, with the passing of time or the giving of notice, constitute a breach of banking covenants under any of the Company's banking facilities from time to time;
- (b) any dividend, capital, fee, interest or other amount or sum payable to the Investors and/or Fund Manager by the Company under the Investment Agreement or otherwise is not paid within 30 days of it being due;
- (c) up to and including the second anniversary of the Relevant Date, the Group's EBITDA or revenue in any financial year being less than or equal to 70% of the Group's projected EBITDA or revenue targets for that year as set out in the Business Plan (as defined in the Investment Agreement) and up to and including the second anniversary of the Adoption Date, the Group's EBITDA or revenue in any financial year being less than or equal to 70% of the Group's projected EBITDA or revenue targets for that year as set out in the Revised Forecast (as defined in the Supplemental Investment Agreement) and thereafter the Group's EBITDA or revenue for any financial year being less than or equal to 70% of the Group's projected EBITDA or revenue targets as set out in the Budget (as defined in the Investment Agreement) for that year;
- (d) any material breach of the Investment Agreement, the First Supplemental Investment Agreement, the Second Supplemental Investment Agreement or the Articles;
- (e) a material breach by both Founders of any restrictive covenants or confidentiality obligations contained in any service agreements between them and any Group Company from time to time;

Exit: a Share Sale or a Listing;

Exit Date:

- (a) in respect of a Listing, the date on which dealings are permitted to commence; or
- (b) in respect of a Share Sale, the date of receipt from the purchaser of the consideration first due from or payable by that purchaser on completion of the Share Sale;

Exit Event: means a Share Sale, an Asset Sale, a Listing or a Liquidation;

Exit Proceeds: the Listing Proceeds or the Share Sale Proceeds (as the case may be);

Fair Value: the price which the Auditors state in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that:

- (a) the fair value is the sum which a willing buyer would agree with a willing seller to be the purchase price for the Shares concerned on a Share Sale;
- (b) no account shall be taken of the size of the holding which the relevant Shares comprise or whether those Shares represent a majority or minority interest;
- (c) no account shall be taken of the fact that the transferability of the relevant Shares is restricted under these Articles;
- (d) if the Company is then carrying on business as a going concern, it will continue to do so; and
- (e) any difficulty in applying any of the bases set out above shall be resolved by the Auditors as they, in their absolute discretion, think fit;

Family Member: in relation to any Member, the spouse or civil partner of that Member and their adult children (including adult step and adult adopted children) for the time being;

Family Trust: a trust under which the only persons being (or capable of being) beneficiaries are:

- (a) the settlor; and/or
- (b) the Family Members of that settlor; and;
- (c) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income from that property when the trust is created but may become so interested if there are no other beneficiaries for the time being except other charities),

and under which no power of control over the voting powers conferred by any Share is exercisable at any time by, or subject to the consent of, any person other than the trustees, the settlor or the Family Members of that settlor. For the purposes of this definition:

- (i) settlor shall include a testator or an intestate in relation to a Family Trust arising under a testamentary disposition or an intestacy of a deceased Member (as the case may be); and;
- (ii) Family Member shall include the widow or widower of the settlor or the civil partner of such settlor at the date of his death;

Founders: Adam Oldfield and Nicholas Washbourne (and Founder means either of them);

Fund Manager: YFM Private Equity Limited and/or any replacement party appointed to manage any Investor's Investment;

Good Leaver:

- (a) a Leaver who is not a Bad Leaver; or
- (a) a Leaver who would otherwise be a Bad Leaver save that the Board (with Investor Consent) determines that the Leaver should be treated as a Good Leaver;

Group: the Company and its subsidiaries from time to time and references to a Group Company shall be construed accordingly;

Investment: the aggregate of (a) the total amount paid up in respect of the A Ordinary Shares and the Preference Shares held by the Investors and their affiliates (including any share premium) plus (b) the Share Consideration;

Investment Agreement: the investment agreement dated 20 November 2020 made between (1) the Company, (2) the Managers (3) the Existing Shareholders, (4) the Investors (5) the Chair (each as defined therein) and (6) the Fund Manager, as supplemented by the supplemental investment agreement made between (1) the Company (2) the Managers (3) the Existing Shareholders (4) the Investors (5) the Chair (each as defined therein) and (6) the Fund Manager and dated 8 July 2022 (the First Supplemental Investment Agreement) and as further supplemented by the second supplemental investment agreement made between (1) the Company (2) the Managers (3) the Existing Shareholders (4) the Investors (5) the Chair (each as defined therein) and (6) the Fund Manager and dated on the Adoption Date (the Second Supplemental Investment Agreement);

Investment Fund: has the meaning given in article 11.1.2;

Investment Manager: has the meaning given in article 11.1.1;

Investor Cash Flow: the following (but without counting any amount received more than once):

- (a) the gross amount of all lawful dividends and other distributions or interest paid at any time in respect of any part of the Investment; and
- (b) cash paid by the Company (or any third party) at any time in respect of any repayment or redemption of any part of the Investment (including any amount in respect of any premium element of the Investment); and
- (c) the Investors' Proportion,

but excluding in all cases, any fees, expenses, monitoring fee, Investor Director fees or arrangement fees paid to the Fund Manager;

Investor Consent: means the written consent of the Fund Manager;

Investor Director: a Director appointed by the Investor in accordance with article 18.1.1;

Investor Observer: an observer appointed by the Investor in accordance with article 18.1.2;

Investor: the YFM VCT Investors and the YFM Growth Fund;

Investors' Proportion: the amount of the Exit Proceeds in respect of an Exit attributed to the A Ordinary Shares and the Preference Shares held by the Investors and their affiliates;

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;

Leaver: a Member, being a director or employee of, or a consultant to, a Group Company who ceases to be such a director, employee or consultant (including where such cessation occurs as a result of a Group Company ceasing to be a Group Company) where the Member does not remain, or immediately become, a director or employee of, or consultant to, another Group Company;

Listing: either:

- (a) the admission of all or any part of the Shares to listing on the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange's market for listed securities;
- (b) the admission of all or any part of the Shares to trading on AIM, a market operated by London Stock Exchange; or
- (c) the admission of all or any part of the Shares to listing and/or trading on any other Recognised Investment Exchange,

and, in any such case, such admission becoming unconditionally effective;

Listing Price: the price per share at which any ordinary shares of the Company are sold, offered to be sold or offered on and in connection with the Listing (in the case of an offer for sale, being the underwritten price or, if applicable, the minimum tender price, and in the case of a placing, being the price at which ordinary shares are sold under the placing);

Listing Proceeds: the market value of the shares which are to be subject to the Listing determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing and on the basis that the Listing has been effected in accordance with its terms, all as determined by the merchant bank (or, if none, the broker) appointed by the board of Directors (with Investor Director approval) to advise in connection with the Listing;

Liquidation means the liquidation, dissolution or winding-up of the Company pursuant to the making of a winding-up order by the court or the passing of a resolution by the members 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 members with Investor Consent);

London Stock Exchange: London Stock Exchange plc;

Member: a registered holder of a Share from time to time, as recorded in the register of members of the Company;

Model Articles: the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date;

Ordinary Director: a Director appointed in accordance with article 18.2;

Ordinary Dividend: has the meaning given in article 3.2.2;

Ordinary Equity Shares: means the Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares;

Ordinary Majority: the holder(s) for the time being of more than 50% of the voting rights of the Ordinary Shares;

Ordinary Share: an Ordinary Share of £0.01 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;



Ordinary Return: means £0.001 per Share;

Preference Shares: preference shares of £1.00 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

Preferential Dividend: has the meaning given in Article 3.2.1;

Preferred Return: the aggregate of the Issue Price of each Preference Share, together with a sum equal to any arrears and accruals of the Preferential Dividend on each such share (calculated down to and including the date of the return of capital or Exit (as the case may be)), plus the Redemption Premium;

Recognised Investment Exchange: has the meaning given in section 285(1) Financial Services and Markets Act 2000;

Redemption: means a redemption of the Preference Shares in accordance with Article 7;

Redemption Amount: means the aggregate of the Issue Price of each Preference Share plus the Redemption Premium;

Redemption Premium: an amount per Preference Share equal to the Issue Price of such Preference Share, provided that where a Share Sale, Asset Sale or Listing occurs within 12 months following the Adoption Date the Redemption Premium shall be an amount per Preference Share equal to 67% of the Issue Price of such Preference Share;

Relevant Date: means 20 November 2020;

Relevant Member: a Member in respect of whom the Fund Manager has notified the Company that an event shall be treated as a Transfer Event in accordance with article 13.1;

Relevant Proportion: a proportion of Connected Shares equal to the proportion of shares held by the Relevant Member in a Connected Company;

Relevant Securities: any Shares, or any right to subscribe for or convert any securities into any Shares;

Share Consideration: means the total amount paid by YFM Growth Fund pursuant to the Acquisition Agreement;

Share Option Scheme: the Enterprise Management Incentive Scheme or any other share option scheme of the Company or any other Group Company approved by the Fund Manager;

Shares: any shares of any class in the capital of the Company;

Share Sale: the transfer of any interest in any Shares (whether by one transaction or a series of transactions) which results in a Change of Control;

Share Sale Proceeds: the value of the Shares calculated as follows and on the basis that the relevant Share Sale has been effected in accordance with its terms:

- (a) if the Shares are to be sold by private treaty (as distinct from a public offer) and the consideration is a fixed cash sum payable in full on completion of the Share Sale, the total amount of such cash sum;
- (b) if a written offer has been made for a cash consideration or, if the Share Sale is pursuant to any other public cash offer or public offer accompanied by a cash alternative, the total cash consideration or cash alternative price for all the shares of the Company for which the offer is made;

- (c) if the Share Sale is by private treaty or public offer and the consideration is the issue of securities (not accompanied by a cash alternative):
  - (i) if the securities will rank pari passu with a class of securities already admitted to trading on a Recognised Investment Exchange (in the case of a sale by private treaty) the value attributed to such consideration in the related sale agreement setting out the terms of such sale or, (in the case of a Share Sale following a public offer or failing any such attribution in the sale agreement) by reference to the value of such consideration determined by reference to the average middle market quotation of such securities over the period of 5 Business Days ending 3 days prior to the day on which the Share Sale is completed; or
  - (ii) if the securities are not of such a class, the value of the relevant consideration as agreed between the Investor and an Ordinary Majority;
- (d) if and to the extent that paragraphs (a) to (c) above are not applicable, the value of the relevant consideration as agreed between the Investor and an Ordinary Majority, together with, in any case, the cash value of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares which, having regard to the substance of the Share Sale as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares, provided (in any case) that:
- (e) to the extent that the Share Sale includes an element of deferred consideration (whether contingent or non-contingent) its value shall only be included in the calculation to the extent that the Ordinary Majority and Investor (both acting reasonably) are of the opinion that such deferred consideration is capable of valuation as at the date of the Exit and otherwise such deferred element shall only be included in the calculation to the extent that such deferred consideration is received by the holders of the Shares in which case the full value of the amount actually received shall be taken into account; and
- (f) in the event of any dispute between an Ordinary Majority and the Investor in relation to any matter to be agreed between them in the above paragraphs of this definition which dispute is not agreed prior to the Share Sale, such value as is reported on by the Auditors in accordance with article 29;

Third Party Purchaser: any person who is not a party to the Investment Agreement from time to time or a person connected with such a party;

Transfer Event: each of the events set out in article 13.1;

Transfer Notice: a notice in accordance with article 12 that a Member wishes to transfer his Shares;

VCT Investor: an Investor who is also a venture capital trust (as defined in section 259 of the ITA 2007);

YFM Growth Fund: means YFM Equity Partners Growth II LP; and

YFM VCT Investor: means each of British Smaller Companies VCT plc (YFM VCT 1) and British Smaller Companies VCT2 plc (YFM VCT 2) (YFM VCT 1 and YFM VCT 2 together being the YFM VCT Investors).

- 1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.

1.3 In these Articles a reference to:

- 1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date;
- 1.3.2 a subsidiary shall include a reference to a subsidiary and a subsidiary undertaking (each as defined in the Act) and a reference to a holding company shall include a reference to a holding company and a parent undertaking (each as defined in the Act);
- 1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- 1.3.4 these Articles is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and
- 1.3.5 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.

1.4 All consents or approvals to be given by the Investor, the Fund Manager or the Investor Director in respect of any provision of these Articles must be given in writing.

1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.

1.6 The words other, include, including and in particular do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.

1.7 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 Corporation Tax Act 2010 (except that in construing section 1122 control has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to this agreement as it applies in relation to that Act.

1.8 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each party.

## 2 Equity shares

Except as provided otherwise in these Articles, the Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

## 3 Dividends

3.1 In respect of any financial year, the profits of the Company available for distribution shall be used to pay dividends as set out in this article 3.

3.2 The Company shall, without need for a resolution of the Board or of the Company, and before application of any profits available for distribution to reserves or for any other purpose, pay:

- 3.2.1 in respect of each Preference Share a cumulative dividend at an annual rate of 12% of the Issue Price per Preferred Share, compounded annually, to the holders of the Preference Shares on the due date (such date determined in accordance with this article 3) (the Preferential Dividend); and
- 3.2.2 in respect of each A Ordinary Share and each Ordinary Equity Share, a non-cumulative dividend at an annual rate 0.1% of the nominal value per Share to the holders of the A Ordinary Shares and the Ordinary Equity Shares on the due date (such date determined in accordance with this article 3) (the Ordinary Dividend).
- 3.3 The Preferential Dividend and the Ordinary Dividend shall accrue daily and shall be calculated on the basis of a 365-day year and the number of days elapsed.
- 3.4 The Preferential Dividend and the Ordinary Dividend shall be payable on the last day of each financial year but shall be rolled up and shall be paid immediately prior to an Exit Event or, if earlier, a Redemption. The accrued and unpaid dividends in respect of each financial year which are rolled up in accordance with this article 3.4 shall be compounded annually from (and including) the date it was due for payment up to (and including) the date of payment.
- 3.5 The Preferential Dividend shall, provided that the Company has sufficient distributable profits out of which to pay the same and notwithstanding that such dividend is expressed to be cumulative, automatically become a debt due from and payable by the Company on the relevant payment date specified in article 3.4.
- 3.6 The Preferential Dividend and the Ordinary Dividend (and all arrears and accruals thereof (whether earned or declared or not)) shall be payable in full immediately prior to an Exit Event or, if earlier, a Redemption, including an amount pro-rated for the period from the commencement of the then current financial year up until the date of the Exit Event or Redemption (as the case may be).
- 3.7 The Company shall not declare or pay any further dividends unless and until:
  - 3.7.1 all arrears and accruals of the Preferential Dividend have been paid; and
  - 3.7.2 the Company obtains Investor Consent to any such dividend.
- 3.8 Subject to article 3.7, any remaining profits which the Company, on the recommendation of the Directors and subject to the consent of the Fund Manager, determines to distribute in respect of any Accounting Period shall be applied on a non-cumulative basis between the holders of the Equity Shares. Any such dividend shall be paid in cash and shall be distributed amongst the holders of the Equity Shares pro rata according to the nominal value of such shares held by each of them respectively.
- 4 Return of capital
  - 4.1 On a return of assets on liquidation or capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares), the assets of the Company available for distribution (Distribution Proceeds) amongst its members after payment of its liabilities shall be distributed amongst the holders as follows:
    - 4.1.1 firstly, in paying to the holders of the Preference Shares an amount equal to the Preferred Return and to the holders of the A Ordinary Shares and the Ordinary Equity Shares an amount equal to the Ordinary Return (as if the A Ordinary Shares and the Ordinary Equity Shares constituted one and the same class);
    - 4.1.2 secondly, in paying to the holders of the A Ordinary Shares an amount equal to the A Ordinary Return and to the holders of the Ordinary Equity Shares and the Preference Shares an amount equal to the Ordinary Return (as if the Ordinary Equity Shares and Preference Shares constituted one and the same class); and

- 4.1.3 thirdly, apportioning the balance (if any) (the Net Distribution Proceeds) in accordance with articles 4.2 and 4.3.
- 4.2 Until such time as the Investors have received a Cash Return equal to 3.3 times the Investment, then that part of the Net Distribution Proceeds required to give the Investors such returns shall, subject always to article 4.7, be distributed amongst the holders of the Equity Shares and Preference Shares pro rata (as if the Equity Shares and the Preference Shares constituted one and the same class).
- 4.3 Once the Investors have received a Cash Return equal to 3.3 times the Investment (the Distribution Threshold), the surplus of any Net Distribution Proceeds in excess of the Distribution Threshold shall be distributed among the holders of the holders as follows:
  - 4.3.1 the holders of the A Ordinary Shares shall be entitled to 30.4% of the Net Distribution Proceeds (pro rata between them according to the number of A Ordinary Shares held by each of them); and
  - 4.3.2 subject always to article 4.7, the holders of the Ordinary Equity Shares and the Preference Shares shall be entitled to 69.6% of the surplus Net Distribution Proceeds (pro rata between them according to the number of Ordinary Equity Shares and Preference Shares held by each of them).
- 4.4 Where the surplus assets available for distribution to any particular class of Share in accordance with article 4.1 is less than the total amount specified to be distributed to that class in that article, the available assets shall be distributed amongst the holders of Shares of that class pro rata according to the number of Shares of the relevant class held by each of them respectively.
- 4.5 The provisions of this article 4 are subject always to the provisions of article 13.4 (D Leaver Shares) and to the extent that article reduces the Distribution Proceeds that would have otherwise been payable on the D Ordinary Shares pursuant to the this article 4, the amount of that reduction will be distributed between the holders of the other Equity Shares in accordance with article 4.1.
- 4.6 Notwithstanding any other provision of this article 4, in the event of a Liquidation, unless the Fund Manager elects to disapply this article 4.6 prior to the completion of the relevant Liquidation, the proportion of the Distribution Proceeds payable to YFM VCT 1 shall not exceed 50% of the Distribution Proceeds. Any amount of the Distribution Proceeds that would have been payable to YFM VCT 1 pursuant to article 4.1 but for this article 4.6 shall be payable to YFM VCT 2 and YFM Growth Fund pro rata and the amount of the Distribution Proceeds payable to YFM VCT 2 and YFM Growth Fund pursuant to article 4.1 shall be adjusted upwards pro rata accordingly.
- 4.7 The Net Distribution Proceeds payable to the holders of the Preference Shares pursuant to article 4.2 and article 4.3 shall be subject to a maximum amount not exceeding an amount equal to the Ordinary Return.
- 5 Exit provisions
  - 5.1 On a Share Sale the provisions of articles 5.3 shall apply to determine the allocation of the proceeds of such Share Sale.
  - 5.2 On a Listing the provisions of article 5.7 shall apply to determine the allocation of the proceeds of such Listing.
  - 5.3 On a Share Sale the Exit Proceeds, once the costs, charges and/or fees incurred in connection with the Share Sale have been deducted, shall be apportioned as follows:

- 5.3.1 firstly, in paying to the holders of the Preference Shares an amount equal to the Preferred Return and to the holders of the A Ordinary Shares and the Ordinary Equity Shares an amount equal to the Ordinary Return (as if the A Ordinary Shares and the Ordinary Equity Shares constituted one and the same class);
  - 5.3.2 secondly, in paying to the holders of the A Ordinary Shares an amount equal to the A Ordinary Return and to the holders of the Ordinary Equity Shares and the Preference Shares an amount equal to the Ordinary Return (as if the Ordinary Equity Shares and Preference Shares constituted one and the same class); and
  - 5.3.3 thirdly, apportioning the balance (if any) (the Net Exit Proceeds) in accordance with articles 5.4 and 5.5.
- 5.4 Until such time as the Investors have received a Cash Return equal to 3.3 times the Investment, then that part of the Net Exit Proceeds required to give the Investors such returns shall, subject always to article 5.9, be distributed amongst the holders of the Equity Shares and Preference Shares pro rata (as if the Equity Shares and the Preference Shares constituted one and the same class).
- 5.5 Once the Investors have received a Cash Return equal to 3.3 times the Investment (the Exit Threshold), the surplus of any Net Exit Proceeds in excess of the Exit Threshold shall be distributed among the holders as follows:
- 5.5.1 the holders of the A Ordinary Shares shall be entitled to 30.4% of the Net Exit Proceeds (pro rata between them according to the number of A Ordinary Shares held by each of them);
  - 5.5.2 subject always to article 5.9, the holders of the Ordinary Equity Shares and the Preference Shares shall be entitled to 69.6% of the surplus Net Exit Proceeds (pro rata between them according to the number of Ordinary Equity Shares and Preference Shares held by each of them).
- 5.6 On each occasion on which any deferred consideration disregarded in the definition of Share Sale Proceeds shall in fact be received, the provisions of articles 5.4 to 5.5 shall be reopened and reapplied as at the date of receipt of such deferred consideration treating that receipt as an amount actually received at the Exit Date under the definition of Share Sale Proceeds to determine the allocation of such deferred consideration and, for that purpose, the calculations used in allocating consideration already received shall be reworked.
- 5.7 Immediately prior to and conditional upon a Listing the Members shall enter into such reorganisation of the share capital of the Company as they may agree or, in default, as the Auditors shall specify pursuant to article 29, to ensure that the Exit Proceeds are reallocated between the Members in the same proportions as the preceding provisions of these Articles would provide on a Share Sale with the same Exit Proceeds and each Member shall do all acts necessary (including by the exercise of any of his voting rights (whether as a Director or Member)) so as to procure that any such reorganisation takes place (including, as required, any sub-division, re-designation or consolidation).
- 5.8 The provisions of this article 5 are subject always to the provisions of article 13.4 (D Leaver Shares) and to the extent that article reduces the Exit Proceeds that would have otherwise been payable on the D Ordinary Shares pursuant to this article 5, the amount of that reduction will be distributed between the holders of the other Equity Shares in accordance with article 5.3.
- 5.9 The Net Exit Proceeds payable to the holders of the Preference Shares pursuant to article 5.4 and article 5.5 shall be subject to a maximum amount not exceeding an amount equal to the Ordinary Return.

## 6 Voting

- 6.1 Subject to article 6.2, the holders of the A Ordinary Shares, B Ordinary Shares, D Ordinary Shares and Ordinary Shares shall have the right to receive notice of and to attend, vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company. The holders of the C Ordinary Shares and the Preference Shares shall not, in such capacity, have the right to receive notice of, attend, vote or speak at any general meeting of the Company and shall not be entitled to vote on any written resolution of the Company.
- 6.2 If an Event of Default has occurred and continues to subsist and hasn't been waived or otherwise remedied to the reasonable satisfaction, confirmed in writing, of the Fund Manager (provided that the Investor shall have first given to the Company written notice to enfranchise such shares (an Activation Notice)), then:
- 6.2.1 the number of voting rights attaching to the A Ordinary Shares (as a class) at any general meeting or on any written resolution shall be such number as is equal to 80% of the total voting rights attaching to all Shares in issue at the date of such meeting or the date of circulation of such written resolution (calculated after the application of this article 6.2); and
- 6.2.2 any matter, right or obligation under these Articles or the Investment Agreement which is expressed to be reserved or exercisable only with the consent of a proportion of the Members shall be interpreted and construed as being reserved to or exercisable with the consent of the Investor Director only.
- 6.3 The enhanced voting rights attached to the A Ordinary Shares by virtue of article 6.2 shall continue for so long as the relevant event or circumstance continues to subsist or until such matter is waived or otherwise remedied to the reasonable satisfaction, confirmed in writing, of the Fund Manager or the Activation Notice shall have been revoked in writing whereupon the voting rights attached to the A Ordinary Shares shall be as provided for in article 6.1 unless and until the rights under article 6.2 shall have been activated by a further Activation Notice.

## 7 Redemption of Preference Shares

- 7.1 Subject to the provisions of the Act, the Company shall redeem the Preference Shares out of the profits of the Company available for distribution or other monies that may be lawfully applied for such redemption, as follows:
- 7.1.1 some or all of the Preference Shares then in issue may be redeemed on any date(s) determined by the Board with Investor Consent; and
- 7.1.2 all of the Preference Shares then in issue shall be redeemed immediately prior to an Exit Event.
- 7.2 Where Preference Shares are to be redeemed in accordance with article 7.1, the Company shall give to the holders of the Preference Shares prior notice in writing of the redemption (the Redemption Notice). The Redemption Notice shall specify the Preference Shares to be redeemed and the date fixed for redemption (which, in the case of a redemption pursuant to article 7.1.2, shall be the expected date of the Exit Event) and shall be given not less than 10 Business Days prior to the date fixed for redemption. In the case of a redemption pursuant to article 7.1.2, the redemption of those shares specified in a Redemption Notice shall be conditional on such Exit Event occurring within one month of the date fixed for redemption, failing which the Redemption Notice shall be revoked.
- 7.3 If, as a result of not having sufficient distributable profits or other monies that may be lawfully applied for redemption, the Company is unable to redeem in full the relevant number of Preference Shares on a date fixed for redemption, the Company shall redeem as many of

such Preference Shares as can lawfully and properly be redeemed and the Company shall redeem the balance as soon as it is lawfully and properly able to do so.

- 7.4 If the Company is at any time redeeming fewer than all of the Preference Shares from time to time in issue, the number of shares to be redeemed shall be apportioned between the holders of the Preference Shares then in issue pro rata according to the number of Preference Shares held by each of them respectively on the date fixed for redemption.
- 7.5 On the date fixed for redemption, each of the holders of the Preference Shares falling to be redeemed shall deliver to the Company, at the Company's registered office, the certificate(s) for such Preference Shares (or an indemnity, in a form approved in advance, in respect of any lost certificate) for cancellation. Upon such delivery, the Company shall pay to the person registered as the holder of such Preference Shares the amount due to it in respect of such redemption.
- 7.6 If any certificate delivered to the Company pursuant to Article 7.5 includes any Preference Shares not falling to be redeemed on the date fixed for redemption, the certificate in issue for such Preference Shares prior to redemption shall be cancelled and a new certificate in respect of the remaining Preference Shares shall be issued free of charge to the holder(s) of such Preference Shares as soon as practicable.
- 7.7 On the redemption of each Preference Share, the Company shall pay an amount equal to:
  - 7.7.1 the Redemption Amount; and
  - 7.7.2 all accruals and/or unpaid amounts of the Preferential Dividend on such Preference Share, calculated down to and including the date of actual payment,  
  
and such aggregate amount shall, provided that the Company has sufficient distributable profits or other monies that may be lawfully applied for such redemption, at that time automatically become a debt due from and immediately payable by the Company to the holders of such Preference Shares.
- 7.8 If the Company fails or is unable to redeem in full the relevant number of Preference Shares on a date fixed for redemption for any reason whatsoever, all distributable profits (and other monies that may be lawfully applied for the purpose of redeeming shares) shall be applied in the following order of priority:
  - 7.8.1 first, in or towards paying off all accruals and/or unpaid amounts of Preferential Dividend; and
  - 7.8.2 second, in or towards redeeming all Preference Shares that have not been redeemed on or by the due date for redemption in accordance with this article 7.

## 8 Variation of class rights

Without prejudice to the generality of their rights, the special rights attaching to the A Ordinary Shares shall be deemed to be varied at any time by any of the following occurring without class consent:

- 8.1 any variation to the share capital of the Company or the rights attaching to any of the Shares, or the creation, allotment, issue or redemption of any shares or securities or the grant of or agreement to grant any option or right to require the allotment or issue of, or subscribe for, or convert any instrument into any share or securities of the Company or cancelling or accepting the surrender of any such right to subscribe or convert, other than the issue of any shares in accordance with the Investment Agreement or the grant of any option pursuant to a Share Option Scheme and the subsequent issue of any Shares on the exercise of such option; or



- 8.2 any alteration to the constitution (as defined in section 17 of the Act) of the Company which directly or indirectly affects the rights attaching to the A Ordinary Shares.

## 9 Issue of Shares

- 9.1 Subject to article 7 and articles 9.2 to 9.7 the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to allot Relevant Securities. The authority granted under this article 9.1 shall:

- 9.1.1 be limited to a maximum amount in nominal value of £1,575,035.38;
- 9.1.2 only apply in so far as it is not renewed, waived or revoked by ordinary resolution of the holders of the Equity Shares; and
- 9.1.3 expire on the day immediately preceding the fifth anniversary of the Adoption Date, provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period.

- 9.2 Subject to article 7 and article 9.7.1, and unless Investor Consent is given to the contrary, any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of shall, before they are so allotted, granted or otherwise disposed of, be offered to the Members. Such offer shall be made by means of a notice (a Subscription Notice) served by the Directors on all Members which shall:

- 9.2.1 state the number and class of Relevant Securities offered;
- 9.2.2 state the subscription price per Relevant Security, which shall be determined by the Directors with the consent of the Fund Manager;
- 9.2.3 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe; and
- 9.2.4 expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified in that notice, being not less than 10 nor more than 20 Business Days after the date of the Subscription Notice.

- 9.3 After the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Members having responded to the Subscription Notice (in either case, the Subscription Allocation Date), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that:

- 9.3.1 no Relevant Securities shall be allocated to any Member who, at the Subscription Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice);
- 9.3.2 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than he applied for) to the number of Shares held by each of them respectively; and
- 9.3.3 the allocation of any fractional entitlements to Relevant Securities amongst the Members shall be dealt with by the Directors, with the consent of the Investor Director, in such manner as they see fit.

- 9.4 Within 5 Business Days of the Subscription Allocation Date the Directors shall give notice in writing (a Subscription Allocation Notice) to each Member to whom Relevant Securities

have been allocated pursuant to article 9.3 (each a Subscriber). A Subscription Allocation Notice shall state:

- 9.4.1 the number and class of Relevant Securities allocated to that Subscriber;
- 9.4.2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him; and
- 9.4.3 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place.

9.5 Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect of those Relevant Securities. If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall:

- 9.5.1 be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 9.2 to 9.4; and
- 9.5.2 indemnify the Company against all costs, claims and expenses which the Company may suffer or incur as a result of such failure.

9.6 Any Relevant Securities which are not accepted pursuant to articles 9.2 to 9.4, and any Relevant Securities released from the provisions of those articles either by virtue of a Subscriber's default in accordance with article 9.5 or by virtue of the agreement of the Investor, may be offered by the Directors to a third party approved by the Fund Manager (acting reasonably) and such Relevant Securities shall, subject to the provisions of the Act and article 7, be at the disposal of the Directors who may allot, grant or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that:

- 9.6.1 no Share shall be issued at a discount;
- 9.6.2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Members pursuant to article 9.2; and
- 9.6.3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than 3 months after the date of the relevant Subscription Notice relating to those Relevant Securities (or, in the case of Relevant Securities released from the provisions of articles 9.2 to 9.4 by virtue of the agreement of the Investor, the date of such agreement being given) unless the procedure in articles 9.2 to 9.4 is repeated in relation to that Relevant Security.

9.7 The provisions of articles 9.2 to 9.6 shall not apply to:

- 9.7.1 the grant of any option pursuant to a Share Option Scheme and the subsequent issue of any Shares on the exercise of such option; or
- 9.7.2 subject to article 9.8, any issue of Shares at any time when the holders of the A Ordinary Shares are entitled to exercise enhanced voting rights in respect of those shares pursuant to article 6.2 (regardless of whether or not such voting rights have actually been exercised at any general meeting or on any written resolution) provided

that the holders of the A Ordinary Shares, acting reasonably and in the best interests of the Company, believe it to be necessary to provide emergency funding to the Company by way of subscription for Shares (an Emergency Issue).

9.8 As soon as reasonably practicable following an Emergency Issue, and in any event no later than 20 Business Days after, the Company shall, on behalf of the holders of A Ordinary Shares allotted Shares in the Emergency Issue (each an Emergency Allottee) offer to all Shareholders other than any Emergency Allottee (the Subsequent Offerees) the right to acquire Catch Up Shares from the Emergency Allottees (the Catch Up Offer) and for these purposes:

9.8.1 Catch Up Shares means:

- (a) in relation to the Shares to be offered to each Subsequent Offeree, the number of Shares which they would have been entitled to subscribe had the Emergency Issue been made on a pre-emptive basis under articles 9.2 to 9.6; and
- (b) in aggregate (in respect of all Shares to be offered to all Subsequent Offerees) such number of equity securities as is necessary so that, if the Catch Up Offer were accepted, in full by all Subsequent Offerees, each offeree would hold the number of equity securities referred to in article 9.8.1(a);

9.8.2 the Catch Up Offer shall remain open for at least 20 Business Days and otherwise be effected as nearly as possible in accordance with the provisions of articles 9.2 to 9.6 which shall be deemed to apply to such offer as if set out in this article 9.8 in full with appropriate modifications;

9.8.3 the price at which Shares shall be offered for sale to Subsequent Offerees shall be a price equal to the price paid for the Shares allotted in the Emergency Issue;

9.8.4 the Catch Up Shares shall be offered, and to the extent necessary (having regard to the take up of the offer) transferred, to Subsequent Offerees under the Catch Up Offer by the Emergency Allottees in the proportions in which they subscribed for the Shares (and, notwithstanding any other provision of these Articles, the Emergency Allottees shall not be entitled to transfer any of the Shares issued in the Emergency Issue otherwise than in accordance with this article 9.8 before completion of the Catch Up Offer and any sale of Shares to be effected pursuant to it (and then only as permitted in these Articles and the Investment Agreement));

9.8.5 completion of any sale of Shares in accordance with this article 9.8 shall be effected as soon as reasonably practicable following the completion of the Catch Up Offer at such time as the Company shall designate; and

9.8.6 the Emergency Allottees hereby irrevocably and unconditionally authorise the Company to act on their behalf as agent for the purpose of giving effect to the above provisions of this article 9.8.

9.9 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company.

9.10 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the Investment Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Investment Agreement.

## 10 Transfer of Shares – general

10.1 Notwithstanding any other provision of these Articles, the Directors shall not register a transfer of any interest in a Share:

10.1.1 if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of the Fund Manager) is of unsound mind;

10.1.2 unless:

(a) the transfer is permitted by article 11; or

(b) the transfer is made in accordance with article 12, 13, 14 or 15

and in either case (other than in respect of a transfer to a Third Party Purchaser under article 14 or 15) the transferee, if not already a party to the Investment Agreement, has entered into a deed of adherence to, and in the form required by, the Investment Agreement; or

10.1.3 on a purported Share Sale where the proceeds of such Share Sale are not distributed in accordance with article 5.

10.2 The Directors may only refuse to register a transfer of Shares which is either permitted under article 11 or made in accordance with articles 12, 13, 14 or 15 if:

10.2.1 the transfer has not been lodged at the Company's registered office (or such other place as the Directors may nominate for this purpose);

10.2.2 the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer;

10.2.3 the transfer is in respect of more than one class of Shares;

10.2.4 the transfer is in favour of more than four transferees; or

10.2.5 the transfer has not been properly stamped or certified as being not liable to stamp duty.

In all other cases, the Directors must register such a transfer of Shares. Article 26(5) of the Model Articles shall not apply to the Company.

10.3 For the purposes of ensuring that:

10.3.1 a transfer of any Share is in accordance with these Articles; or

10.3.2 no circumstances have arisen whereby a Member is required to give or may be deemed to have given a Transfer Notice in respect of any Share,

the Directors may from time to time (and shall, if so requested to do by the Investor Director) require any Member to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors or the Investor Director reasonably believes to have information relevant to such purpose provides, such information and evidence as the Directors or the Investor Director may reasonably require for such purpose. Pending such information or evidence being provided, the Directors are entitled (and shall, if so requested to do by the Investor Director) to refuse to register any relevant transfer of Shares.

10.4 If any information or evidence provided pursuant to article 10.3 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Member may be

required to give or be deemed to have given a Transfer Notice the Directors may with the consent of the Fund Manager (and shall, if so requested to do so by the Fund Manager) by notice in writing to the relevant Member require that a Transfer Notice be given in respect of the Shares concerned.

- 10.5 In any case where a Member is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Directors to the relevant Member requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days in respect of all the Shares held by such Member and the provisions of article 12 shall apply. Notwithstanding any other provision of these Articles, unless the Fund Manager resolves otherwise, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 10.5 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice which are derived from any Share which is the subject of that Transfer Notice, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise) shall with effect from the date of the relevant Transfer Notice (or, if later, the date on which such Shares are issued), whilst preserving all income and capital rights with respect to the same, cease to confer upon the holder of such Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as the Fund Manager (acting reasonably) resolves otherwise or another person is entered in the register of members of the Company as the holder of those Shares.
- 10.6 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any Encumbrance.
- 10.7 Where any Shares are the subject of a Transfer Notice (including a Compulsory Transfer Notice deemed to have been given in accordance with article 13.2), no transfer of any such Shares shall be permitted pursuant to article 11.

## 11 Permitted transfers

### 11.1 A Ordinary Shares and Preference Shares

Notwithstanding any other provision of these Articles and subject to the prior written consent of the Fund Manager, a transfer of any A Ordinary Shares and/or Preference Shares may be made without restriction as to price or otherwise (and any such transfers shall be registered by the Directors) between any Member (or a nominee of a Member) who is:

- 11.1.1 a person whose principal business is to make, manage or advise upon investments (an Investment Manager) or a nominee of an Investment Manager, provided that the transferee is:
- (a) 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
  - (b) any Investment Fund whose business is managed by the Investment Manager who is or whose nominee is the transferor; or
  - (c) any other Investment Manager who manages the business of the Investment Fund in respect of which the shares are held; or

11.1.2 a fund, partnership, company, investment trust, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager (an Investment Fund) or a nominee of an Investment Fund provided that the transferee is:

- (a) 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
- (b) any other Investment Fund whose business is managed by the same Investment Manager as manages the Investment Fund which is or whose nominee is the transferor; or
- (c) the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor.

## 11.2 Transfer with consent

Any Shares may at any time be transferred with the prior consent of the Fund Manager and (save in respect of the A Ordinary Shares and the Preference Shares held by the Investors) the consent of one of the Founders.

## 11.3 Transfer within corporate group

11.3.1 Subject to the consent of the Fund Manager, any Member which is a body corporate may at any time transfer any Shares held by it to a company which is for the time being a subsidiary or holding company of that Member or another subsidiary of such holding company (in this article 11.3, each a member of the same group).

11.3.2 Where, following a transfer or series of transfers of Shares pursuant to this article 11.3, the transferee of any Shares ceases at any time for any reason to be a member of the same group as the original transferor of those Shares, such transferee shall forthwith transfer all the Shares held by it to the original transferor for such consideration as they may agree between them and, if they do not agree such consideration or if the transfer is not effected for any other reason within 20 Business Days of the date on which the transferee ceased to be a member of the same group as the original transferor, the Directors may (and shall, if so requested to do by the Fund Manager) require such transferee to serve a Transfer Notice in respect of all the Shares held by it and the provisions of article 12 shall apply.

## 11.4 Transfer to a Family Member

11.4.1 Subject to articles 11.4.2 and 11.4.3 and the consent of the Fund Manager and the Board, any individual Member may at any time transfer any of the Shares held by him to one or more of his Family Members.

11.4.2 No transfer of Shares shall be permitted pursuant to article 11.4.1 if the registration of that transfer would result in the number of Shares held by the relevant transferor representing less than 50% of the total number of Shares held from time to time by that transferor, his Family Members and/or any Family Trust of his.

11.4.3 Where any Member (in this article 11.4.3 the transferor) transfers Shares to a Family Member (in this article 11.4.3 the transferee) the transferor shall procure, before the transfer is presented for registration, that he is appointed, on terms reasonably satisfactory to the Fund Manager and the Board, as the attorney of the transferee to exercise, in the name of and on behalf of the transferee, all or any of

the rights in relation to the Shares transferred to him with full (unconditional and irrevocable) authority to sell those Shares on behalf of the transferee on an Exit. For that purpose the transferee authorises the Company to send any written resolutions, notices or other communications in respect of the Shares registered in the name of the transferee to the transferor.

- 11.4.4 Where, following a transfer of Shares pursuant to article 11.4.1, the transferee of those Shares ceases for any reason to be a Family Member of the original transferor of those Shares, such transferee shall forthwith, and in any event within 20 Business Days of the date on which the transferee ceased to be a Family Member of the original transferor, transfer all the Shares held by him to the original transferor failing which the Directors may (and shall, if so requested to do by the Fund Manager) at any time require such transferee to serve a Transfer Notice in respect of all the Shares held by him and the provisions of article 12 shall apply.
- 11.4.5 A Family Member to whom Shares have been transferred pursuant to this article 12.4 may transfer those Shares back to the original transferor at any time but may not otherwise transfer such Shares pursuant to this article 11.4 or article 11.5.

#### 11.5 Transfer to a Family Trust

- 11.5.1 Subject to articles 11.5.2 and 11.5.3 and the consent of the Fund Manager and the Board, any individual Member may at any time transfer any of the Shares held by him to one or more trustees to be held on a Family Trust.
- 11.5.2 No transfer of Shares shall be permitted pursuant to article 11.5.1 if the registration of that transfer would result in the number of Shares held by the relevant transferor representing less than 50% of the total number of Shares held from time to time by that transferor, his Family Members and/or any Family Trust of his.
- 11.5.3 No transfer of Shares shall be permitted pursuant to article 11.5.1 unless the Fund Manager and the Board is satisfied:
- (a) with the terms of the instrument constituting the Family Trust;
  - (b) with the identity of the proposed trustee(s) of the Family Trust;
  - (c) that the proposed transfer will not result in more than 50% of all the Shares being held by the trustee(s) of the Family Trust and any other trust; and
  - (d) that no costs incurred in the setting up or administration of the Family Trust are to be paid by any Group Company.
- 11.5.4 Where any Shares are held by a trustee(s) on a Family Trust, those Shares may be transferred to:
- (a) any new trustee(s) of the Family Trust appointed on a change in trustee(s);
  - (b) the settlor of such Family Trust;
  - (c) the trustees of another Family Trust which has the same settlor; or
  - (d) any Family Member of the settlor of such Family Trust.
- 11.5.5 Where any Shares are held by a trustee(s) on a Family Trust and either:
- (a) the relevant trust ceases to be a Family Trust in relation to the settlor; or
  - (b) there ceases to be any beneficiaries of the Family Trust other than charities,

the trustee(s) shall forthwith, and in any event within 20 Business Days of the date on which the trust ceased to be such a Family Trust or there ceased to be any beneficiaries as above, transfer all the Shares held by them to the original transferor failing which the Directors may (and shall, if so requested to do by the Fund Manager) at any time require such trustee(s) to serve a Transfer Notice in respect of all the Shares held by them and the provisions of article 12 shall apply.

#### 11.6 Transfer by Employee Trust

Where any Shares are held by a trustee(s) of an Employee Trust, those Shares may be transferred to:

- 11.6.1 any new trustee(s) of the Employee Trust appointed on a change in trustee(s); or
- 11.6.2 any beneficiary of the Employee Trust, provided the transfer is made:
  - (a) with the consent of the Investor and the Board; and
  - (b) pursuant to, and in accordance with the rules of, a Share Option Scheme.

### 12 Pre-emption on transfer of Shares

#### 12.1 Transfer notice

12.1.1 Except as permitted under article 11 (Permitted transfers) or as provided for in articles 14 (Drag along) and 15 (Tag along), any Member (a Seller) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a Transfer Notice) to the Company of his wish.

12.1.2 Subject to article 12.1.3, a Transfer Notice shall:

- (a) state the number and class of Shares (the Sale Shares) which the Seller wishes to transfer;
- (b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
- (c) state the price per Share (the Proposed Price) at which the Seller wishes to transfer the Sale Shares;
- (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 12 (a Total Transfer Condition);
- (e) relate to only one class of Share;
- (f) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 12; and
- (g) not be capable of variation or cancellation without the consent of the Fund Manager.

12.1.3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with article 13.2):

- (a) subject to article 13.2 applying and permitting certain Shares to be retained, it shall relate to all the Shares registered in the name of the Seller;
- (b) it shall not contain a Total Transfer Condition;



- (c) subject to article 13.2, the Transfer Price shall be such price as may be agreed between the Seller and the Directors, with the consent of the Fund Manager, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice or if either no price is agreed within such period or the Fund Manager directs at any time during that period, the Fair Value determined in accordance with article 12.2.2;
- (d) it shall be irrevocable; and
- (e) subject to articles 10.5 and 13.9, the Seller may retain any Sale Shares for which Buyers (as defined in article 12.5.2) are not found.

## 12.2 Transfer price

12.2.1 The Sale Shares will be offered for sale in accordance with this article 12 at the following price (the Transfer Price):

- (a) subject to the consent of the Fund Manager, the Proposed Price; or
- (b) such other price as may be agreed between the Seller and the Directors, with the consent of the Fund Manager, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice; or
- (c) if no price is agreed pursuant to article (b) above within the period set out in that article, or if the Fund Manager directs at any time during that period, whichever is the lower of (i) the Proposed Price and (ii) the Fair Value.

12.2.2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 12.2.1(b) or if the Fund Manager directs in accordance with article 12.2.1(c) (or article 12.1.3(c) in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles), the Directors shall instruct the Auditors to determine and certify the Fair Value of the Sale Shares. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Members, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Fair Value shall, subject to article 12.2.3, be borne as directed by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company.

12.2.3 Where the Fair Value is less than the price proposed by the Directors to the Seller not less than two Business Days prior to instruction of the Auditors by the Company the Auditors' fees shall be borne wholly by the Seller.

## 12.3 Board invitees

In these Articles, the expression Board Invitee shall mean any of:

- 12.3.1 the Company (subject to compliance by the Company with the provisions of the Act); and/or
- 12.3.2 the trustees of any Employee Trust; and/or
- 12.3.3 any person(s) (being a current or future employee or officer of a Group Company) nominated by the Fund Manager and/or the Board with the consent of the Fund Manager),

as selected by the Directors with the consent of the Fund Manager in the period of one month after the date of service of a Transfer Notice.

## 12.4 Offer notice

12.4.1 Subject to article 12.4.2, the Directors shall serve a notice (an Offer Notice) on all Members and any Board Invitees (as the case may be) to whom the Sale Shares are to be offered in accordance with these Articles as soon as reasonably practicable after (and in any event within 10 Business Days of) whichever is the first to occur of:

- (a) the period prescribed in article 12.3 for the selection of Board Invitees having expired; or
- (b) the identity of all Board Invitees having been determined with the consent of the Fund Manager; or
- (c) the Directors determining, with the consent of the Fund Manager, that none of the Sale Shares are to be offered to a Board Invitee,

or, if later, on the Transfer Price being agreed or determined in accordance with these Articles.

12.4.2 An Offer Notice shall not be sent to, and no Sale Shares shall be treated as offered to, the Seller or any Member who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name.

12.4.3 An Offer Notice shall:

- (a) state the Transfer Price;
- (b) contain the other information set out in the Transfer Notice;
- (c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase; and
- (d) expire, and the offer made in that Offer Notice shall be deemed to be withdrawn, on a date which is not less than 20 nor more than 30 Business Days after the date of the Offer Notice.

12.4.4 For the purposes of allocating the Sale Shares amongst the Members and any Board Invitees, Sale Shares of a class specified in the first column of the table set out below will be treated as offered:

- (a) firstly, to all persons in the category set out in the corresponding line in the second column in the table below;
- (b) secondly, to the extent not already accepted by persons in the second column, to all persons in the category set out in the corresponding line in the third column in the table below;
- (c) thirdly, to the extent not already accepted by persons in the second or third columns, to all persons in the category set out in the corresponding line in the fourth column in the table below; and
- (d) fourthly, to the extent not already accepted by persons in the second, third or fourth columns, to all persons in the category set out in the corresponding line in the fifth column in the table below

Class of Sale Shares	First offer to:	Second offer to:	Third offer to:	Fourth offer to:

Ordinary Shares (not held by Founders)	The Founders	Board invitees	Members holding Ordinary Equity Shares (excluding the Founders)	Members holding A Ordinary Shares
Ordinary Shares (held by Founders)	Board invitees	Members holding Ordinary Equity Shares	Members holding A Ordinary Shares	-
A Ordinary Shares	Members holding A Ordinary Shares	Members holding Ordinary Shares	Board invitees	Members holding B Ordinary Shares or C Ordinary Shares or D Ordinary Shares
Preference Shares	Members holding Preference Shares or A Ordinary Shares	Members holding Ordinary Shares	Board invitees	Members holding B Ordinary Shares or C Ordinary Shares or D Ordinary Shares
B Ordinary Shares	Board invitees	Members holding Ordinary Equity Shares	Members holding A Ordinary Shares	-
C Ordinary Shares	Board invitees	Members holding Ordinary Equity Shares	Members holding A Ordinary Shares	-
D Ordinary Shares	Board invitees	Members holding Ordinary Equity Shares	Members holding A Ordinary Shares	-

## 12.5 Allocation of Sale Shares

12.5.1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Members holding shares of a class specified in a column in the table in article 12.4.4 having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the Allocation Date), the Directors shall allocate the Sale Shares in accordance with the applications received in the priorities and in respect of each class of persons set out in the table in article 12.4.4 provided that:

- (a) if there are applications from any class of offerees for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Share than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively;
- (b) the allocation of any fractional entitlements to Sale Shares amongst the members of a particular class of Shares shall be dealt with by the Directors, with the consent of the Investor Director, in such manner as they see fit;

- (c) the allocation of Sale Shares between two or more Board Invitees shall be at the absolute discretion of the Directors (subject to the approval of the Fund Manager); and
  - (d) no Sale Shares shall be allocated to any Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name.
- 12.5.2 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an Allocation Notice) to the Seller and each Member or Board Invitee to whom Sale Shares have been allocated pursuant to article 12.5.1 (each a Buyer). An Allocation Notice shall state:
  - (a) the number and class of Sale Shares allocated to that Buyer;
  - (b) the name and address of the Buyer;
  - (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
  - (d) the information (if any) required pursuant to article 12.5.4; and
  - (e) subject to article 12.5.4, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.
- 12.5.3 Subject to article 12.5.4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer.
- 12.5.4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 12.5.1 is less than the total number of Sale Shares then:
  - (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the Further Offer) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;
  - (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 10 Business Days) specified in the Allocation Notice;
  - (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 12.5.1(a) to 12.5.1(d); and
  - (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article (c), and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 12.5.2 but omitting article 12.5.2(d) of that article.
- 12.5.5 Subject to article 12.5.6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 12.5.4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer.

12.5.6 If after following the procedure set out in this article 12 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then:

- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 12 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 12; and
- (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.

## 12.6 Default by the Seller

12.6.1 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 12, the Directors may (and will if requested to do so by the Fund Manager) authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer.

12.6.2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 12.6 the validity of the proceedings shall not be questioned by any person.

12.6.3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Sale Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors with the consent of the Investor Director).

## 12.7 Transfers following exhaustion of pre-emption rights

If any Sale Shares are not allocated to a Buyer under any of the previous provisions of this article 12 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 12.5.6(b), sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that:

- 12.7.1 no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Member without the prior written consent of the Fund Manager (not to be unreasonably withheld);
- 12.7.2 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of the Fund Manager (not to be unreasonably withheld);
- 12.7.3 the Directors may require to be satisfied that the relevant Sale Shares are being transferred under a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the transfer (without prejudice to any power of the Directors to refuse to register a transfer in accordance with article 10); and

- 12.7.4 the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 15 until such time as that offer has been made and, if accepted, completed.

### 13 Compulsory transfers

- 13.1 In this article 13 each of the following shall be a Transfer Event in relation to a Member holding Ordinary Equity Shares:

- 13.1.1 in the case of an individual Member:

- (a) the death of that Member;
- (b) an order being made for the bankruptcy of that Member or a petition being presented for such bankruptcy which petition is not withdrawn or dismissed within 10 Business Days of being presented;
- (c) the Member convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally;
- (d) the Member being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1968);
- (e) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any part of the Member's assets, or any other steps being taken to enforce any Encumbrance over all or any part of the Member's assets or any Shares held by that Member;
- (f) any proceedings or orders equivalent or analogous to any of those described in articles 13.1.1(b) to 13.1.1(e) above occurring in respect of the Member under the law of any jurisdiction outside England and Wales;
- (g) that Member suffering from a long term mental disorder and being admitted to hospital or, by reason of his long term mental health, being subject to any court order which wholly or partly prevents that Member from personally exercising any powers or rights which that Member would otherwise have. For the purposes of this article 13.1.1(g), Long Term shall mean 6 months or longer;
- (h) that Member becoming a Leaver; or
- (i) that Member breaching any material provision of these Articles or the Investment Agreement where such breach has not been waived by the Fund Manager or remedied to the reasonable satisfaction of the Fund Manager within 10 Business Days of a notice from the Fund Manager to the Member requesting such remedy, or

- 13.1.2 in the case of a corporate Member:

- (a) an order being made or a resolution passed for the winding up of that Member or for the appointment of a provisional liquidator to that Member (other than a voluntary liquidation for the purposes of a bona fide scheme of solvent amalgamation or reconstruction) or for an administration order in respect of that Member;
- (b) a receiver, manager or administrative receiver being appointed over all or any part of the undertaking or assets of that Member;

- (c) any proceedings or orders equivalent or analogous to any of those described above in articles 13.1.2(a) and 13.1.2(b) occurring in respect of that Member under the law of any jurisdiction outside England and Wales;
- (d) that Member ceasing to be within the control (as defined in section 1124 Corporation Tax Act 2010) of the person(s) who controlled it on the Adoption Date or the date on which it became a Member (whichever is the later);
- (e) that Member breaching any material provision of these Articles or the Investment Agreement where such breach has not been waived by the Fund Manager or remedied to the reasonable satisfaction of the Fund Manager within 10 Business Days of a notice from the Fund Manager to the Member requesting such remedy,

and, in any such case, the Fund Manager notifying the Company within six months of the occurrence of such event (or, if later, within six months of the date on which the Directors first became aware of the occurrence of such event) that such event is a Transfer Event in relation to that Member for the purposes of this article 13.

13.2 Upon the Fund Manager notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 13.1, the Relevant Member and any other person holding Compulsory Transfer Shares, shall be deemed to have served a Transfer Notice (a Compulsory Transfer Notice) in respect of all the Compulsory Transfer Shares then held by each of them respectively, except where:

- 13.2.1 the relevant Transfer Event falls within the provisions of article 13.1.1(h) in respect of a Relevant Member who is a Founder (Relevant Founder) and that Relevant Founder is also a Good Leaver in which case the provisions of article 13.3 shall apply; or
- 13.2.2 the relevant Transfer Event falls within the provisions of article 13.1.1(h) in respect of a Relevant Member who is a holder of B Ordinary Shares (Relevant B Shareholder) and the Relevant B Shareholder is also a Good Leaver after the first anniversary of the B Relevant Date in which case the provisions of article 13.3 shall apply; or
- 13.2.3 the relevant Transfer Event falls within the provisions of article 13.1.1(h) in respect of a Relevant Member who is a holder of D Ordinary Shares (Relevant D Shareholder) in which case the provisions of article 13.4 shall apply.

A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares

13.3 Where article 13.2.1 and/or article 13.2.2 apply, the Relevant Member and any other person holding Compulsory Transfer Shares shall be deemed to have served a Transfer Notice in respect of 30% only of the Shares comprising the Compulsory Transfer Shares then held by each of them respectively and the retained Shares shall be disenfranchised in accordance with article 13.9.

13.4 In respect of a Relevant D Shareholder, no Transfer Notice shall be deemed to be served in respect of the D Ordinary Shares comprised within the Compulsory Transfer Shares, but all such D Ordinary Shares (D Leaver Shares) shall be disenfranchised in accordance with article 13.9 and upon any future return of capital or any Exit, the price of the D Leaver Shares shall be:

- 13.4.1 where the Relevant D Shareholder is a Good Leaver, the lower of (a) the Fair Value at the Cessation Date and (b) the price the Relevant D Shareholder would have

received for any D Leaver Shares that were sold after being allocated under article 4 or article 5 (as the case may be); or

13.4.2 where the Relevant D Shareholder is a Bad Leaver, an aggregate sum of £1.00, and the provisions of article 4 and article 5 shall be subject always to articles 13.4.1 and 13.4.2.

13.5 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 12 as if the Compulsory Transfer Shares were Sale Shares except that where the relevant Transfer Event falls within the provisions of article 13.1.1(h), the Transfer Price in respect of the Compulsory Transfer Shares subject to the Compulsory Transfer Notice (in accordance with article 13.2) shall be:

13.5.1 save in respect of a Relevant Member who is a holder of B Ordinary Shares:

- (a) where the Relevant Member is a Bad Leaver, an aggregate sum of £1.00; and
- (b) where the Relevant Member is a Good Leaver, whichever is the lower of:
  - (i) Fair Value at the Cessation Date; and
  - (ii) Fair Value at the date of an Exit;

13.5.2 in respect of a Relevant Member who is a holder of B Ordinary Shares:

- (a) where the Relevant Member is a Leaver for any reason on or before the first anniversary of the B Relevant Date, the Issue Price;
- (b) where the Relevant Member is a Leaver after the first anniversary of the B Relevant Date and the Relevant Member is a Good Leaver, whichever is the lower of:
  - (i) Fair Value at the Cessation Date; and
  - (ii) Fair Value at the date of an Exit;
- (c) where the Relevant Member is a Leaver after the first anniversary of the B Relevant Date and the Relevant Member is a Bad Leaver, an aggregate sum of £1.00.

13.6 Payment for the Compulsory Transfer Shares subject to a Compulsory Transfer Notice shall be deferred until an Exit and shall be paid on the date of completion of the Exit.

13.7 Any dispute as to whether the provisions of articles 13.5.1(a) or 13.5.1(b) and/or 13.5.2(a) or 13.5.2(b) or 13.5.2(c) apply in relation to any Compulsory Transfer Notice shall not affect the validity of a Compulsory Transfer Notice nor shall it delay the procedure to be followed under article 12 in respect of such notice.

13.8 For the purposes of article 13.1.1(h) the date of cessation (Cessation Date) of a Leaver's employment, directorship or engagement shall be (or be deemed to be) whichever is the first to occur of:

13.8.1 the date specified as being the termination date in any notice given by a Group Company to the Leaver terminating that Member's employment, directorship or engagement with the Group;

13.8.2 the date specified as being the termination date in any notice given by a Leaver to a Group Company terminating that Leaver's employment, directorship or engagement



with the Group, regardless of whether any such notice may lawfully be given by the Leaver;

- 13.8.3 the date on which a repudiatory breach of any contract of employment or engagement by either the Leaver or a Group Company is accepted by the other party to that contract;
  - 13.8.4 the date of any event which results in the termination of the contract of employment or engagement under the doctrine of frustration; or
  - 13.8.5 in any circumstances other than those specified in articles 13.8.1 to 13.8.4, the date on which the Leaver actually ceases to be employed or engaged by the Group.
- 13.9 Notwithstanding any other provision of these Articles, unless the Fund Manager resolves otherwise, any Compulsory Transfer Shares shall, with effect from the date of the relevant Compulsory Transfer Notice (or, if later, the date on which such Shares are issued), whilst preserving all income and capital rights with respect to the same prior to such date, cease to confer upon the holder of those Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Compulsory Transfer Shares (or other Shares).
- 13.10 Articles 27(2)(a) and 28 of the Model Articles shall not apply to the Company.

## 14 Drag along

- 14.1 If both the Investor and the holders of not less than 50% of the Ordinary Shares, C Ordinary Shares and B Ordinary Shares together (excluding any Shares that have been disenfranchised in accordance with article 28) or, at any time following the fourth anniversary of the Relevant Date, the Investor alone (together the Selling Members) wishes to transfer all their Shares to a proposed purchaser (the Proposed Purchaser), they shall have the option (a Drag Along Option) to require all or any of the other Members (the Remaining Members) to transfer all their Shares with full title guarantee to the Proposed Purchaser (or as the Proposed Purchaser shall direct) in accordance with this article 14. The Board shall use its reasonable endeavours so as to ensure (as far as it is able) that the value realised from a Proposed Purchaser is maximised through a well-managed disposal process.
- 14.2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a Drag Along Notice) to each of the Remaining Members at any time before the registration of the transfer of the Selling Members' Shares. A Drag Along Notice shall specify:
- 14.2.1 that the Remaining Members are required to transfer all their Shares (the Remaining Shares) pursuant to this article 14;
  - 14.2.2 the identity of the Proposed Purchaser;
  - 14.2.3 the consideration for which, or the price at which, the Remaining Shares are to be transferred in accordance with article 14.4 (the Drag Along Consideration); and
  - 14.2.4 the proposed date of transfer (if known).
- 14.3 A Drag Along Notice:
- 14.3.1 may be revoked at any time prior to the completion of the sale and purchase of the Remaining Shares; and
  - 14.3.2 shall lapse if for any reason the sale of the Selling Members' Shares to the Proposed Purchaser is not completed within 40 Business Days of the date of service of the

Drag Along Notice (such lapse being without prejudice to the right of the Selling Members to serve any further Drag Along Notice following such lapse).

- 14.4 The Drag Along Consideration shall:
- 14.4.1 attribute an equal value to each Share, but adjusted to take full account of the respective rights of the classes of Shares under article 5; and
  - 14.4.2 be the amount which the Remaining Members would be entitled to if the total consideration proposed to be given or paid by the Proposed Purchaser were distributed to the Selling Members and the Remaining Members in accordance with the provisions of article 5.
- 14.5 Subject to article 14.4, the Drag Along Consideration shall be in the same form and due at the same time as that offered, given, paid or payable by, or due from, the Proposed Purchaser in respect of the Shares held by the Selling Members and shall include the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.
- 14.6 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Members' Shares (unless the Investor and all of the Remaining Members shall agree otherwise).
- 14.7 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed each of the Selling Members (severally) as the agent of the Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form and covenant for full title guarantee in respect of the Remaining Shares registered in the name of that Remaining Member and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Remaining Shares pursuant to this article 14.
- 14.8 The provisions of this article 14 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer of Shares contained in these Articles shall not apply to the transfer of any Shares to a Proposed Purchaser named in a Drag Along Notice (or as that Proposed Purchaser may direct). Any Transfer Notice or Compulsory Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 12 shall automatically be revoked by the service of a Drag Along Notice.
- 14.9 Upon any person (a New Member) becoming, at any time after the service of a Drag Along Notice, a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Member. Upon the deemed service of a Drag Along Notice pursuant to this article 14.9 the New Member shall become bound to sell and transfer to the Proposed Purchaser (or as the Proposed Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 14 shall apply mutatis mutandis to the sale of any such Shares by such New Member provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
- 14.9.1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this article 14.9; and
  - 14.9.2 the date of completion of the sale and purchase of the Remaining Shares pursuant to the original Drag Along Notice.

- 15 Tag along
- 15.1 Subject to article 14 and save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 11, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the Committed Shares) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration:
  - 15.1.1 the Fund Manager has consented to such transfer; and
  - 15.1.2 the relevant Third Party Purchaser has made a bona fide offer (a Tag Along Offer) by notice in writing (a Tag Along Notice) to acquire, in accordance with this article 15, from all the Members other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the Uncommitted Shares) for the consideration, or at the price, (the Tag Along Consideration) calculated in accordance with articles 15.3 and 15.4.
- 15.2 A Tag Along Notice shall:
  - 15.2.1 state the Tag Along Consideration (subject to article 15.5);
  - 15.2.2 state the identity of the Third Party Purchaser;
  - 15.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and
  - 15.2.4 subject to article 15.5.1, expire, and the offer made in that notice shall be deemed to be withdrawn, on the date (being not less than 5 nor more than 20 Business Days after the date of the Tag Along Notice) specified in that notice.
- 15.3 The Tag Along Consideration shall:
  - 15.3.1 attribute an equal value to each Share, but adjusted to take full account of the respective rights of the classes of Shares under article 5; and
  - 15.3.2 be the amount which the holders of the Uncommitted Shares would be entitled to if the total consideration proposed to be given or paid by the Third Party Purchaser were distributed to the holders of the Committed Shares and the Uncommitted Shares in accordance with the provisions of article 5.
- 15.4 Subject to article 15.3, the Tag Along Consideration shall be in the same form and due at the same time(s) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of the Committed Shares and shall include the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.
- 15.5 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than the majority of the Uncommitted Shares within 10 Business Days of the date of the Tag Along Notice, such matter shall be referred for determination to the Auditors (in accordance with article 29) and, pending their determination:
  - 15.5.1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Auditors' determination of the Tag Along Consideration is served on the Third Party Purchaser and the Members holding Uncommitted Shares; and

15.5.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.

## 16 General meetings

- 16.1 Without prejudice to the provisions of section 302 of the Act, the Investor Director acting alone may call a general meeting of the Company. Without prejudice to the provisions of section 288(3) of the Act the Investor Director acting alone may propose a written resolution of the Company (and the provisions of section 291 of the Act shall apply to any such proposed written resolution).
- 16.2 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two Members, one of whom shall be a holder of an A Ordinary Share and one of whom shall be a holder of an Ordinary Share, present either in person, by proxy or by a duly appointed corporate representative shall be a quorum.
- 16.3 Article 40(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article: Subject to the consent of the Fund Manager,.
- 16.4 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article: If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved.
- 16.5 Any Member, having the right to attend and vote at the meeting in question and who is present at that meeting in person, by proxy or by a duly appointed corporate representative, may demand a poll. Article 44(2) of the Model Articles shall not apply to the Company.
- 16.6 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article: A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made..
- 16.7 Article 45(1) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of Article 45(1): and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion but subject to the consent of the Fund Manager, accept the proxy notice at any time before the meeting..
- 16.8 The Company shall not be required to give notice of a general meeting to a Member for whom the Company no longer has a valid United Kingdom address.

## 17 Appointment and removal of Directors

- 17.1 Unless and until determined otherwise by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than two and is not subject to any maximum.
- 17.2 The office of a Director (other than an Investor Director) shall automatically be vacated, and the Director in question shall be deemed to have resigned, upon:
- 17.2.1 in the case of an executive Director only, that Director ceasing for any reason whatsoever to be employed by the Company or any other Group Company in circumstances where he does not remain, or immediately become, an employee of another Group Company;
- 17.2.2 that Director failing to take part in any directors' decisions for a period of more than 6 consecutive months and the Directors, with the consent of the Fund Manager, resolving that his appointment as a Director should terminate (and the director in question shall not be an Eligible Director for the purposes of such resolution of the Directors); or

17.2.3 all the other Directors requesting his resignation by notice in writing. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more Directors) must be left at or sent by post to the registered office of the Company (or another address nominated by the Directors, with the consent of the Investor Director, for this purpose) and the resignation shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

Article 18 of the Model Articles shall be extended accordingly.

## 18 Investor Director, Chair and observer

18.1 The Investor may from time to time and on more than one occasion:

18.1.1 appoint one person to be a non-executive director of the Company (an Investor Director) and, from time to time and on more than one occasion, remove any such person appointed by them; and

18.1.2 appoint one person to attend, observe or speak at meetings of the Directors (an Investor Observer) and, from time to time and on more than one occasion, remove any such person appointed by them.

18.2 The Investor may from time to time and on more than one occasion appoint one person to be a non-executive director of the Company and the chair of the Directors (the Chair) and, from time to time and on more than one occasion, remove any such person appointed by them.

18.3 Any appointments or removals pursuant to articles 18.1 and 18.2 and 18.3 shall be made by notice in writing to the Company. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more Members) must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

18.4 Subject to section 168 of the Act, on any resolution to remove an Investor Director the Shares held by the Investor shall together carry one vote in excess of 50% of all the other votes exercisable in relation to such resolution and if any such Investor Director is removed pursuant to section 168 of the Act or otherwise the Investor may reappoint him or any other person as an Investor Director.

18.5 Upon written request from the Fund Manager, the Company shall procure that any Investor Director or the Chair is forthwith appointed as a director of any other Group Company indicated in such request.

18.6 If at any time there is no Investor Director serving, or the serving Investor Director declines to give a decision on any matter, then any matter in these Articles requiring the consent or approval of the Investor Director may be consented to or approved by the Fund Manager and any notice, information, document or other matter or thing required to be given or delivered to the Investor Director shall be given or delivered to the Fund Manager. Consent of the Fund Manager shall be deemed to have been given if no notice has been received to the contrary within 10 Business Days.

18.7 The Investor Director (and any alternate Director appointed by him from time to time) shall be entitled to make such disclosure to the holders of the A Ordinary Shares in relation to the business and affairs of the Group as he may, in his absolute discretion, see fit.

18.8 Article 12(1) to 12 (3) of the Model Articles shall not apply to the Company.

19 Alternate directors

19.1 Subject to article 19.2, any Director (in this article 19, an appointor) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

19.1.1 exercise that director's powers; and

19.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.

19.2 The appointment by the Investor Director of an alternate director shall not be subject to approval by resolution of the Directors.

19.3 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 with the consent of the Investor Director.

19.4 The notice must:

19.4.1 identify the proposed alternate; and

19.4.2 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.

19.5 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

19.6 Save as provided otherwise in these Articles, alternate Directors:

19.6.1 are deemed for all purposes to be Directors;

19.6.2 are liable for their own acts and omissions;

19.6.3 are subject to the same restrictions as their appointors; and

19.6.4 are not deemed to be agents of or for their appointors,

and, in particular, each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.

19.7 A person who is an alternate Director but not a Director:

19.7.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

19.7.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate); and

19.7.3 shall not be counted as more than one Director for the purposes of articles 19.7.1 and 19.7.2.

19.8 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his 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.

- 19.9 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 19.10 The appointment of an alternate Director terminates:
- 19.10.1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate;
  - 19.10.2 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;
  - 19.10.3 on the death of the alternate's appointor;
  - 19.10.4 when the appointment of the alternate's appointor as a Director terminates; or
- 19.11 when written notice from the alternate, resigning his office, is received by the Company.

## 20 Remuneration and audit committees

Without prejudice to the provisions of article 5(1) of the Model Articles there will be a remuneration committee and an audit committee which will operate in accordance with the provisions of the Investment Agreement.

## 21 Proceedings of Directors

### 21.1 Decisions of the directors may be taken either:

- 21.1.1 by a majority at a board meeting; or
- 21.1.2 by a Directors' written resolution made in accordance with articles 21.2 and 21.3.

Articles 7(1) and 8 of the Model Articles shall not apply to the Company.

### 21.2 Any Director may propose a Directors' written resolution and the Company secretary must propose a Directors' written resolution if a Director so requests. A Directors' written resolution is proposed by notice in writing of the proposed Directors' written resolution being given to each Director indicating the proposed resolution and the time by which it is proposed that the Directors should adopt it. Any decision which a person giving notice of a Directors' proposed written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

### 21.3 A proposed Directors' written resolution is adopted when all the Eligible Directors in relation to the resolution(s) contained in the proposed Directors' written resolution have signed one or more copies of it, provided that those Eligible Directors would have formed a quorum at a meeting of the Directors to consider such resolution(s). The validity of any Directors' written resolution shall not be affected by any Director signing the resolution after the time by which the notice proposed that it should be adopted.

### 21.4 The quorum for a Directors' meeting shall be two Eligible Directors present either in person or by a duly appointed alternate, one of whom shall be an Investor Director (unless the Investor Director is not an Eligible Director in relation to the relevant meeting and/or an Investor Director has not been appointed, in which case the Investor Observer must be present). For the purpose of any meeting held to authorise a director's conflict of interest under article 23 if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. For the purpose of any meeting held to consider a

decision referred to in article 21.9, the quorum for such a meeting shall be the Investor Director. Article 11(2) of the Model Articles shall not apply to the Company.

- 21.5 If within half an hour of the time appointed for the holding of a Directors' meeting a quorum is not present, the meeting shall be adjourned to the same day in the next week at the same time and place. At any such adjourned meeting, provided the Investor Director is present, the directors present shall be a quorum for all purposes.
- 21.6 If the number of votes for and against a proposal at a Directors' meeting are equal the Chair shall not have a casting vote.
- 21.7 If, and for so long as, the holders of the A Ordinary Shares are entitled to enhanced voting rights in respect of those Shares in accordance with article 6.2 (regardless of whether or not such voting rights have actually been exercised at any general meeting or on any written resolution) the Investor Director shall be entitled to exercise such number of votes at any meeting of the Directors, or any committee of the Directors of which he is a member, which is equal to one vote more than half the total number of votes exercisable at any such meeting.
- 21.8 Not less than 3 Business Days' notice of a Directors' meeting must be given to each Director in writing provided that the requirements of this article may be waived or varied, subject to the written consent of an Investor Director, with the prior approval of all Eligible Directors. Article 9(3) of the Model Articles shall not apply to the Company.
- 21.9 Where any decision is to be made by the Company or any Group Company in relation to:
- 21.9.1 the exercise, enforcement or waiver of any of its rights under, or the giving of any consent under the Investment Agreement; or
- 21.9.2 the exercise, enforcement or waiver of any rights against a Member holding Ordinary Shares or B Ordinary Shares or C Ordinary Shares or D Ordinary Shares or a Director (or any person connected with any such Member or Director),

then, notwithstanding any other provision of these Articles, if an Investor Director is appointed for the time being then no meeting of the Directors at which any such decision will be considered shall be quorate unless an Investor Director is present in person and no decision shall be made or action taken in relation to any such claim unless the Investor Director (if appointed) votes in favour of such decision or action.

- 21.10 Article 5 of the Model Articles shall be modified so that the Directors may only delegate any of their powers to a person or committee with the prior consent of the Investor. Article 6(2) of the Model Articles shall be amended by the insertion of the following words before the word may: **with the consent of the Investor**".
- 21.11 Article 16 of the Model Articles shall be amended by the insertion of the following words after the word may: with the consent of the Fund Manager..
- 21.12 Article 51 of the Model Articles shall be amended by the insertion of the following words at the start of that article: Subject to the consent of the Fund Manager,.
- 21.13 Article 4(1) of the Model Articles shall be amended by the insertion of the following words at the start of that article: Subject to the consent of the Fund Manager,.
- 22 Transactions or other arrangements with the Company
- 22.1 Subject to sections 177 and 182 of the Act and, save in the case of an Investor Director, subject to the consent of the Fund Manager, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company:



- 22.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 22.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such contract or proposed contract in which he is interested;
- 22.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such contract or proposed contract in which he is interested;
- 22.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- 22.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 22.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 22.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.
- 23 Directors' conflicts of interest
- 23.1 Subject to the consent of the Investor, the Directors may, in accordance with the requirements set out in this article 23, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest (a Conflict).
- 23.2 Any authorisation under this article will be effective only if:
  - 23.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors, with the consent of the Investor Director may determine;
  - 23.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
  - 23.2.3 the matter was agreed to without the Director in question voting or would have been agreed to if his vote had not been counted.
- 23.3 Any authorisation of a Conflict under this article 23 may (whether at the time of giving the authorisation or subsequently):
  - 23.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
  - 23.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
  - 23.3.3 be terminated or varied by the Directors at any time.

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

- 23.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:
- 23.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or
  - 23.4.2 use or apply any such information in performing his duties as a Director,
- where to do so would amount to a breach of that confidence.
- 23.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, and they will so provide if directed to do so by an Investor Director, that the Director:
- 23.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
  - 23.5.2 is not given any documents or other information relating to the Conflict; and
  - 23.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.
- 23.6 Where the Directors authorise a Conflict:
- 23.6.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
  - 23.6.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.
- 23.7 An Investor Director or the Chair may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in:
- 23.7.1 any Group Company;
  - 23.7.2 a holder of A Ordinary Shares;
  - 23.7.3 any company which is for the time being a subsidiary or holding company of a holder of A Ordinary Shares or another subsidiary of such holding company; or
  - 23.7.4 any Investment Fund (or any nominee of any Investment Fund) for whom A Ordinary Shares are held or any Investment Manager (or any nominee of any Investment Manager) in relation to such an Investment Fund (or nominee of any Investment Fund),
- and no authorisation under article 23.1 shall be necessary in respect of such interest.
- 23.8 A Director other than an Investor Director or the Chair may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in any Group Company and no authorisation under article 23.1 shall be necessary in respect of such interest.
- 23.9 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration,

profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## 24 Directors' benefits

24.1 Article 19(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article: Subject to the consent of the Fund Manager,.

24.2 Article 19(3) of the Model Articles shall be amended by the insertion of the following words at the start of that article Subject to the consent of the Fund Manager and.

24.3 Article 20 of the Model Articles shall be amended by the insertion of the following words at the start of that article: Subject to the consent of the Fund Manager,.

## 25 Secretary

Subject to the consent of the Fund Manager, the Directors may appoint any person who is willing to act as the Secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person.

## 26 Service of documents

26.1 Any notice, document or other information given in accordance with these Articles shall, in the absence of evidence of earlier receipt, be deemed served on or delivered to the intended recipient:

26.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;

26.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;

26.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

26.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

26.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article 26.1, no account shall be taken of any part of a day that is not a working day.

26.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

## 27 Indemnity

27.1 Subject to article 27.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

27.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the activities of the Company (or any Group Company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (or any Group Company); and

27.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 27.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

27.2 This article 27.2 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

27.3 In this article 27 and in article 28 a relevant officer means any director or other officer or former director or other officer of the Company or any Group Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) or any Employee Trust, but excluding in each case any person engaged by the Company (or any Group Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

27.4 Article 52 of the Model Articles shall not apply to the Company.

## 28 Insurance

28.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company, any Group Company or any pension fund or employees' share scheme of the Company or Group Company.

28.2 Article 53 of the Model Articles shall not apply to the Company.

## 29 Disputes

29.1 Where these Articles provide for any dispute in relation to a particular matter to be determined pursuant to this article 29, such dispute shall be referred, at the request of any Member, to the Auditors. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Members.

29.2 The cost of any reference to the Auditors pursuant to this article 29 shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Auditors, equally by the parties concerned.

30      Change of name

Subject to Investor Consent, the name of the Company may be changed by a decision of the Directors.