

Company number 07992381

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

ALQUITY UK LIMITED (Company)

5<sup>TH</sup> April 2013

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the director of the Company proposes that:

- Resolutions are passed as special resolutions (**Special Resolutions**)

**DEFINITIONS**

**Directors:** the board of directors of the Company

**SPECIAL RESOLUTIONS**

	<b>For</b>	<b>Against</b>
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FRIDAY



A14 \*A273M3FC\* 26/04/2013 #284  
COMPANIES HOUSE

**1. APPROVAL**

THAT, in accordance with the Articles of Association of the Company, such shareholders who together, at the relevant time, hold at least 75% in the number of shares approve the following -

- (a) the draft articles of association produced to the meeting be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association (the **New Articles of Association**),

**2. PRE-EMPTION RIGHTS, ALLOTMENTS AND TRANSFERS**

THAT in accordance with the New Articles of Association adopted by the Company under Resolution 1 above, such shareholders who together, at the relevant time, hold at least 75% in the number of shares approve the following -

- (a) the pre-emption rights contained in article 14 5 of the New Articles of Association be waived,
- (b) the directors be authorised pursuant to article 16 7 of the New Articles of Association to approve the transfer of 8 ordinary shares of £1 00 each from Paul Freer to Leopard Holdings Limited A copy of the draft stock transfer form is annexed to this resolution
- (c) the creation of a preferred ordinary share class of shares in the equity share capital of the Company,
- (d) the creation of a preferred share class of shares in the equity share capital of the Company,
- (e) the allotment of 80 ordinary shares of £1 00 each to Paul Robinson,
- (f) ) the reclassification and division of the issued ordinary £1 00 shares into £0 00001 ordinary shares,
- (g) the allotment of the number of preferred ordinary shares of £0 00001 appearing next to each of the following -

Name	Number of Preferred Ordinary Shares
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Christopher Ian Alexander	16,274
Paul Alterman	81,370
Simon Callaghan	24,411
Karen Constable	40,685
Paul Copson	162,739
Andrew Corley	16,274
Timothy Dowlen	16,274
James Christopher Gosling	32,548
William George Stephen Hackney	48,822
John Harper	40,685
Richard Harrison	32,548
Stephen Edward Hollis	32,548
Nicholas Jopling	32,548
Peter Le Beau	24,411
James Andrew Lindop	24,411
Anthony Mayhew	40,685
Nicholas John Metcalf	24,411
Paul George Murray Pattinson	32,548
Anthony Julian Reiss	32,548
Alan Shaw	16,274
Russell Howard Spargo	32,548
Ian Tanner	32,548
Ian Topping	81,370
Dr Justin Turner	65,096
Keith Graham Ward	24,411
George Mark Wigglesworth	65,096
Helen Michele Wigglesworth	65,096
Jennifer Witham	40,685
Nicholas John Witham	40,685
Robert Anthony Wood	81,370
Anthony Wren	56,959

,and

(e) the appointment of Mark David Pollard as a director of the Company and the execution of the Form AP01 by any director of the Company

### 3. REGISTRATION AND SHARE CERTIFICATES

THAT upon completion of the allotments and transfer described in Resolution 2 above, the Directors be authorised and instructed to enter Leopard Holdings Limited, Paul Robinson, those persons described in the list of subscribers at special resolution 2 above into the Company's register of members, and prepare and exercise share certificates in respect of the shares transferred and deliver them to the applicants


X

### AGREEMENT

Please read the notes at the end of this document before signifying your agreement to this resolution.

The undersigned, a person entitled to vote on the above resolution on 4<sup>th</sup> April 2013, hereby irrevocably agrees to this resolution as indicated above

Signed by **PAUL ROBINSON**



Date

5<sup>th</sup> April 2013

### NOTES

1 If you wish to vote in favour of a resolution please put an 'X' in the For box next to that resolution. If you wish to vote against a resolution please put an 'X' in the Against box next to that resolution or leave both boxes next to that resolution blank. Once you have indicated your voting intentions please sign and date this document and return it to the Company using one of the following methods

- **By Hand** delivering the signed copy to Nigel Moore [ ]
- **Post** returning the signed copy by post to Nigel Moore [ ]
- **Fax** faxing the signed copy to [ ] marked "For the attention of Nigel Moore"

- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to [ ] Please enter "Written resolution dated 4<sup>th</sup> April 2013" in the e-mail subject box

If there are no resolutions you agree with, you do not need to do anything you will not be deemed to agree if you fail to reply

2 Once you have indicated your agreement to a resolution, you may not revoke your agreement

3 Where, by 24<sup>th</sup> April 2013, insufficient agreement has been received for a resolution to pass, such resolution will lapse If you agree to all or any of the resolutions, please ensure that your agreement reaches us before or during this date

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company Seniority is determined by the order in which the names of the joint holders appear in the register of members

5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

**Registered Number: 7992381**

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

**(Adopted by special resolution passed on 5<sup>th</sup> April 2013)**

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

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

**(Adopted by special resolution passed on 5<sup>th</sup> April 2013)**

**INTRODUCTION**

**1. INTERPRETATION**

1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings

**Act:** the Companies Act 2006,

**acting in concert:** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended),

**Adoption Date:** the date of adoption of these Articles,

**Articles:** the Company's articles of association for the time being in force,

**Available Profits:** profits available for distribution within the meaning of part 23 of the Act,

**Bad Leaver:** a Departing Employee Shareholder who becomes a Departing Employee Shareholder in circumstances where he is neither a Good Leaver nor an Early Leaver,

**Business Day:** any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

**Call:** has the meaning given to it in *article 24 4*;

**Call Notice:** has the meaning given to it in *article 24.4*,

**Chairman:** has the meaning given to it in *article 6.6*;

**Companies Acts:** has the meaning given to it in the Act,

**Company:** means Alquity UK Limited (Company number 7992381);

**connected:** has the meaning given in section 252 of the Act,

**Controlling Interest:** an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;



**Deemed Transfer Notice:** a Transfer Notice which is deemed to have been served by any of the provisions of these Articles,

**Deferred Shares:** the deferred shares of one pence each in the capital of the Company more particularly described in *article* 13.5,

**Departing Employee Shareholder:** an Employee Shareholder who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of any other Group Company;

**Directors:** the directors of the Company from time to time,

**Disposal:** the disposal by the Company of all, or a substantial part of, its business and assets,

**Early Leaver:** a Departing Employee Shareholder who becomes a Departing Employee Shareholder for any reason within 24 months of (but excluding) the Adoption Date;

**Eligible Director:** means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter),

**Employee Shareholder:** a Shareholder who is, or has been, a director and/or an employee of any Group Company but excluding Paul Howard Robinson and Paul Richard Freer,

**Employee Trust:** a trust, the terms of which are approved by an Investor Majority, whose beneficiaries are the bona fide employees of the Group,

**Equity Shares:** the Preferred Ordinary Shares and the Ordinary Shares but not the Preferred Shares;

**Exit:** a Share Sale, a Disposal or a Listing,

**Fair Value:** has the meaning given in *article* 18 2,

**Family Trust:** as regards any particular individual Shareholder (or deceased or former individual Shareholder) trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed

to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons),

**Financial Institution:** any Financial Services Authority registered financial investor (or a financial investor registered with the equivalent body or authority in the country of the relevant financial investor's principal place of business),

**Financial Year:** an accounting reference period (as defined in section 391 of the Act) of the Company,

**First Offer Shareholders:** in respect of.

(a) an offer of Preferred Ordinary Shares, the holders of Preferred Ordinary Shares, and

(b) an offer of Ordinary Shares, the holders of Ordinary Shares,

**Fund Manager:** a person whose principal business is to make, manage or advise upon investments in securities,

**Good Leaver:** an Employee Shareholder who becomes a Departing Employee Shareholder (other than an Early Leaver) by reason of

(a) death,

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

(c) retirement at normal retirement age,

(d) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company, or

(e) dismissal by the Company (or other Group Company) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or constructive;

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

**Higher Target Threshold:** Total Funds of not less than £500,000,000 (*five hundred million pounds*) under management by the Company (or any wholly owned Subsidiary) at the expiry of the Term;

**holding company:** has the meaning given in section 1159 of the Act,

**Independent Expert:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly

appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller (or Investor Majority, as the case may be) on the identity of the expert within 5 Business Days of the expiry of the 20 Business Day period referred to in *article* 18.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator),

**Institutional Investor:** a fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing,

**Investment Agreement:** the investment agreement (if any) dated on or around the Adoption Date between, amongst others, the Company and the Investors (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms (or these Articles) for the time being);

**Investor:** a holder for the time being of Preferred Ordinary Shares and their Permitted Transferees,

**Investor Consent:** the prior consent in writing of the Investor Director;

**Investor Director:** has the meaning given in *article* 6 1;

**Investor Majority:** the holder(s) for the time being of not less than two-thirds of those Preferred Ordinary Shareholders casting votes at a meeting of the Company;

**Issue Price:** in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;

**Lien Enforcement Notice:** means a notice in writing which complies with the requirements of *article* 24.3b),

**Liquidation:** a members' voluntary liquidation, creditors' voluntary administration or compulsory winding-up by an order of the court,

**Listing:** the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock

Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),

**Lower Target Threshold:** Total Funds of not less than £350,000,000 (*three hundred and fifty million pounds*) under management by the Company (or any wholly owned Subsidiary) at the expiry of the Term,

**Member of the Same Group:** as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company,

**Member of the Same Fund Group:** if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **Investment Fund**) or a nominee of that person

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed by that Fund Manager or a Fund Manager which is a Member of the Same Group as that Fund Manager,
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa;
- (d) the Fund Manager of that Investment Fund or a Fund Manager of any other Investment Fund which is a Member of the Same Fund Group as that Investment Fund (or a nominee of any such Fund Manager) and vice versa, or
- (e) any Member of the same Group as that Fund Manager,

**Model Articles:** the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the Adoption Date,

**Ordinary Shares:** the ordinary shares of £0 00001 each in the capital of the Company,

**Original Shareholder:** has the meaning given in *article 16 1*,

**Permitted Transfer:** a transfer of Shares made in accordance with *article 16 6*,

**Permitted Transferee:** in relation to

- (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;
- (b) a Shareholder which is a company, a Member of the Same Group as that company, and
- (c) an Investor, to (i) a Member of the Same Fund Group as that Investor, or (ii) a Member of the Same Group as that Investor, or (iii) any nominee of that Investor (or of a Member of the Same Fund Group as that Investor) , or (iv) to any other Investor ,or (v) to any other Financial Institution or Institutional Investor;

**Preferred Shares:** the non-voting preferred shares of £0.00001 each in the capital of the Company;

**Preferred Ordinary Shares:** the Preferred Ordinary Shares of £0.00001 each in the capital of the Company,

**Preferred Ordinary Subscription Sum:** the amount subscribed for each Preferred Ordinary Share upon issue and allotment;

**Privileged Relation:** in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue),

**Qualifying Listing:** a fully underwritten Listing which values the Shares the subject of the Listing at, in aggregate, no less than £10,000,000 (ten million pounds) or more at a price per Share of £0.00001 or more (such Share price being adjusted to take account of any subdivision, consolidation or other re-organisation of the equity share capital of the Company after the Adoption Date) , but excluding for the purposes of such valuation any Shares issued or subscribed at the time of or in connection with the Qualifying Listing, other than any Shares issued under the terms of a Share Option Scheme or any Listing designated by notice in writing (addressed to the Company) as a Qualifying Listing by an Investor Majority,

**Relevant Securities:** any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than:

- (a) the grant of any options under a Share Option Plan (and the issue of Shares on the exercise of any such options);
- (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and/or the Investment Agreement, and
- (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Investor Consent,

**Relevant Shares:** in relation to an Employee Shareholder means all Shares held by:

- (a) the Employee Shareholder in question, and
- (b) any Permitted Transferee of that Employee Shareholder (other than those Shares held by those persons that an Investor Majority declares itself satisfied were not acquired directly or indirectly from the Employee Shareholder or by reason of his/her relationship with the Employee Shareholder) ,

and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice;

**Restricted Shares:** has the meaning given in *article 19 6*,

**Sale Shares:** has the meaning given in *article 17.2a*),

**Second Offer Shareholders:** in respect of

- (a) an offer of Preferred Ordinary Shares, the holders of Ordinary Shares, and
- (b) an offer of Ordinary Shares, the holders of Preferred Ordinary Shares,

**Seller:** has the meaning given in *article 17.2*,

**Shareholder:** a holder for the time being of any Share or Shares,

**Share Option Scheme:** any share option scheme of the Company which an Investor Majority identifies in writing as being a Share Option Scheme for the purposes of these Articles,

**Shares:** shares (of any class) in the capital of the Company and **Share** shall be construed accordingly;

**Share Sale:** the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and

persons acting in concert with him together acquiring a Controlling Interest, except where the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the Shareholders and their shareholdings in the Company immediately before the sale,

**Special Majority:** the holder(s) for the time being of not less than 51% by nominal value of all Ordinary Shares in issue from time to time,

**Subsidiary:** in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

**Term:** the period of four years and eleven months from the adoption of these Articles

**Termination Date:** (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,

(c) where an Employee Shareholder dies, the date of his death,

(d) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated; or

(e) in any other case, the date on which the employment or holding of office is terminated;

**Total Funds:** the aggregate gross amount of money in cash and in accordance with valuations certified by all Fund Managers appointed by the Company (or any wholly owned Subsidiary) of Funds under the administration control or management of the Company or any wholly owned Subsidiary.

**Transfer Notice:** has the meaning given in *article 17 2*, and

**Transfer Price:** has the meaning given in *article 18.1*.

1.2 A reference in these Articles to.

(a) an **Article** is a reference to the relevant numbered article of these Articles, and

(b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise.

- 1 3 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1 5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.
- 1 6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- (a) any subordinate legislation from time to time made under it, and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

## **2. ADOPTION OF THE MODEL ARTICLES**

- 2 1 The Model Articles (together with those provisions of Schedule 3 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) referred to in article 26) shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.



- 2 2 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company
- 2 3 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

## **DIRECTORS**

### **3. NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors shall not exceed seven but shall not be less than two

### **4. PROCEEDINGS OF DIRECTORS**

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 4 2* (subject to *article 4 3* and *article 4 4*). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 4.3 A decision taken in accordance with *article 4.2* may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing
- 4 4 A decision may not be taken in accordance with *article 4 2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 4.6* and *article 4 7*.

4 5 Meetings of the Directors shall take place at least 4 times in each year, with a period of not more than 13 weeks between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 5 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent in writing of an Investor Director, when meetings of the Directors may take place less frequently or on shorter notice)

4 6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include the Investor Director in office for the time being, unless

- (a) there is no Investor Director in office for the time being; or
- (b) such Investor Director has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting, or
- (c) such Investor Director is not, in respect of any particular meeting (or part of a meeting), an Eligible Director

in which case, subject to *article 4 7*, the quorum for such meeting (or part of the meeting, as the case may be) shall be any two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Chairman determines. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.

4.7 For the purposes of any meeting (or part of a meeting) held pursuant to *article 8* to authorise a Conflict (as defined in *article 8.1*), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.

4 8 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to:

- (a) appoint further Directors; or

- (b) call a general meeting so as to enable the Shareholders to appoint further Directors.

4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote unless, in respect of a particular meeting (or part of a meeting), in accordance with the Articles, the Chairman (or other chairman of the meeting) is not an Eligible Director for the purposes of that meeting (or part of a meeting).

4.10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye

4.11 The Directors (acting with Investor Consent) may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

## **5. APPOINTMENT AND REMOVAL OF DIRECTORS**

5.1 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 3.1 of these Articles"

5.2 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director,
- (b) save in the case of an Investor Director, a majority of the other Directors resolve that he cease to be a Director, and
- (c) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company

**6. INVESTOR DIRECTOR, CHAIRMAN AND OBSERVER**

- 6 1 The holders of the Preferred Ordinary Shares shall have the right to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Director (an **Investor Director**) and to remove any such Investor Director and to appoint a replacement.
- 6 2 Any appointment or removal of an Investor Director made in accordance with *article 6 1* shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice.
- 6 3 An Investor Director shall be entitled to be appointed to any committee of the Directors established from time to time. On the receipt of the request in writing of his appointor(s), the Company shall procure that an Investor Director shall be appointed as a director of any other Group Company, to the extent specified in such request (but such Investor Director shall not be entitled to any additional fee)
- 6 4 An Investor Majority shall from time to time have the right to nominate one person to be an observer, who shall be entitled to receive notice of all meetings of Directors (and committees of the Directors) of each Group Company and copies of all board papers as if he were a Director and to attend, propose resolutions and speak at, but not vote at, any meeting of the Directors (and committees of the Directors)
- 6 5 The reasonable expenses of each Investor Director and each observer shall be payable by the Company.
- 6 6 The Directors may appoint any person as chairman of the board of Directors (**Chairman**) and may remove and replace any such Chairman. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the

appointment of the chairman of the meeting must be the first business of the meeting.

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671 Notwithstanding any other provisions of these articles, the holders of Ordinary Shares shall by Special Majority be entitled in their absolute discretion, by notice in Writing to the Company, to appoint any two persons as Directors (each an **Ordinary Share Director**) and at any time and from time to time to remove from office in like manner any persons so appointed and to appoint replacements. The reasonable expenses to be paid to a Ordinary Share Director shall be payable by the Company. On request by the Special Majority the Company shall also procure that any such Director is appointed as a director of any other Group Company.

672 The Special Majority shall also have the right to designate a representative to attend, as an observer, and speak but not vote at all Directors' meetings and at all meetings of any committees of the Directors. That representative will be entitled to receive all written materials and other information given to the Directors and to members of any committees of the Directors in connection with those meetings at the same time as those materials or information are given to the Directors or to those members (as the case may be).

673 The reasonable expenses of each Ordinary Share Director and each observer shall be payable by the Company.

## **7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) 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;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested,
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) 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,
- (e) 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
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

## 8. DIRECTORS' CONFLICTS

8 1 The Directors may, in accordance with the requirements set out in this *article* 8, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

- 8.2 Any authorisation under this *article* 8 will be effective only if
- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles,
  - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted
- 8.3 Any authorisation of a Conflict under this *article* 8 may (whether at the time of giving the authorisation or subsequently)
- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
  - (c) subject to Investor Consent, provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
  - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and

- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters
- 8.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict
- 8.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 8.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under *article 8.1* shall be necessary in respect of any such interest
- 8.7 An Investor Director shall be entitled from time to time to disclose to his appointor(s) (and to any Permitted Transferee of such appointor(s)) such information concerning the business and affairs of the Company as he shall at his discretion see fit
- 8.8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **SHARES AND DISTRIBUTIONS**



**9. DIVIDENDS**

9.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this *article 9*.

9.2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Equity Shares (*pari passu* as if they constituted Shares of the same class) *pro rata* to their respective holdings of Equity Shares.

9.3 Subject to the Companies Acts, the Directors may pay interim dividends provided that:

- (a) the Available Profits of the Company justify the payment; and
- (b) the Company obtains Investor Consent to any such interim dividend.

9.4 Each dividend shall be distributed to the appropriate Shareholders *pro rata* according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.

9.5 The Company shall procure that the profits of any other Group Company available for distribution shall from time to time (and to the extent lawful), be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company) to the extent necessary to permit lawful and prompt payment by the Company of a Dividend

**10. LIQUIDATION OR SHARE SALE CONVERSION**

10.1 On a return of assets on Liquidation, Share Sale, capital reduction or sale of the entire share capital of the Company or otherwise (other than a conversion or purchase of Shares), the gross amount of a Share Sale or amount realised upon liquidation after the payment of liabilities (**the Gross Amount**) shall be distributed to holders of each class of share capital of the Company who shall have the following entitlement:

- (i) Subject to Article 13 3, as to a proportional part of the Gross Amount to the holders of the Preferred Ordinary Shares represented by the letter “X”, where  

$$X = 30 \times (A/\text{£}3,200,000)$$
and A is the aggregate of the nominal share value and the amount credited to the share premium account of the Company in respect of the Preferred Ordinary Shares in issue, and
- (ii) As to the nominal amount of the Ordinary Shares to be distributed to the holders of the Ordinary Shares, and
- (iii) Subject to *article* 10 2 as to the nominal amount payable upon the Preferred Shares, and
- (iv) Each holder of Deferred Shares will receive £1 in respect of his entire holding of Deferred Shares, and
- (v) The balance shall be paid to the holders of the Ordinary Shares

10 2 In each case the sums referred to in *article* 10 1 sub-paragraphs (i) ,(ii) and (v) shall be divided by the number of each class of shares referred to in the relevant sub-paragraph before payment to each such registered holder

10 3 In the event that upon the expiry of the Term, a Liquidation or listing (as the case may be) (the “**Trigger Event**”) the Gross Amount shall be less than £5,357,143, then prior to the division of proceeds outlined above a number of the Preferred Shares will convert into Deferred Shares. The number of Preferred Shares which will convert is given by the following formula

$$3,750,000 - (100 - X)/100 \times \text{Gross Amount}$$

X is as defined as in 10 1(i) above

10 4 Fractions of shares in the above formula should be rounded up.

10 5 The number of Preferred Shares of each Preferred Shareholder that will convert to Deferred Shares under *article* 10 3 will be pro-rata to that Preferred Shareholder’s holding of Preferred Shares immediately prior to the Trigger Event

**11. EXIT PROVISIONS**

- 11.1 The proceeds of a Share Sale shall be distributed in accordance with *article* 10. The Directors shall not register any transfer of Shares if the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (**Sale Proceeds**) is not distributed in that manner provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale.
- (a) the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in *article* 10.1; and
  - (b) each Shareholder shall take any reasonable action (to the extent lawful and within its control) required by the Investor Majority to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in *article* 10
- 11.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) as set out in *article* 10, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action required by an Investor Majority (including, but without prejudice to the generality of this *article* 11.2, such action as may be necessary to put the Company into voluntary liquidation so that *article* 10 applies)
- 11.3 Immediately before a Listing which is not a Qualifying Listing, the Company shall issue to each holder for the time being of Ordinary Shares and Preferred Ordinary Shares, by way of automatic capitalisation of reserves, such number of Ordinary Shares which shall result in that holder holding, when aggregated with its existing shareholding (and following every issue of Ordinary Shares and Preferred Ordinary Shares to Shareholders pursuant to this *article* 11.3), the same proportion of the total number of Equity Shares in issue as the proportion that its entitlement to the surplus assets of the Company under

*article 10* (including by way of arrears and accruals of dividend) bears to the total of the surplus assets available for distribution to the Shareholders under *article 10*

- 11 4 All Ordinary Shares, and Preferred Ordinary Shares to be issued in accordance with *article 11 3* shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and shall be credited as fully paid at par. Such a capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with *article 11 3*. If and to the extent that the Company is not lawfully permitted to carry out the capitalisation required by *article 11.3* in full (whether by virtue of the Act or otherwise), the entitlement of each holder of Equity Shares to such an issue of Ordinary Shares and Preferred Ordinary Shares shall be reduced in the same proportion that his or its holding of Ordinary Shares or Preferred Ordinary Shares (as applicable) bears to the total number of Ordinary Shares and Preferred Ordinary Shares respectively then in issue and each such holder shall be entitled to subscribe in cash at par for the balance of that number of additional Ordinary Shares or Preferred Ordinary Shares (as the case may be) as would otherwise have been issued pursuant to *article 11 3*. The Shareholders shall procure (so far as they are lawfully able) that the Directors shall have sufficient authorisations required to issue the Equity Shares which may fall to be issued under *article 11 3* or this *article 11 4*.
- 11 5 In the event of an Exit approved by the Directors (acting with Investor Consent) (**Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are reasonably required by the Directors to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this *article 11 5*:

- (a) the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit;
- (b) the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents, and
- (c) the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest).

**12. VARIATION OF CLASS RIGHTS AND INVESTOR CONSENT MATTERS**

12.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least two-thirds in nominal value of the issued Shares of that class (excluding any holder(s) of Restricted Shares).

12.2 Without prejudice to the generality of *article* 12.1, the special rights attaching to the Preferred Ordinary Shares shall be deemed to be varied by the occurrence of any of the following events

- (a) the amendment or repeal of any provision of, or addition of any provision to, the constitution of any Group Company;
- (b) the alteration in any manner (including, without limitation, by an increase, reduction, sub-division, consolidation, re-classification or a change in any of the rights attached) of any of the issued share capital or other securities of any Group Company or the creation by any Group Company of any shares or other securities (save as expressly provided otherwise in these Articles), but excluding in each case the issue of any shares or other securities on the exercise of any option, warrant or other right to acquire or subscribe for shares or other securities referred to in *article* 12.2(c);
- (c) the grant of any option other than a Share Option Scheme providing for the grant of options of not more than 15% of the entire share

capital of the Company, warrant or other right to acquire or subscribe for shares in or other securities of any Group Company;

- (d) the approval of any merger, liquidation, dissolution or acquisition of any Group Company or the sale of all or a substantial part of the business, undertaking or assets of any Group Company;
- (e) the purchase by any Group Company of any Shares,
- (f) the acquisition by any Group Company of any shares or other securities, or any option, warrant or other right to acquire or subscribe for any of the same, in any entity (whether or not incorporated),
- (g) save as expressly provided otherwise in these Articles, the application by capitalisation of any sum in or towards paying up any shares or other securities of any Group Company, or any other reduction of any amount standing from time to time to the credit of the share premium account or capital redemption reserve of any Group Company,
- (h) the entering into by any Group Company of a voluntary winding up;
- (i) the transferring of any profits to reserves (save in the ordinary course of business) and the taking of any action (excluding payment of dividends) which may reduce the amount of the profits of any Group Company available for distribution,
- (j) the redenomination of any of the issued share capital of any Group Company, and
- (k) any Group Company incurring any obligation (whether or not conditional) to do any of the foregoing

12 3 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not, except as provided in *article* 12.2, constitute a variation of the rights of those existing classes of Shares.

### 13. SHARES

#### 13 1 Preferred Shares

- a) The Preferred Shares shall:
  - a) carry no rights to speak and vote at any general meeting of the Company' and

- b) have no right to any dividend that may be declared and paid by the Company; and
  - c) have no right to any share in any surplus assets of the Company upon a liquidation (whether members voluntary, creditors voluntary or a compulsory winding-up), and on a disposal or sale of the entire share capital of the Company or upon a Listing;
  - d) be redeemable at par only;
  - e) as to part or whole be subject to conversion to Deferred Shares in the events specified in *article 13.2(1)*
- b) In the case of a redemption of the Preferred Shares pursuant to *Article 13.1(d)* at least 7 Business Days before the date of the Listing each holder of the relevant Preferred Shares redeemed or to be redeemed shall deliver the certificate(s) (or an indemnity in a form reasonably satisfactory to the Directors for any lost share certificate) for the Preferred Shares being redeemed (together with such other evidence (if any) as the Directors may reasonably require to prove good title to those Shares) to the Company at its registered office for the time being
- c) Where redemption of any Preferred Share is mandatory on the occurrence of a Listing, that redemption shall only be effective immediately before such Listing. If such Listing does not become effective, or does not take place, such right to redemption shall be deemed not to have occurred

#### 13.2 Conversion of Preferred Shares

- 1) In accordance with Article 10.3, upon any Liquidation, Share Sale, or upon a sale of the entire share capital of the Company a percentage of the Preferred Shares (the **Appropriate Percentage**) shall automatically convert to Deferred Shares each carrying the rights and liabilities attaching to them as set out in *article 13*. The Appropriate Percentage shall be calculated in accordance with *article 10.5* and such Preferred Shares as shall not be redeemed or repaid out of the Gross Amount by this

formula shall automatically convert into Deferred Shares and *article 13.5* shall apply.

### 13.3 Preferred Ordinary Shares

Each Preferred Ordinary Share shall rank *pari passu* with each Ordinary Share in all respects save that.

- (i) it shall carry the right to attend and speak at and have one vote for each Preferred Ordinary Share at any general meeting of the Company;
- (ii) it shall have the right to appoint the Investor Director as Director and at any time and from time to time remove from office in like manner any person so appointed in accordance with *article 5.3*;
- (iii) it shall carry the right to the sums described in *article 10.1(iv)*,
- (iv) subject to *article 13.3 (v)*, the following provisions will apply:-
  - (A) If at the date of the expiry of the Term the Company has achieved the Lower Target Threshold but not the Higher Target Threshold then the definition of “X” in section 10.1(i) will be substituted for the following  
 $X = 25\% (A/£3,200,000)$
  - (B) If at the date of the expiry of the Term the Company has achieved the Higher Target Threshold then the definition of “X” in section 10.1(i) will be substituted for the following  
 $X = 20\% (A/£3,200,000)$
- (v) The Preferred Ordinary Shares shall never constitute less than 5% of the Equity Shares in issue from time to time

### 13.4 The Ordinary Shares

The Ordinary Shares shall rank *pari passu* with the Preferred Ordinary Shares in all respect save that the holders shall have the right to appoint two persons to be a Director and at any time and from time to time to remove from office in like manner any person so appointed in accordance with *article 5.4*

### 13.5 Deferred Shares

- a) The holders of the Deferred Shares shall have no right to receive notice of or to attend or vote at any general meeting of the Company and no rights to participate in any dividend declared by the Company.



- b) On a return of capital, or Liquidation or otherwise, the holders of the Deferred Shares shall have the right to repayment of one pound (£1) to each registered holder of the Deferred Shares

#### **14 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

14.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution, the Directors shall not, save with Investor Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

14.2 Subject to the remaining provisions of this *article* 14, the Directors are generally and unconditionally authorised and empowered, for the purposes of section 551 and 570 of the Act, to exercise any power of the Company to.

- a) offer or allot;
- b) grant rights to subscribe for or to convert any security into, and
- c) otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time as if section 561 of the Act did not apply to the allotment and subject to any terms and conditions as the Directors think proper including but without limitation the power to convert the Shares described in *articles* 10.3, 13.2 and 13.3(a), (v) and (vi)

14.3 The authority referred to in *article* 14.2:

- a) shall be limited to a maximum nominal amount of GBP375 Preferred Shares and GBP68.57 Preferred Ordinary Shares and GBP160 of Ordinary Shares,
- b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and
- c) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired)

- 14.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company
- 14.5 Unless otherwise agreed by special resolution if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Equity Shares (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person
- 14.6 An offer made under *article 14.5* shall
- a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered,
  - b) remain open for a period of at least 20 Business Days from the date of service of the offer, and
  - c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *article 14.5* shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe
- 14.7 If, on the expiry of an offer made in accordance with *article 14.5*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement
- 14.8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *article 14.5* shall be used to satisfy any requests for Excess Securities made pursuant to *article 14.6c*). If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the

applicants in the respective proportions that the number of Equity Shares held by each such applicant bears to the total number of such Equity Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him) After those allotments, any Excess Securities shall, subject to *article 14 11*, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

14 9 If, after completion of the allotments referred to in *article 14 7* and *article 14.8*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to the holders (on the date of this offer) of the Equity Shares on a pari passu basis and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person Such offer shall be made in accordance with *article 14 6* and the provisions of *article 14.7* and *article 14 8* shall, with necessary modifications, apply to such offer

14.10 If, after completion of the allotments referred to in *article 14 7*, *article 14.8* and *article 14 9*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to *article 14.11* be offered to any other person(s) as the Directors may, with Investor Consent, determine, at the same price and on the same terms as the offer to the Shareholders

14 11 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

## **15 TRANSFERS OF SHARES: GENERAL**

15 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the

creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share

- 15.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to *article 15.5*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent
- 15.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with Investor Consent to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him
- 15.4 Any transfer of a Share by way of sale which is required to be made under *article 19*, *article 20* or *article 21* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 15.5 The Directors may (and shall, if requested by an Investor Majority), as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Investors agreeing to be bound by the terms of the Investment Agreement in such form as the Directors (acting with Investor Consent) may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this *article 15.5*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 15.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by an Investor Director, require
- a) any holder (or the legal representatives of a deceased holder), or
  - b) any person named as a transferee in a transfer lodged for registration, or

- c) such other person as the Directors or an Investor Director may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose

15.7 If any such information or evidence referred to in *article* 15.6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and , if the holder fails to remedy that situation to the reasonable satisfaction of the Directors (including an Investor Director) within 20 Business Days of receipt of such written notice, then, unless otherwise directed in writing by an Investor Majority

- a) the relevant Shares shall cease to confer on the holder of them any rights
  - i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
  - ii) to receive dividends or other distributions otherwise attaching to those Shares, or
  - iii) to participate in any future issue of Shares; and
- b) the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may (with Investor Consent) reinstate the rights referred to in *article* 15 7a) at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to *article* 15 7b).

15 8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that

- a) it does not contain a Minimum Transfer Condition, and
- b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

15.9 Any Transfer Notice (but not an Offer Notice (as defined in *article 20*) or a Drag Along Notice (as defined in *article 21*)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with Investor Consent to the contrary) automatically be revoked by the service of a Deemed Transfer Notice

## **16 PERMITTED TRANSFERS OF SHARES**

16.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee

16.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

- a) the Original Shareholder;
  - b) any Privileged Relation(s) of the Original Shareholder,
  - c) subject to *article 16.3*, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
  - d) subject to *article 16.3*, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction

16.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if an Investor Director is satisfied

- a) with the terms of the trust instrument and, in particular, with the powers of the trustee(s),
- b) with the identity of the proposed trustee(s),
- c) that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

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

16 4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 30 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to.

- a) the Original Shareholder; or
- b) a Member of the Same Group as the Original Shareholder,  
(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this *article* 16 4, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article* 16 4.

16 5 If the Original Shareholder is an Investment Fund (or nominee of such person) and a Permitted Transfer has been made, the Permitted Transferee shall, within 20 Business Days of ceasing to be a Member of the Same Fund Group as the Original Shareholder, transfer the Shares held by it to

- a) the Original Shareholder, or
- b) a Member of the Same Fund Group as the Original Shareholder,  
(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this *article* 16.5, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article* 16 5

16 6 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 5 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either

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

- b) give a Transfer Notice to the Company in accordance with *article 17*, failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 16 6*. This *article 16 6* shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares

16 7 Notwithstanding any other provision of this *article 16*, a transfer of any Shares approved by the Directors (acting with Investor Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors

#### **17 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

17 1 Except where the provisions of *article 16*, *article 20* or *article 21* apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *article 17*.

17 2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying.

- a) subject to *article 15 8b*), the number of Shares he wishes to transfer (**Sale Shares**);
- b) the name of the proposed transferee, if any,
- c) subject to *article 19.5*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
- d) subject to *article 15 8a*), whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**)

17 3 Once given, a Transfer Notice may only be withdrawn with Investor Consent where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value less than the Proposed Sale Price the Seller may, within 14 Business Days of receipt of notification of the Fair Value,



withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with Investor Consent.

17.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

17.5 As soon as practicable following the later of

a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and

b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 17.3*) offer the Sale Shares for sale in the manner set out in the remaining provisions of this *article 17* at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

17.6 If the Sale Shares are Preferred Shares, the Company shall, subject to *article 19*, offer them in the following order of priority:

a) first, to the holders of Ordinary Shares; and

b) second, to the holders of Preferred Ordinary Shares,

in each case on the basis set out in *article 17.9* to *article 17.17* (inclusive).

17.7 If the Sale Shares are Equity Shares being sold pursuant to a Deemed Transfer Notice under *article 19*, the Company shall offer them in the following order of priority:

a) first, subject to the Act, the Company,

b) second, to the holders of Ordinary Shares, and

c) third, to the holders of Preferred Ordinary Shares,

in each case on the basis set out in *article 17.9* to *article 17.17* (inclusive).

17.8 An offer of Sale Shares made in accordance with *article 17.7a*) shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive). Any Sale Shares not

allocated within that period shall be dealt with in accordance with *article 17 9* and *article 17.10*

17 9 Subject to *article 17 8*, the Directors shall offer the Sale Shares in the order of priority referred to in *article 17 6* or *article 17 7* (as appropriate) to the First Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy

17 10 If:

- a) at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all First Offer Shareholders (other than the Seller) Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Investor Consent)) No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- b) not all Sale Shares are allocated following allocations in accordance with *article 17 10a*), but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *article 17 10a*) The procedure set out in this *article 17 10b*) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied, and
- c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Shareholders in accordance

with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with *article 17.11*.

17.11 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

17.12 If

- a) at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors (acting with Investor Consent)). No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy,
- b) not all Initial Surplus Shares are allocated following allocations in accordance with *article 17.12a*), but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in *article 17.12a*). The procedure set out in this *article 17.12b*) shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied, and
- c) at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the

Directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall, subject to *article 17.13*, be offered to any other person in accordance with *article 17.17*

17.13 Where the Transfer Notice contains a Minimum Transfer Condition.

- a) any allocation made under *article 17.8* to *article 17.12* (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition, and
- b) if the total number of Sale Shares applied for under *article 17.8* to *article 17.12* (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

17.14 Where either.

- a) the Transfer Notice does not contain a Minimum Transfer Condition, or
  - b) allocations have been made in respect of all the Sale Shares,
- the Directors shall, when no further offers or allocations are required to be made under *article 17.8* to *article 17.12* (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

17.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice

17.16 If the Seller fails to comply with *article 17.15*:

- a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller)
  - i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
  - ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and
  - iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
- b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

17 17 Where a Transfer Notice lapses pursuant to *article 17.13b*) or an Allocation Notice does not relate to all the Sale Shares, then, subject to *article 17 18*, the Seller may, at any time during the 45 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Second Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this *article 17.17* shall continue to be subject to any Minimum Transfer Condition

17 18 The Seller's right to transfer Shares under *article 17 17* does not apply if the Directors reasonably consider that

- a) the transferee is a person (or a nominee for a person) whom a Special Majority reasonably determines to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;

- b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in *article 17 18b*)

## **18 VALUATION**

18.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), acting with Investor Consent, and the Seller or, in default of agreement within 20 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share

18.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions

- a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served),
- b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- c) that the Sale Shares are capable of being transferred without restriction,
- d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

- 18.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit
- 18.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose
- 18.5 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 18.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 18.7 The Independent Expert shall be requested to determine the Fair Value within 60 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller
- 18.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless
- a) the Seller withdraws the relevant Transfer Notice in accordance with *article 17 3*; or
  - b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,
- in which case the Seller shall bear the cost

## **19 COMPULSORY TRANSFERS**

- 19.1 A person entitled to a Preferred Ordinary Share in consequence of the bankruptcy of an Investor (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Preferred Ordinary Share at such time as the Directors (acting with Investor Consent) may determine.
- 19.2 If an Investor which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Preferred Ordinary Shares held by it at such time as the Directors (acting with Investor Consent) may determine
- 19.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Preferred Ordinary Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Preferred Ordinary Shares registered in its name (or the name of its nominee(s)) save that, where that Investor acquired Preferred Ordinary Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice.
- 19.4 If an Employee Shareholder becomes a Departing Employee Shareholder a Transfer Notice shall, unless the Directors (with Investor Consent) otherwise direct in writing in respect of any particular Relevant Shares prior to or within 120 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of



any of such Relevant Shares before the date such Employee Shareholder becomes a Departing Employee Shareholder shall automatically lapse

19.5 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee Shareholder is:

- a) a Bad Leaver or an Early Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares; and
- b) a Good Leaver, be the aggregate Fair Value of such Sale Shares

19.6 Forthwith upon a Transfer Notice being deemed to be served under *article* 19.4 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights.

- a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
- b) to receive dividends or other distributions otherwise attaching to those Shares,
- c) to participate in any future issue of Shares issued in respect of those Shares.

The Directors may reinstate the rights referred to in *article* 19.6 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article* 19 on completion of a transfer made pursuant to *article* 19.4

## **20 MANDATORY OFFER ON CHANGE OF CONTROL**

20.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to *article* 16 or *article* 19, but after the operation of the pre-emption procedure set out in *article* 17), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this *article* 20 shall apply

20.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder on the date of the Offer other than any holder(s) of Restricted Shares, to buy all of the Equity Shares held by such Shareholders on the date of the Offer for a consideration in cash per Equity Share (the **Offer Price**) which is equal to the highest price per Equity Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Equity Shares in connection with the Proposed Transfer or any transaction in the 6 calendar months preceding the date of completion of the Proposed Transfer.

20.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Shareholder on the date of the Offer at least 30 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**) The Offer Notice shall specify:

- a) the identity of the Buyer (and any person(s) acting in concert with the Buyer),
- b) the Offer Price and any other terms and conditions of the Offer,
- c) the Sale Date, and
- d) the number of Equity Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

20.4 The completion of the Proposed Transfer shall be conditional in all respects on:

- a) the making of an Offer in accordance with this *article 20*; and
- b) the completion of the transfer of any Equity Shares by any Shareholder (each an **Accepting Shareholder**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this *article 20.4*

20.5 The Proposed Transfer is, but the purchase of Shares from Accepting Shareholders pursuant to an Offer made under this *article 20* shall not be, subject to the pre-emption provisions of *article 17*.

## **21 DRAG ALONG**

- 21.1 If a Special Majority (the **Selling Shareholders**) wish to transfer all of their interest in Equity Shares (**Sellers' Shares**) to a bona fide arm's-length purchaser (**Proposed Buyer**) at any time after the expiry of 3 years from the date of incorporation of the Company, the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Equity Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Equity Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this *article 21*
- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify
- a) that the Called Shareholders are required to transfer all their Equity Shares (**Called Shares**) pursuant to this *article 21*;
  - b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),
  - c) the consideration payable for the Called Shares calculated in accordance with *article 21.4*;
  - d) the proposed date of completion of transfer of the Called Shares
- 21.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed

Buyer were distributed to the holders of the Called Shares and the Sellers' Shares pro rata to their respective holdings of Equity Shares at completion.

- 21.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *article* 21.
- 21.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - b) that date is less than 28 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 28 Business Days after the date of service of the Drag Along Notice
- 21.7 Within 20 Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 20 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to *article* 21.4 to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to *article* 21.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *article* 21.4 in trust for the Called Shareholders without any obligation to pay interest.
- 21.8 To the extent that the Proposed Buyer has not, on the expiration of the 20 Business Day period, put the Company in funds to pay the amounts due pursuant to *article* 21.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for

the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this *article* 21.2 in respect of their Equity Shares.

21.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this *article* 21.

21.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Equity Shares, whether or not pursuant to a Share Option Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Equity Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this *article* 21 shall apply *mutatis mutandis* to the New Shareholder, save that completion of the sale of such Equity Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares

21.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of *article* 17

- 21.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice

## **DECISION-MAKING BY SHAREHOLDERS**

### **22 GENERAL MEETINGS**

- 22.1 No business other than, subject to *article 22.2*, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on
- 22.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting

### **23 VOTING**

- 23.1 Subject to any other provisions in these Articles and *article 23.2* concerning voting rights, each Equity Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company
- 23.2 Each Ordinary Share shall confer one vote and each Preferred Ordinary Share shall confer one vote at all general meetings of the Company
- 23.3 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 23.4 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article

23 5 Model article 45(1) shall be amended by:

- a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate", and
- b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

## **24 LIEN, CALLS ON SHARES AND FORFEITURE**

24.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

24 2 The provisions of articles 52(2) and (3), 55, 56(2), 57(2), (3) and (4), 59, 60(1), (2) as set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) shall apply to the Company, save that each reference in those articles to a "member" or "members" shall be deemed to be references to a "Shareholder" or "Shareholders" (as the case may be)

### **24 3 Enforcement of the Company's Lien**

- a) Subject to the provisions of this *article* 24.3, if
  - i) a Lien Enforcement Notice has been given in respect of a Share, and
  - ii) the person to whom the notice was given has failed to comply with it,the Company may sell that Share in such manner as the Directors decide.

- b) A Lien Enforcement Notice:
  - i) may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - ii) must specify the Share concerned;
  - iii) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
  - iv) must be addressed either to the holder of the Share or to a transmittee of that holder; and
  - v) must state the Company's intention to sell the Share if the notice is not complied with
- c) Where Shares are sold under this *article* 24.3.
  - i) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
  - ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- d) The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
  - i) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
  - ii) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice
- e) A statutory declaration by a Director that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date



- i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- ii) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

#### 24.4 Call notices

- a) Subject to the Articles and the terms on which Shares are allotted, the Directors may send a notice (a **Call Notice**) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a **Call**) which is payable to the Company at the date when the Directors decide to send the Call Notice.
- b) A Call Notice:
  - i) may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;
  - ii) must state when and how any Call to which it relates is to be paid, and
  - iii) may permit or require the Call to be made in instalments
- c) A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.
- d) Before the Company has received any Call due under a Call Notice the Directors may
  - i) revoke it wholly or in part; or
  - ii) specify a later time for payment than is specified in the notice, by a further notice in writing to the Shareholder in respect of whose Shares the Call is made
- e) A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share
  - i) on allotment,
  - ii) on the occurrence of a particular event; or
  - iii) on a date fixed by or in accordance with the terms of issue

## **24.5 Forfeiture**

- a) If a person is liable to pay a Call and fails to do so by the Call payment date
  - i) the Directors may issue a notice of intended forfeiture to that person, and
  - ii) until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate
- b) A notice of intended forfeiture
  - i) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice,
  - ii) must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
  - iii) must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
  - iv) must state how the payment is to be made, and
  - v) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.
- c) At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit

## **ADMINISTRATIVE ARRANGEMENTS**

### **25 NOTICES**

- 25.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- a) 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 or five Business Days after posting either to an address outside the United

Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- d) 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* 25 1, no account shall be taken of any part of a day that is not a working day

25 2 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

## **26 INDEMNITY AND INSURANCE**

26 1 Subject to *article* 26.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- a) 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
  - i) in the actual or purported execution and/or discharge of his duties, or in relation thereto , and
  - ii) in relation to the Company's (or other Group Company's) activities 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 Company's (or other Group Company's) affairs, and

- b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in *article 26 1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

26.2 This *article 26* does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

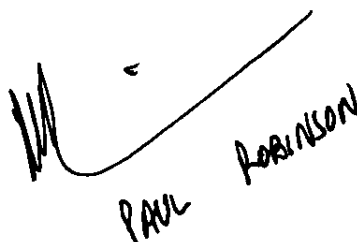
26.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

26.4 In this *article 26*:

- a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company), and
- b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company (including any company with is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by a 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 DATA PROTECTION

- 27.1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a **Recipient**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 27.2 The personal data that may be processed for such purposes under this *article 27* shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- a) a Member of the Same Group as the Recipient (each a **Recipient Group Company**),
  - b) employees, directors and professional advisers of that Recipient or any Recipient Group Company, and
  - c) funds managed by any of the Recipient Group Companies
- 27.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.



PAUL ROBINSON