

Company number: 06812163

COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of NY FOLD LIMITED ("Company")

Circulation date *June 6,*

2017 (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (Act), the directors of the Company propose that the resolutions numbered 2 and 3 are passed as ordinary resolutions and that the resolution numbered 1 is passed as a special resolution.

#### SPECIAL RESOLUTIONS

1. THAT the draft regulations attached to these written resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

#### ORDINARY RESOLUTIONS

2. THAT, the 100,000 C Preference Shares of USD\$2.5 each (which have been treated as having a value of GBPE1.00 each) be sub-divided into 10,000,000 C Preference Shares of £0.01 each.
3. THAT, the 10,000,000 C Preference Shares of £0.01 each created by virtue of the ordinary resolution set out in paragraph 2 be re-designated as 10,000,000 Ordinary B Shares of £0.01 each in the capital of the Company having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 1.

#### AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the resolutions set out in it (Resolutions).

The undersigned, being entitled to vote on the Resolutions on the Circulation Date hereby irrevocably agrees to the Resolutions.

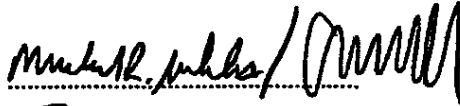
Signed by Michael Wheeler (as the holder of  
3,000 Ordinary A Shares)

Date

*Michael R. Wheeler*  
*June 6, 2017*




Signed on behalf of Michael Wheeler and  
Annabel Wheeler as the holder of 3,000  
Ordinary A Shares)

  
June 6, 2017

Date

Signed by Michael Mamed (as the holder  
of 585 Ordinary A Shares, 533 Ordinary B  
Shares and 13,333 C Preference Shares)

  
6/28/2017

Date

Signed by Bill Dial (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

.....  
Date .....

Date

Signed by Donald Fewer (as the holder of  
1,324 Ordinary B Shares and 33,094 C  
Preference Shares)

.....  
Date .....

Date

Signed by Mark Krause (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

.....  
Date .....

Date

Signed by Robin Cowen (as the holder of  
454 Ordinary B Shares and 11,334 C  
Preference Shares)

.....  
Date .....

Date

Signed by John Puckhaber (as the holder of  
823 Ordinary B Shares and 15,573 C  
Preference Shares)

.....  
Date .....

Date

Signed on behalf of Michael Wheeler and  
Annabel Wheeler as the holder of 3,000  
Ordinary A Shares)

*Michael Wheeler / Annabel Wheeler*

Date

*June 6, 2017*

Signed by Michael Malamed (as the holder  
of 585 Ordinary A Shares, 533 Ordinary B  
Shares and 13,333 C Preference Shares)

.....

Date

.....

Signed by Bill Dial (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

*William Dial MCA*  
*Bill Dial*  
*6/29/17*

Date

.....

Signed by Donald Fewer (as the holder of  
1,324 Ordinary B Shares and 33,094 C  
Preference Shares)

.....

Date

.....

Signed by Mark Krause (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

.....

Date

.....

Signed by Robin Cowen (as the holder of  
454 Ordinary B Shares and 11,334 C  
Preference Shares)

.....

Date

.....

Signed by John Puckhaber (as the holder of  
623 Ordinary B Shares and 15,573 C  
Preference Shares)

.....

Date

.....

Signed on behalf of Michael Wheeler and  
Annabel Wheeler as the holder of 3,000  
Ordinary A Shares)

Date

*Michael Wheeler / Annabel Wheeler*  
June 6, 2017

Signed by Michael Mohamed (as the holder  
of 595 Ordinary A Shares, 533 Ordinary B  
Shares and 13,333 C Preference Shares)

Date

Signed by Bill Dial (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

Date

Signed by Donald Fower (as the holder of  
1,324 Ordinary B Shares and 33,664 C  
Preference Shares)

Date

*Donald Fower*  
JUNE 26, 2017

Signed by [illegible] (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

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Signed on behalf of Michael Wheeler and  
Annabel Wheeler as the holder of 3,000  
Ordinary A Shares)

Date

*Michael Wheeler/Annabel Wheeler*  
June 6, 2017

Signed by Michael Mahmoud (as the holder  
of 585 Ordinary A Shares, 533 Ordinary B  
Shares and 13,333 C Preference Shares)

Date

Signed by Bill Dial (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

Date

Signed by Donald Fewer (as the holder of  
1,324 Ordinary B Shares and 33,094 C  
Preference Shares)

Date

Signed by Mark Krause (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

Date

*Mark Krause*  
June 27, 2017

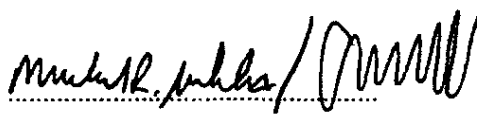
Signed by Robin Cowen (as the holder of  
454 Ordinary B Shares and 11,334 C  
Preference Shares)

Date

Signed by John Puchhaber (as the holder of  
623 Ordinary B Shares and 15,571 C  
Preference Shares)

Date

Signed on behalf of Michael Wheeler and  
Annabel Wheeler as the holder of 3,000  
Ordinary A Shares)



Date

June 6, 2017

Signed by Michael Malamed (as the holder  
of 585 Ordinary A Shares, 533 Ordinary B  
Shares and 13,333 C Preference Shares)

Date

Signed by Bill Dial (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

Date

Signed by Donald Fewer (as the holder of  
1,324 Ordinary B Shares and 33,094 C  
Preference Shares)

Date

Signed by Mark Krause (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

Date

Signed by Robin Cowen (as the holder of  
454 Ordinary B Shares and 11,334 C  
Preference Shares)



Date

3rd July 2017

Signed by John Puckhaber (as the holder of  
623 Ordinary B Shares and 15,573 C  
Preference Shares)

Date

Signed on behalf of Michael Wheeler and  
Armedel Wheeler as the holder of 3,000  
Ordinary A Shares)

*Michael Wheeler / Armedel Wheeler*

June 6, 2017

Date

Signed by Michael Mohamed (as the holder  
of 506 Ordinary A Shares, 533 Ordinary B  
Shares and 13,333 C Preference Shares)

Date

Signed by Bill Dial (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

Date

Signed by Donald Fawer (as the holder of  
1,324 Ordinary B Shares and 33,004 C  
Preference Shares)

Date

Signed by Mark Krume (as the holder of 533  
Ordinary B Shares and 13,333 C Preference  
Shares)

Date

Signed by Robin Cowen (as the holder of  
454 Ordinary B Shares and 11,334 C  
Preference Shares)

Date

Signed by John Puchhaber (as the holder of  
623 Ordinary B Shares and 16,673 C  
Preference Shares)

*John Puchhaber*  
June 30, 2017

Date

## **NOTES**

1. You can choose to agree to all of the Resolutions or none of them, but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning to the Company using one of the following methods:

**By hand:** delivering the signed copy to Quastel Midgen LLP, 74 Wimpole Street, London, W1G 9RR (Ref: JAS/0074650002).

**Post:** returning the signed copy by post to Quastel Midgen LLP, 74 Wimpole Street, London, W1G 9RR (Ref: JAS/0074650002).

**E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [jgreenberg@quastels.com](mailto:jgreenberg@quastels.com).

You may not indicate your agreement to the Resolutions by any other method.

If you do not agree to all of the Resolutions, 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 the Resolutions, you may not revoke your agreement.

3. Unless, by the date falling 28 days after the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.

4. 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.



THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

NY FOLD LIMITED

(Adopted by special resolution passed on 3 JULY 2017)

## INTRODUCTION

### 1. Interpretation

#### 1.1. The following definitions and rules of interpretation apply in these Articles

**A Shares:** the A ordinary shares of £0.01 each in the capital of the Company,

**A Share Entitlement:** an amount equal to 60% of the Exit Proceeds,

**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,

**Asset Sale:** means the disposal by the Company of assets (whether together with associated liabilities or otherwise and as part of an undertaking or otherwise) which represent 50% or more (by book value) of the gross tangible assets of the Company at that time,

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

**B Shares:** the B ordinary shares of £0.01 each in the capital of the Company,

**B Share Entitlement:** an amount equal to 40% of the Exit Proceeds

**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,

**Chairman:** the chairman of the board of Directors as appointed by the Directors from time to time,

**Company:** means NY Fold Limited (company number 08812163),

**Company's Lien:** has the meaning given to it in article 22.1,

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

**Controlling Interest:** an interest in Shares conferring on the holder or holder's 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,

**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,

**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),

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

**Exit Proceeds:** the Exit Value minus all Company costs, fees and expenses associated with such Exit,

**Exit Value:** the gross proceeds (or a bona fide valuation of the likely proceeds as estimated by the Independent Expert) of an Exit, taking into account any non-cash consideration by converting the same into a cash equivalent value,

**Fair Value:** has the meaning given in article 17.2,

**Family Trust:** as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or whosoever 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 Year,** an accounting reference period (as defined in section 391 of the Act) of the Company,

**Good Leaver:** a Leaver who becomes a Leaver

(a) by reason of

- i) death,
- ii) permanent disability or permanent incapacity through ill-health,
- iii) retirement at normal retirement age, or
- iv) dismissal by the 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, or

- (b) on or after the second anniversary of the Prior Adoption Date,

**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 appointed by Directors (in each case acting as an expert and not as an arbitrator),

**Leaver:** an individual who is, or has been, a statutory director and/or an employee of, or who does provide or has provided consultancy services to, the Company who ceases to be a director or employee of, or consultant to, the Company,

**Lien Enforcement Notice:** means a notice in writing which complies with the requirements of article 23.2,

**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 Financial Conduct 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),

**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,

**Original Shareholder:** has the meaning given in article 15.1,

**Other Leaver:** a Leaver who becomes a Leaver prior to the second anniversary of the Prior Adoption Date and is not a Good Leaver,

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

**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, and
- (b) a Shareholder which is a company, a member of the same group of companies as that company,

**Pre-emption Shareholders:** in respect of

- (a) an offer of A Shares, the holders of A Shares, and
- (b) an offer of B Shares, the holders of B Shares,

**Prior Adoption Date:** means 1 December 2014

**Privileged Relation:** in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) 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),

**Proposed Exit:** an Exit approved by the Directors,

**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 any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles,

**Relevant Shares:** in relation to a Leaver means all Shares held by

- (a) the Leaver in question, and
- (b) any Permitted Transferee of that Leaver,

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,

**Sale Shares:** has the meaning given in article 16.2 (a)

**Seller:** has the meaning given in article 16.2,

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

**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 identities of the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale,

**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,

**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 a Leaver dies, the date of his death,
- (d) where the Leaver concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the Company

is terminated, or

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

**Transfer Notice:** has the meaning given in article 16.2,

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

**Writing or written:** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2. Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3. Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5. 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).
- 1.6. A reference in these Articles to
  - 1.6.1. an **Article** is a reference to the relevant numbered article of these Articles, and
  - 1.6.2. a **model article** is a reference to the relevant article, unless expressly provided otherwise.
- 1.7. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8. Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9. A reference in these Articles to a holder, or the holder(s), of Shares or any class of Shares as the case may be shall, in each case, be deemed to exclude any member holding Shares in treasury.

1.10. A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of

1.10.1. another person (or its nominee), by way of security or in connection with the taking of security, or

1.10.2. its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership, and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

## 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 22) 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), 11(2) and (3), 12, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 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 3 but shall not be less than one.

### 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 14 weeks between any two meetings. Any Director may call a meeting of the Directors At least 5 Business Days' advance notice of each such meeting shall be given to each Director unless all the Directors agree to 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. 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 Directors determine.
- 4.7. For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a Conflict (as defined in article 7.1), 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. 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 not have a second or casting vote.*
- 4.9. 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.
- 4.10. The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.
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 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

5.2.1. *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, and*

5.2.2. *a majority of the other Directors resolve that he cease to be a Director.*

6. Transactions or other arrangements with the Company

6.1. 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 Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

6.1.1. *may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,*

6.1.2. *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,*

6.1.3. *shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,*

6.1.4. *may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,*

6.1.5. *may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and*

6.1.6. *shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) 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.*

7. Directors' conflicts

7.1. The Directors may, in accordance with the requirements set out in this article 7, 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**).

7.2. Any authorisation under this article 7 will be effective only if:

- 7.2.1. the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,
- 7.2.2. any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- 7.2.3. the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

7.3. Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):

- 7.3.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- 7.3.2. provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
- 7.3.3. 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,
- 7.3.4. impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
- 7.3.5. provide that, where the Interested Director obtains, or has obtained (through *his involvement in the Conflict and otherwise than through his position as a Director of the Company*) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- 7.3.6. permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

7.4. 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.

- 7.5. 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.
- 7.6. 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 7.1 shall be necessary in respect of any such interest.
- 7.7. 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

### 8. Shares

- 8.1. The issued share capital of the Company at the Adoption Date is £771,455.86, divided into:
- 8.1.1. 27,006,585 A Shares; and
- 8.1.2. 50,139,001 B shares.
- 8.2. Unless the context requires otherwise, references in these Articles to Shares of a particular class shall include Shares created and/or issued after the Adoption Date and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of that relevant class then in issue.

### 9. Dividends

- 9.1. In 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 that the Company determines to distribute shall be distributed among the holders of the A Shares and B Shares in such proportions so that the holders of the A Shares shall in aggregate be entitled to 60% of any such dividend and the holders of the B Shares shall in aggregate be entitled to 40% of any such dividend.
- 9.3. Subject to the Act and to these Articles, the Board may pay interim dividends if the Available Profits for the relevant period justify such payment.

- 9.4. Each dividend shall be distributed to the appropriate shareholders pro rata according to the number of shares held by them respectively in respect of their relevant class and shall accrue daily (assuming a 365-day year). All dividends are expressed net and shall be paid in cash.

10. Liquidation

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in distributing the assets among the holders of the A Shares and B Shares pro rata to the number of A and B Shares held, as if they constituted shares of the same class.

11. Exit provisions

11.1. The Exit Proceeds shall be distributed in the following manner:

11.1.1. the holders of A Shares shall be paid an amount equal to the A Share Entitlement distributed between the holders of A Shares pro rata to the number of A Shares held, and

11.1.2. the holders of B Shares shall be paid an amount equal to the B Share Entitlement distributed between the holders of B Shares pro rata to the number of B Shares held.

11.2. The Directors shall not register any transfer of Shares pursuant to a Share Sale if the Exit Proceeds are not distributed in the manner set out in article 11.1 provided that, if the Exit Proceeds are not settled in their entirety upon completion of the Share Sale:

11.2.1. 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 set out in article 11.1, and

11.2.2. each Shareholder shall take any reasonable action (to the extent lawful and within its control) to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 11.1.

11.3. 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) in the order of priority set out in article 11.1, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of article 11.1, each Shareholder shall (to the extent lawful) take all reasonable action required by the Directors to put the Company into voluntary liquidation so that article 10 applies.

11.4. In the event of a 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 required by the Directors to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this article 11.4:

- 11.4.1. the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit,
- 11.4.2. 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
- 11.4.3. 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

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 75% in nominal value of the issued Shares of that class.

## 13. Pre-emption rights on the issue of further shares

- 13.1. Save to the extent authorised by these Articles, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.
- 13.2. Subject to the remaining provisions of this article 13, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- 13.2.1. offer or allot,
- 13.2.2. grant rights to subscribe for or to convert any security into, and
- 13.2.3. 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 and subject to any terms and conditions as the Directors think proper.

### 13.3. The authority referred to in article 13.2:

- 13.3.1 shall only apply insofar as the Company has not, subject to these Articles,

renewed, waived or revoked it by ordinary resolution, and

- 13.3.2. may only be exercised for a period of five years from the Prior 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).
- 13.4. 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.
- 13.5. 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 Pre-emption Shareholders (on the date of the offer) of the Shares (each an **Offeree**) and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders in the relevant Share class (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.
- 13.6. An offer made under article 13.5 shall:
  - 13.6.1. be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered,
  - 13.6.2. remain open for a period of at least 10 Business Days from the date of service of the offer, and
  - 13.6.3. 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 13.5 shall, in his acceptance, state the number of excess Relevant Securities (Excess Securities) for which he wishes to subscribe.
- 13.7. If, on the expiry of an offer made in accordance with article 13.5, 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.
- 13.8. Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 13.5 shall be used to satisfy any requests for Excess Securities made pursuant to article 13.6.3. 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 Shares held by each such applicant bears to the total number of such 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).

13.9. If, after completion of the allotments referred to in article 13.7 and article 13.8 not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall 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. Transfers of shares: general

14.1. 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.

14.2. 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. The Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

14.3. If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

14.4. Any transfer of a Share by way of sale which is required to be made under article 18 or article 19 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

14.5. To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:

14.5.1. any holder (or the legal representatives of a deceased holder), or

14.5.2. any person named as a transferee in a transfer lodged for registration, or

14.5.3. such other person as the Directors may reasonably believe to have information relevant to that purpose,

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

14.6. If any such information or evidence referred to in article 14.5 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors) within 10 Business Days of receipt of such written notice, then:

14.6.1. the relevant Shares shall cease to confer on the holder of them any rights:

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

The Directors may reinstate the rights referred to in article 14.6.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 14.6.2 on completion of such transfer.

- 14.7. 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 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).
- 14.8. Any Transfer Notice (but not an Drag Along Notice (as defined in article 19)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

## 15. Permitted transfers of shares

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

without any price or other restriction.

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

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

15.3.2. *with the identity of the proposed trustee(s),*

15.3.3. *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*

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

15.4. *If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 20 Business Days of ceasing to be a member of the same group of companies as the Original Shareholder, transfer the Shares held by it to:*

15.4.1. *the Original Shareholder, or*

15.4.2. *a member of the same group of companies 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 15.4, 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 15.4.*

15.5. *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 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:*

15.5.1. *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*

15.5.2. *give a Transfer Notice to the Company in accordance with article 16,*

*failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this article 15.5.*

15.6. Notwithstanding any other provision of this article 15, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer



shall be registered by the Directors.

16. Pre-emption rights on the transfer of shares

16.1. Except where the provisions of article 15 or article 19 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 16.

16.2. 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:

16.2.1. *subject to article 14.7, the number of Shares he wishes to transfer (Sale Shares),*

16.2.2. *the name of the proposed transferee, if any, and*

16.2.3. *subject to article 18.6, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the Proposed Sale Price).*

16.3. 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.

16.4. As soon as practicable following the later of:

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

16.4.2. *the determination of the Transfer Price,*

*the Directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 16 at the Transfer Price Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.*

16.5. The Directors shall offer the Sale Shares to the Pre-emption Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Offer Period**) for *the maximum number of Sale Shares they wish to buy.*

16.6. If:

16.6.1. *at the end of the 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 Pre-emption 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 Pre-emption 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). 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,

- 16.6.2. not all Sale Shares are allocated following allocations in accordance with article 16.6.1, 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 16.6.1. The procedure set out in this article 16.6.2 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
  - 16.6.3. at the end of the 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 Pre-emption Shareholders in accordance with their applications. The balance (the Surplus Shares) shall be dealt with in accordance with article 16.10.
- 16.7. Where 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 16.5, 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 10 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice).
- 16.8. 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.
- 16.9. If the Seller fails to comply with article 16.8:
- 16.9.1. the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent on behalf of the Seller:
    - 16.9.1.1. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
    - 16.9.1.2. 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
    - 16.9.1.3. (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

- 16.9.2. 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.
- 16.10. Where an Allocation Notice does not relate to all the Sale Shares, then, subject to article 16.11, the Seller may, at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the remaining Sale Shares to any person at a price at least equal to the Transfer Price.
- 16.11. The Seller's right to transfer Shares under article 16.10 does not apply if the Directors *reasonably consider that*:
- 16.11.1. *the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor of the business of the Company,*
- 16.11.2. *the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or*
- 16.11.3. *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 16.11.2.*

## 17. Valuation

- 17.1. 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 and the Seller or, in default of agreement within 5 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.
- 17.2. The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 17.2.1. *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),*
- 17.2.2. *if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,*
- 17.2.3. *that the Sale Shares are capable of being transferred without restriction,*

- 17.2.4. 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
- 17.2.5. reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 17.3. 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.
- 17.4. 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.
- 17.5. The parties 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.
- 17.6. 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).
- 17.7. The Independent Expert shall be requested to determine the Fair Value within 20 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.
- 17.8. The cost of obtaining the Independent Expert's certificate shall be borne by the parties in such other proportions as the Independent Expert directs unless 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.
- 18. Compulsory transfers
  - 18.1. A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine.
  - 18.2. If a Shareholder 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 Shares held by it at such time as the Directors may determine.

- 18.3. If there is a change in control (as control is defined in section 840 of the Income and Corporation Taxes Act 1988 (ICTA)) of any Shareholder that is a company, that Shareholder shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving of, in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names. However, in the case of the Permitted Transferee, 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 before being required to serve a Transfer Notice.
- 18.4. If a Shareholder acts in a manner which causes material loss to the Company or acts fraudulently in his dealings with the Company, he shall be deemed to have given a Transfer Notice in respect of all his Shares at such time as the Directors may determine and the Transfer Price for such Shares shall be the par value of such Shares.
- 18.5. A Leaver shall be deemed to have served a Deemed Transfer Notice on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the relevant Termination Date shall automatically lapse.
- 18.6. Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Transfer shall, where the Leaver is
- 18.6.1. an Other Leaver, be restricted to a maximum of £1 for such percentage of the Leaver's Relevant Shares as are set out in column (2) below and be the aggregate Fair Value for such percentage of the Leaver's Relevant Shares as are set out in column (3) below:

(1) Termination Date	(2) Unvested % of Relevant Shares	(3) Vested % of Relevant Shares
On or before the date which falls 6 months after the Prior Adoption Date	100%	0%
On or before the first anniversary of the Prior Adoption Date	75%	25%
On or before the date which falls 18 months after the Prior Adoption Date	50%	50%
On or before the second anniversary of the Prior Adoption	25%	75%

and

- 18.6.2. a Good Leaver, be the aggregate Fair Value of such Sale Shares.
- 18.7. Forthwith upon a Transfer Notice being deemed to be served under article 18 the

Relevant Shares (**Restricted Shares**) shall cease to confer on the holder of them any rights:

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

The Directors may reinstate the rights referred to in article 18.7 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 18 on completion of such transfer.

## 19. Drag along

- 19.1. If the holders of 60% by nominal value of the A and B Shares (provided that the nominal value of all the A Shares shall be deemed to constitute 60% of the total nominal value of all A and B Shares in issue), in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request, if any (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 19.
- 19.2. 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:
  - 19.2.1. that the Called Shareholders are required to transfer all their Shares (Called Shares) pursuant to this article 19,
  - 19.2.2. the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),
  - 19.2.3. the consideration payable for the Called Shares calculated in accordance with article 19.4,
  - 19.2.4. the proposed date of completion of transfer of the Called Shares.
- 19.3. 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 60 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.

- 19.4. 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 in accordance with the provisions of article 11.1.
- 19.5. No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 19.
- 19.6. 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 all of the Called Shareholders and the Selling Shareholders otherwise agree.
- 19.7. Within 90 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 90 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 19.4 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 19.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 19.4 in trust for the Called Shareholders without any obligation to pay interest.
- 19.8. To the extent that the Proposed Buyer has not, on the expiration of the 90 Business Day period, put the Company in funds to pay the amounts due pursuant to article 19.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this article 19 in respect of their Shares.
- 19.9. 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 20.

- 19.10. 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, Shares, whether or not pursuant to the 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 Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 19 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such 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. References in this Article 22.1 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.
- 19.11. 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 16.
- 19.12. 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

### 20. General meetings

- 20.1. No business other than, subject to article 20.2, 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.
- 20.2. 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.

### 21. Voting

- 21.1. Each A and B 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. As a class of Share, the A Shares shall at all times carry 60% of the voting rights in the Company whether in respect of a poll vote or otherwise, such percentage voting right to be divided pro rata among the Shareholders of such class in accordance with the number of A Shares held by each such Shareholder and, as a class of Share, the B Shares shall at all times



carry 40% of the voting rights in the Company whether in respect of a poll vote or otherwise, such percentage voting right to be divided pro rata among the Shareholders of such class in accordance with the number of B Shares held by each such Shareholder.

21.2. 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.

21.3. Model article 45(1) shall be amended by:

21.3.1. 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

21.3.2. 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.

## 22. Company's Lien over Shares

22.1. 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.

22.2. The Company's Lien over a share:

22.2.1. takes priority over any third party's interest in that Share, and

22.2.2. extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

22.3. The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part .

## 23. Enforcement of the Company's Lien

23.1. Subject to the provisions of this article 23, if:

23.1.1. a Lien Enforcement Notice has been given in respect of a Share, and

23.1.2. 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.

23.2. A Lien Enforcement Notice:

23.2.1. may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed,

23.2.2. must specify the Share concerned,

23.2.3. 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),

23.2.4. must be addressed either to the holder of the Share or to a transmittee of that holder, and

23.2.5. must state the Company's intention to sell the Share if the notice is not complied with.

23.3. Where Shares are sold under this article 23:

23.3.1. 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

23.3.2. 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.

23.4. The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

23.4.1. 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

23.4.2. 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.

23.5. A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the

- 24.2.1. if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address, or
  - 24.2.2. if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number, or
  - 24.2.3. if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or
  - 24.2.4. if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 24.3. In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act

25. Indemnity and insurance

- 25.1. Subject to article 25.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- 25.1.1. each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs, and
- 25.1.2. the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

- 25.2. This article 25 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

- 25.3. 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.

- 25.4. In this article 25:

- 25.4.1. **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 any pension fund or employees' share scheme of the Company, and

25.4.2. **Relevant Officer** means any director or other officer or former director or other officer of the Company, but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

## 26. Data protection

26.1. 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.

26.2. The personal data that may be processed for such purposes under this article 26 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:

26.2.1. a member of the same group of companies as the Recipient (each a Recipient Group Company),

26.2.2. employees, directors and professional advisers of that Recipient or any Recipient Group Company, and

26.2.3. funds managed by any of the Recipient Group Companies.

26.3. 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.