

**Liverpool Chirochem Limited ("Company")**

**(Company Number: 08900140)**

---

**Resolutions passed at a General Meeting**

---

The following resolutions were passed at a General Meeting on Tuesday 27 February 2018 at 11am at Liverpool Chirochem Limited, Department of Chemistry, Crown Street, Liverpool, L69 7ZD.

Resolution 1, 2 and 3 were passed as an ordinary resolutions of the Company and resolutions 4 and 5 were passed as special resolutions of the Company:

**1. ORDINARY RESOLUTION - AUTHORITY TO ALLOT**

THAT in accordance with section 551 of the Companies Act 2006 ("Act"), the directors of the Company ("**Directors**") be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £5,534.034 in respect of the allotment and issue of up to 5,534,034 ordinary shares of £0.001 each in the capital of the Company at a price per share of not less than £0.1807, each having the respective rights and subject to the respective restrictions set out in the articles of association provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the day before the fifth anniversary of the passing of this Resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

**2. ORDINARY RESOLUTION – DIRECTORS' CONFLICTS**

THAT for the purposes of section 175 of the Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of duty of a director under that section to avoid a situation in which he has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company.

**3. ORDINARY RESOLUTION - AUTHORITY TO ALLOT FURTHER SHARES**

FRIDAY



\*A759JUNJ\*  
A07 04/05/2018 #327  
COMPANIES HOUSE

THAT in accordance with section 551 of the Act, the Directors be generally and unconditionally authorised to allot shares in the Company or grant Rights up to an aggregate nominal amount of £27,670.00 respect of the allotment and issue of up to 27,670,000 ordinary shares of £0.001 each in the capital of the Company, each having the respective rights and subject to the respective restrictions set out in the articles of association provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the day before the fifth anniversary of the passing of this Resolution save that the Company may, before such expiry, make an Notice of general meeting offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

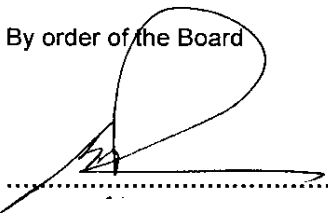
**4. SPECIAL RESOLUTION – ADOPTION OF NEW ARTICLES**

THAT the new articles of association in the form attached hereto ("**New Articles**") and, for identification purposes only, initialled on the front page by any director, be hereby adopted in substitution for and to the exclusion of all other articles of association of the Company.

**5. SPECIAL RESOLUTION - DIS-APPLICATION OF PRE-EMPTION RIGHTS**

THAT any pre-emption rights, whether contained in the articles of association dated 20 February 2015, the articles of association to be adopted pursuant to Special Resolution (4) or otherwise, be hereby waived and dis-applied in respect of the allotment of shares referred to in Resolution 1.

By order of the Board

A handwritten signature in black ink, consisting of a large loop and a horizontal stroke, positioned above a dotted line.

Director

Date: 27 February 2018

**THE COMPANIES ACT 2006**

---

**PRIVATE COMPANY LIMITED BY SHARES**

---

**ARTICLES OF ASSOCIATION OF**

**LIVERPOOL CHIROCHEM LIMITED**

## Contents

Clause	Page
1. Definitions and Interpretation .....	1
2. Liability of the members .....	8
3. Share Capital .....	8
4. Return of Capital .....	10
5. Dividends .....	10
6. Class Rights .....	10
7. Lien, Calls on Shares and Forfeiture .....	11
8. Transfer of Shares - Transfer Procedure .....	17
9. Permitted Transfers .....	18
10. Pre-emption rights on the transfer of shares .....	20
11. Valuation .....	23
12. Compulsory Transfers .....	24
13. Transfer of Shares – Drag Along .....	27
14. Tag Along .....	29
15. General Meetings .....	30
16. Notice of General Meetings .....	30
17. Proceedings at General Meetings .....	30
18. Votes of Members .....	32
19. Alternate Directors .....	33
20. Appointment of Directors .....	35
21. Termination of Director's Appointment .....	37
22. Gratuities and Pensions .....	38
23. Proceedings of the Directors .....	38
24. Means of Communication .....	42
25. Indemnity .....	43
26. Insurance .....	44

Company number: 08900140

**The Companies Act 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**

**LIVERPOOL CHIROCHEM LIMITED**

(Adopted by Written Resolution dated *27 february* 2018)

**PART 1 DEFINITIONS AND INTERPRETATION**

**1. Definitions and Interpretation**

- 1.1. In these Articles the following expressions have the following meanings unless inconsistent with the context:-

**"the Acts"** The Companies Acts (as defined in section 2 CA 2006) in so far as they apply to the Company

**"Arrears"** all arrears, accruals and deficiencies of any dividend or other sums payable in respect of the relevant Share whether or not earned or declared and irrespective of whether or not the Company has had, at any time, sufficient distributable profits to pay such dividend or sums, together with all interest and other amounts payable thereon

**"these Articles"** these Articles of Association, whether as originally adopted or as from time to time altered by special resolution

**"Asset Sale"** the completion of a sale of all or substantially all of the assets of the Company and/or its subsidiaries to a single purchaser (or to one or more purchasers as part of a single transaction), including by way of licence

**"Auditors"** the auditors of the Company for the time being or, if the Company has lawfully not appointed auditors, its accountants for the time being, or, if in either case such firm is unable or unwilling to act in any particular case, such firm of chartered accountants as may be agreed between the directors of the Company (acting with Investor Consent) and the Seller or, in default of agreement, as may be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or any successor body

**"Available Profits"** profits available for distribution within the meaning of section 830 of CA 2006

**"Board"** the board of directors of the Company from time to time acting by the resolution of a duly convened and quorate meeting

**"Board Invitee"** any of:

- (a) the Company (subject to compliance by the Company with CA 2006); and/or

- (b) the trustees of any Employee Benefit Trust; and/or
- (c) any person(s) (being a current or future employee or officer of a member of the Group),

as selected by the directors with Investor Consent in the period of 15 Business Days after the service (or deemed service) of a Transfer Notice or, if no such persons are selected within such period, as selected by the Investor within a further period of 15 Business Days

**"Business Days"** any day other than a Saturday, Sunday or English bank holiday

**"CA 2006"** The Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force

**"clear days"** in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect

**"communication"** has the same meaning as in the Electronic Communications Act 2000

**"Controlling Interest"** an interest in Shares conferring in the aggregate 50% or more of the total voting rights conferred by all the issued Shares in the Company

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

**"the directors"** the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company

**"eligible director"** any 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)

**"Eligibility Event of Default"** the occurrence of any of the following:

- (a) all or any part of any investment made by the Investor becomes ineligible;
- (b) EIB, ERDF, BBB or NPIF (in each case as defined in the Investment Agreement) or any other body connected with the Investor are obliged to pay back monies which they made available to the Investor;
- (c) the Investor is at any time required to repay or otherwise return any monies which it made available to the Company

**"Employee Benefit Trust"** any trust set up by the Company from time to time following a recommendation of the directors (with Investor Consent) to hold Shares and to transfer them (or to grant options to acquire them) to employees, officers and/or consultants of the Company

**"Employee Member"** a holder of Shares who is or has been a director and/or an employee of or a consultant either in his individual capacity or via a service company (or similar entity) to the Company or any of its subsidiaries

**"Equity Shareholder"** a holder of Equity Shares

**"Equity Shares"** the Ordinary Shares

**"Event of Default"** the occurrence of any of the following:

- (a) any representation or warranty given by the Company under the Investment Agreement proves to have been untrue when made in any material respect;
- (b) there is any breach of any material term of the Investment Agreement other than an Eligibility Event of Default;
- (c) any fee, interest, dividend or other amount or sum payable by the Company under the Investment Agreement or otherwise is not paid when due;
- (d) the Company is unable to pay its debts as they fall due;
- (e) the taking of possession by an encumbrancer or the appointment of a receiver or administrator to any of or the whole of the undertaking or property of the Company;
- (f) if the Company enters into any composition or arrangement with its creditors or proceedings are commenced relating to reconstruction or readjustment of debts or winding up of the Company;
- (g) if the Company is unable to pay its debts within the meaning of section 123(1) of the Insolvency Act 1986;
- (h) if the Company ceases or threatens to cease carrying on business or a significant part of it (unless as part of a solvent reconstruction approved with Investor Consent) or suspends payment of its debts within the meaning of section 123(1) of the Insolvency Act 1986;
- (i) any bona fide steps (other than those which are being contested in good faith) are taken by the Company (without the Investor's prior written consent) or any person to wind up or dissolve the Company and where any such steps are not stayed within 28 days

**"executed"** any mode of execution

**"Exit"** a Sale, Asset Sale, or Listing or any of them

**"Fair Value"** has the meaning given in Article 11.2

**"Family Trust"** a trust which permits the settled property or the income therefrom to be applied only for the benefit of:

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

and under which no power of control is capable of being exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For the purposes of this definition

**"settlor"** includes a testator or an intestate in relation to a Family Trust arising respectively under a settlement, testamentary disposition or an intestacy of a deceased member

**"Financial Year"** the financial year commencing on 1 January and expiring on 31 December

**"Fraud"** has the meaning given in sections 1- 4 of the Fraud Act 2006

**"Good Leaver"** means an Employee Member who ceases to be a director or employee of or consultant to the Company or any member of the Group in circumstances of:

- (c) death or incapacity (other than as a consequence of abuse of alcohol or other drugs); or
- (d) redundancy; or
- (e) where the Employee Member has resigned (or, in the case of an Employee Member who is a consultant, given notice of termination of their engagement) as a consequence of constructive or wrongful dismissal which has been determined by a court or tribunal from which no appeal lies; or
- (f) unfair dismissal which has been determined by a court or tribunal from which no appeal lies; or
- (g) where such Employee Member is deemed to be a Good Leaver in accordance with Article 13

**"Group"** any subsidiary of the Company and any holding company of the Company or any other subsidiary of any holding company of the Company and references to a **"member of the Group"** shall be construed accordingly

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

**"holding company"** has the meaning set out in section 1159 CA 2006

**"Investment Agreement"** the investment agreement relating to the Company dated on or around the Investment Date

**"Investment Date"** the date of adoption of these Articles

**"Investment Fund"** a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager

**"Investment Manager"** a person whose principal business is to make, manage or advise upon investments

**"Investor"** NPIF NW Equity LP (a limited partnership registered in England under number LP017870, acting by its general partner NPIF NW Equity (GP) Limited, whose registered office is at Clarence House, Clarence Street, Manchester M2 4DW and its Permitted Transferees



**"Investor Consent"** the prior consent in writing of the Investor and Praetura provided that in the event that either of the Investor or Praetura gives its consent but the other one of either of them notifies the Company of its refusal to provide consent then the Investor Consent shall be either of the Investor or Praetura plus the holders of at least 56% of the issued share capital

**"Investor Director"** has the meaning given in Article 20.4

**"Investor Observer"** has the meaning given in Article 20.5

**"Investor Shares"** all Shares held by the Investor from time to time

**"Issue Price"** in relation to any Share, the amount paid up or credited as paid up on it (including the full amount of any premium at which such Share was issued whether or not such premium is applied for any purpose after that)

**"Listing"** the admission of any part of the share capital of the Company to trading on a public market or stock exchange

**"Member of the Same Group"** as regards any body corporate or partnership, a body corporate or partnership which is from time to time a parent undertaking or a subsidiary undertaking of any such parent undertaking

**"Model Articles"** the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles

**"NWF"** means NWF (Venture Capital) LP (a limited partnership registered in England under no LP014162) acting by its general partner Enterprise Ventures (General Partner NW Venture) Limited the principal place of business of which is at Preston Technology Management Centre, Marsh Lane, Preston, Lancashire, PR1 8UQ

**"NWF Consent"** the prior written consent of NWF

**"NWF Shares"** all Shares held by NWF from time to time

**"office"** the registered office of the Company

**"Ordinary Shares"** ordinary voting shares of £0.001 each in the capital of the Company having the rights set out in these Articles

**"Permitted Transfer"** a transfer of Shares authorised by Article 9 and **"Permitted Transferee"** shall be construed accordingly

**"Praetura"** means Praetura Capital LLP a limited liability partnership registered under the Companies Act 2006 (registered number OC365642) whose registered office is at Floor 3, Giants Basin, Potato Wharf, Manchester, M3 4NB

**"Praetura Shares"** all Shares held by Praetura from time to time

**"Privileged Relation"** in relation to a member means the spouse or widow or widower of the member and the member's children

**"relevant officer"** any director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) CA 2006), but excluding in each case any

person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

**"Relevant Securities"** any Shares or other securities convertible into or carrying the right to subscribe for Shares, issued by the Company after the date of adoption of these Articles, other than:

- (a) the grant of any options under a Share 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 the Investor

**"Restricted Shares"** has the meaning given in Article 12.11

**"Rights"** rights to subscribe for, or to convert any security into, any Shares

**"Sale"** the transfer (whether through a single transaction or a series of transactions) for value of Shares or rights over Shares which in the aggregate carry 50% or more of the voting rights attaching to the issued share capital of the Company to any person (or persons connected with each other, or persons acting in concert with each other (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the transfer)) who are bona fide third parties acting in good faith on an arms length basis

**"Sale Shares"** has the meaning given in Article 12.2.1

**"seal"** the common seal of the Company (if any)

**"secretary"** the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary

**"Seller"** has the meaning given in Article 10.2

**"Share Plan"** any scheme for the grant of HM Revenue & Customs approved or unapproved share options or Enterprise Management Incentive share options pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 to employees, officers and/or consultants of the Company or any subsidiary of the Company established and amended for superseded from time to time

**"Shares"** the Ordinary Shares

**"subsidiary"** has the meaning set out in section 1159 CA 2006

**"the United Kingdom"** Great Britain and Northern Ireland

**"Transfer Notice"** has the meaning given in Article 10.2

**"Transfer Price"** has the meaning given in Article 11

"Voting Adjustment Notice" shall have the meaning given in Article 18.3.2

- 1.2. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in CA 2006 have the same meanings in these Articles.
- 1.3. The Model Articles apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.4. Articles 11(2), 13, 14(1), (2), (3) and (4), 16 17(2), 21, 44(2), 52 and 53 of the Model Articles do not apply to the Company.
- 1.5. For the purposes of these Articles, where the consent or approval of an Investor is required, such consent may be given by:
  - 1.5.1. the relevant Investor Director either by written notice to the Company or by him signing the minutes recording the resolution to approve such matter; or
  - 1.5.2. the relevant Investor Observer either by written notice to the Company or by him signing the minutes recording the resolution to approve such matter; or
  - 1.5.3. written notice to the Company signed by any Investment Manager of, or authorised representative on behalf of, an Investor.
- 1.6. Where an Investor has a right to appoint an Investor Director but has not so appointed any such Investor Director for the time being, references in these Articles to the "consent" or "approval" of the Investment Director shall be to the relevant Investor. The "consent" or "approval" of the relevant Investor shall be given by written notice to the Company signed by an investment Manager of, or authorised representative on behalf of, such Investor.
- 1.7. Where NWF has the right to appoint an NWF Investor Director but has not so appointed any such NWF Investor Director for the time being, references in these Articles to the "consent" or "approval" of the NWF Investor Director shall be to NWF. The "consent" or "approval" of NWF shall be given by written notice to the Company signed by an Investment Manager of, or authorised representative on behalf of, NWF.
- 1.8. Where Praetura has the right to appoint a Praetura Investor Director but has not so appointed any such Praetura Investor Director for the time being, references in these Articles to the "consent" or "approval" of the Praetura Investor Director shall be to Praetura. The "consent" or "approval" of Praetura shall be given by written notice to the Company signed by an Investment Manager of, or authorised representative on behalf of, Praetura.
- 1.9. 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 CA 2006 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:

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

1.9.2. 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 CA 2006 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. Liability of the members**

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

## **3. Share Capital**

3.1. Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders or by a written resolution in accordance with section 282(2) of CA 2006, the directors shall not exercise any power to allot Shares or to grant Rights in the Company.

3.2. Subject to the remaining provisions of this Article 3, the Directors are generally and unconditionally authorised, for the purposes of section 551 of CA2006, to exercise any power of the Company to:

3.2.1. offer or allot;

3.2.2. grant rights to subscribe for or to convert any security into; and

3.2.3. 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.

3.3. The authority referred to in Article 3.2:

3.3.1. shall be limited to such maximum nominal amount as agreed in writing by an Investor Consent from time to time;

3.3.2. shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

3.3.3. may only be exercised for a period of five years from the date of adoption of these Articles 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).

- 3.4. In accordance with section 567(1) of CA2006, sections 561 and 562 of CA2006 shall not apply to an allotment of equity securities (as defined in section 560(1) of CA2006) made by the Company.
- 3.5. Subject to the provisions of Article 3.3, save (i) in respect of any Shares to be allotted to any Employee Benefit Trust (with Investor Consent) or to any Employee Member pursuant to any Share Plan (with Investor Consent), or (ii) with the written consent of the holders of at least 75% of the voting rights attaching to the Shares in issue, all Shares which the directors propose to issue shall be dealt with in accordance with the remaining provisions of this Article 3.
- 3.6. 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 Shares (each an "Offeree") on a pari passu basis 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 (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.
- 3.7. An offer made under Article 3.6 shall:
- 3.7.1. be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
  - 3.7.2. remain open for a period of at least 15 Business Days from the date of service of the offer; and
  - 3.7.3. 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 3.6 shall, in his acceptance, state the number of excess Relevant Securities ("**Excess Securities**") for which he wishes to subscribe.
- 3.8. If, on the expiry of an offer made in accordance with Article 3.6, 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.
- 3.9. Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with Article 3.6 shall be used to satisfy any requests for Excess Securities made pursuant to Article 3.7.3. 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). After those allotments, any Excess Securities remaining shall subject to Article 3.10, 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.
- 3.10. 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.

4. **Return of Capital**

- 4.1. The Ordinary Shares shall have the voting rights set out at Article 18 and shall rank pari passu in all respects save as set out in these Articles.
- 4.2. On a return of assets on a liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares pro rata.
- 4.3. In the event of an Asset Sale, the Company shall thereupon be wound up and the assets available distributed in accordance with Article 4.2.
- 4.4. In the event of a Sale, the members shall ensure that the total of all and any consideration received (whether in cash or otherwise) in respect of the Shares that are the subject of the Sale are re-allocated between the sellers of such Shares so as to ensure that the Sale proceeds are distributed in accordance with Article 4.2.
- 4.5. Adjustment to Issue Price

In the event of any subdivision, consolidation, capitalisation or other re-organisation of the share capital of the Company, the Issue Price of the Ordinary Shares shall also be subject to adjustment on such basis as may be agreed by the Company with the Investor within 10 Business Days after any such share capital re-organisation. If the Company and the Investor cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its members. The costs of the Auditors shall be borne by the Company.

5. **Dividends**

The profits of the Company which the directors (with Investor Consent) decide shall be distributed in any financial year or period shall be distributed amongst the holders of the Ordinary Shares pro rata.

6. **Class Rights**

- 6.1. Subject at all times to Articles 18.3 and 18.4, if at any time the share capital of the Company is divided into different classes of Share, the rights attaching to any class of Share may be varied only with Investor Consent. Notwithstanding any other provision of these Articles, the rights attaching to the Ordinary Shares shall be deemed to be varied by the Company if it shall carry out any of the following:
- 6.1.1. alter in any way the issued share capital of the Company or alter any of the rights attaching to any of the Shares;
- 6.1.2. grant any Rights;
- 6.1.3. alter these Articles in any way;
- 6.1.4. wind up the Company or take any steps towards the winding up of the Company;
- 6.1.5. declare or pay any distribution or any return of a capital or income nature to any person;

- 6.1.6. capitalise any undistributed profits (whether or not such profits are available for distribution and including profits standing to the credit of any reserve) or any sums standing to the credit of the share premium account or capital redemption reserve fund of any member of the Group;
- 6.1.7. an Exit;
- 6.1.8. an acquisition (by any means) by any member of the Group of any shares (or any interest in any shares) in the capital of any company or the whole or any part (or any interest in any part) of the business and assets of any other person;
- 6.1.9. a disposal (by any means) by any member of the Group of any shares (or any interest in shares) in the capital of any member of the Group, or the admission to trading on any public market or stock exchange of any of the issued share capital of any member of the Group (other than the Company);
- 6.1.10. make a material change (including cessation) in the nature of the business of the Group;
- 6.1.11. convene a general meeting, or circulate a written resolution, to effect or approve any matter which would, by virtue of this Article 6, constitute a variation of the rights attached to the Ordinary Shares;
- 6.1.12. the registration (or purported registration) of a transfer of any interest in any Shares other than as permitted by these Articles; or
- 6.1.13. any member of the Group incurring or agreeing to incur an obligation to do any of the matters set out above in this Article 6.

## 7. **Lien, Calls on Shares and Forfeiture**

- 7.1. The Company has a lien (the "**Company's lien**") over every Share to the extent that it is not fully paid, which is registered in the name of any 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 to pay up such Share in full, whether payable immediately or at some time in the future.
- 7.2. The Company's lien over a Share:
  - 7.2.1. takes priority over any third party's interest in that Share; and
  - 7.2.2. 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.
- 7.3. 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.
- 7.4. Enforcement of the Company's lien
  - 7.4.1. Subject to the provisions of this Article, if:

7.4.1.1. a lien enforcement notice has been given in respect of a Share; and

7.4.1.2. 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.

7.4.2. A lien enforcement notice:

7.4.2.1. 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;

7.4.2.2. must specify the Share concerned;

7.4.2.3. must require payment of the sum within 14 clear days of the notice;

7.4.2.4. must be addressed to the holder of the Share (or all the joint holders of that Share); and

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

7.4.3. Where Shares are sold under this Article 7.4:

7.4.3.1. 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

7.4.3.2. 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.

7.4.4. The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

7.4.4.1. 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

7.4.4.2. 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 for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice.



7.4.5. A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a Share has been sold to satisfy the Company's lien on a specified date:

7.4.5.1. is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

7.4.5.2. subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

## 7.5. Call notices

7.5.1. 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 to pay up that Share in full at the date when the directors decide to send the call notice.

7.5.2. A call notice:

7.5.2.1. may not require a shareholder to pay a call which exceeds the total amount required to pay up his Shares in full;

7.5.2.2. must state when and how any call to which it relates is to be paid; and

7.5.2.3. may permit or require the call to be made in instalments.

7.5.3. A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days have passed since the notice was sent.

7.5.4. Before the Company has received any call due under a call notice the directors may:

7.5.4.1. revoke it wholly or in part; or

7.5.4.2. 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.

## 7.6. Liability to pay calls

7.6.1. Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.

7.6.2. Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share.

7.6.3. Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them:

- 7.6.3.1. to pay calls which are not the same; or
- 7.6.3.2. to pay calls at different times.

7.7. When a call notice need not be issued

- 7.7.1. 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:
  - 7.7.1.1. on allotment;
  - 7.7.1.2. on the occurrence of a particular event; or
  - 7.7.1.3. on a date fixed by or in accordance with the terms of issue.
- 7.7.2. But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

7.8. Failure to comply with a call notice: automatic consequences

- 7.8.1. If a person is liable to pay a call and fails to do so by the call payment date:
  - 7.8.1.1. the directors may issue a notice of intended forfeiture to that person; and
  - 7.8.1.2. until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.
- 7.8.2. For the purposes of this Article:
  - 7.8.2.1. the "**call payment date**" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "**call payment date**" is that later date; and
  - 7.8.2.2. the "**relevant rate**" is
    - 7.8.2.2.1. the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
    - 7.8.2.2.2. such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
    - 7.8.2.2.3. if no rate is fixed in either of these ways, 5 per cent per annum.
- 7.8.3. The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of

the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

- 7.8.4. The directors may waive any obligation to pay interest on a call wholly or in part.

7.9. Notice of intended forfeiture

- 7.9.1. A notice of intended forfeiture:

- 7.9.1.1. may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- 7.9.1.2. must be sent to the holder of that Share (or all the joint holders of that Share);
- 7.9.1.3. 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;
- 7.9.1.4. must state how the payment is to be made; and
- 7.9.1.5. 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.

7.10. Directors' power to forfeit Shares

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other monies payable in respect of the forfeited Shares and not paid before the forfeiture.

7.11. Effect of forfeiture

- 7.11.1. Subject to the Articles, the forfeiture of a Share extinguishes:

- 7.11.1.1. all interests in that Share, and all claims and demands against the Company in respect of it; and
- 7.11.1.2. all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.

- 7.11.2. Any Share which is forfeited in accordance with the Articles:

- 7.11.2.1. is deemed to have been forfeited when the directors decide that it is forfeited;
- 7.11.2.2. is deemed to be the property of the Company; and
- 7.11.2.3. may be sold, re-allotted or otherwise disposed of as the directors think fit.

- 7.11.3. If a person's Shares have been forfeited:
- 7.11.3.1. the Company must send that person notice that forfeiture has occurred and record it in the register of members;
  - 7.11.3.2. that person ceases to be a shareholder in respect of those Shares;
  - 7.11.3.3. that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
  - 7.11.3.4. that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
  - 7.11.3.5. the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 7.11.4. At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit.

7.12. Procedure following forfeiture

- 7.12.1. If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 7.12.2. A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a Share has been forfeited on a specified date:
- 7.12.2.1. is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - 7.12.2.2. subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 7.12.3. A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 7.12.4. If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
- 7.12.4.1. was, or would have become, payable; and

7.12.4.2. had not, when that share was forfeited, been paid by that person in respect of that Share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

8. **Transfer of Shares - Transfer Procedure**

8.1. 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.

8.2. 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 8.5, the directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

8.3. If a member 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.

8.4. Any transfer of a Share by way of sale which is required to be made under Articles 12, 13 or 14 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.

8.5. The directors may (and shall, if requested by an Investor), 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 Investor 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 8.5, 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.

8.6. 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 the Investor, require:

8.6.1. any holder (or the legal representatives of a deceased holder); or

8.6.2. any person named as a transferee in a transfer lodged for registration; or

8.6.3. such other person as the directors or the Investor 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.

8.7. If any such information or evidence referred to in Article 8.6 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 (with Investor Consent) within two Business Days of receipt of such written notice, then, unless otherwise directed in writing by the Investor and Praetura:

- 8.7.1. the relevant Shares shall cease to confer on the holder of them any rights:
  - 8.7.1.1. 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;
  - 8.7.1.2. to receive dividends or other distributions otherwise attaching to those Shares; or
  - 8.7.1.3. to participate in any future issue of Shares; and
- 8.7.2. 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 (with Investor Consent) reinstate the rights referred to in Article 8.7.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 8.7.2 on completion of such transfer.

- 8.8. 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:
  - 8.8.1. it does not contain a Minimum Transfer Condition; and
  - 8.8.2. 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).
- 8.9. Any Transfer Notice (other than a notice served pursuant to Article 13 or Article 14.1) 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.
- 8.10. The provisions of this Article 8 may be waived in any particular case if the holders of least 75% of the voting rights attaching to the Shares in issue and with Investor Consent.

## **9. Permitted Transfers**

- 9.1. Notwithstanding any other provisions of these Articles:
  - 9.1.1. where any Shares are held by trustees of any Employee Benefit Trust, then, with Investor Consent:
    - 9.1.1.1. any such Shares may be transferred to any employee, officer or consultant of the Company or any option or right

- to acquire any such Shares may be granted to any such persons;
  - 9.1.1.2. *any person may transfer any of the Shares held by him to the trustees of any Employee Benefit Trust;*
  - 9.1.1.3. *on any change of trustees such Shares may be transferred to the new trustees of that Employee Benefit Trust;*
- 9.1.2. *any member who is a body corporate or partnership may transfer any Shares held by it to a Member of the Same Group provided that any Permitted Transferee having received a transfer of such Shares shall, within 10 Business Days of ceasing to be a Member of the Same Group as the transferring member, transfer the Shares back to either:*
  - 9.1.2.1. *the transferring member; or*
  - 9.1.2.2. *a Member of the Same Group as the transferring member,*  
*(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 9.1.2, a Deemed Transfer Notice shall be given in respect of such Shares.*
- 9.1.3. *any member who is:*
  - 9.1.3.1. *an Investment Manager;*
  - 9.1.3.2. *an Investment Fund; or*
  - 9.1.3.3. *a nominee of an Investment Manager or an Investment Fund*

*may transfer any Shares held by it to:*

  - 9.1.3.3.1. *where the member is an Investment Manager or nominee of an Investment Manager:*
    - 10.1.2.3.1.1 *any participant or partner in or member of any Investment Fund in respect of which the Shares are held;*
    - 10.1.2.3.1.2 *any Investment Fund whose business is managed by the Investment Manager (or a member of the same Group as such Investment Manager) who is or whose nominee is the transferor;*
    - 10.1.2.3.1.3 *any other Investment Manager who manages the business of the Investment Fund in respect of which the Shares are held; or*
    - 10.1.2.3.1.4 *to any other Investment Manager or Investment Fund;*
  - 9.1.3.3.2. *where the Member is an Investment Fund or nominee of an Investment Fund:*

- 10.1.2.3.2.1 any participant (directly or indirectly) or partner in or member of the Investment Fund which is or whose nominee is the transferor;
  - 10.1.2.3.2.2 any other Investment Fund whose business is managed by the same Investment Manager as manages the Investment Fund which is or whose nominee is the transferor (or a member of the same Group as such Investment Manager);
  - 10.1.2.3.2.3 the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor; or
  - 10.1.2.3.2.4 to any other Investment Manager or Investment Fund,
- and vice versa any Shares may be transferred by any of the persons in paragraphs (A) or (B) to any person who falls in the categories set out in Article 9.1.2 above,

and the directors shall, save as may be required by law, register any transfer to which this Article 9 applies.

#### 10. **Pre-emption rights on the transfer of shares**

- 10.1. Except where a member is an Investment Fund or except where the provisions of Articles 8.10, 9, 13 or 14 apply, any transfer of Ordinary Shares by a member shall be subject to the pre-emption rights in this Article 10.
- 10.2. A member who wishes to transfer Ordinary Shares (a "**Seller**") shall, before transferring or agreeing to transfer any Shares, give notice in writing (a "**Transfer Notice**") to the Company specifying:
  - 10.2.1. subject to Article 8.8.2, the number of Ordinary Shares he wishes to transfer ("**Sale Shares**");
  - 10.2.2. the name of the proposed transferee, if any;
  - 10.2.3. subject to Article 12.4, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the "**Proposed Sale Price**"); and
  - 10.2.4. subject to Article 8.8.1, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a "**Minimum Transfer Condition**").
- 10.3. Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within three 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.
- 10.4. 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.
- 10.5. As soon as practicable following the later of:



- 10.5.1. receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served);
- 10.5.2. the period prescribed for the selection of Board Invitees having expired;
- 10.5.3. the identity of all Board Invitees having been determined with Investor Consent;
- 10.5.4. the directors determining, with Investor Consent, that none of the Sale Shares are to be offered to a Board Invitee; or
- 10.5.5. the determination of the Transfer Price,

the directors shall (unless the Transfer Notice is withdrawn in accordance with Article 10.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 10 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.

- 10.6. The Company shall, (unless directed to the contrary by the Investor) offer the Sale Shares in the following order of priority:

- 10.6.1. first, to any Board Invitees; and
- 10.6.2. second, to the Equity Shareholders *pari passu* as though they constituted a single class of Shares,

in each case on the basis set out in Article 10.7 to Article 10.14 (inclusive).

- 10.7. If an offer of Sale Shares is to be made in accordance with Article 10.6.1 it shall remain open for acceptance for a period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with Article 10.8 and Article 10.9.

- 10.8. Subject to Article 10.7, the directors shall offer the Sale Shares in the order of priority referred to in Article 10.6 to the Equity 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 "**Offer Period**") for the maximum number of Sale Shares they wish to buy.

- 10.9. If:

- 10.9.1. 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 Equity 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 Equity 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 member of more than the maximum number of Sale Shares which he has stated he is willing to buy;

- 10.9.2. not all Sale Shares are allocated following allocations in accordance with Article 10.9.1, 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 10.9.1. The procedure set out in this Article 10.9.2 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
  - 10.9.3. 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 Equity Shareholders in accordance with their applications. The balance (the "**Surplus Shares**") shall subject to Article 10.10, be offered to any other person in accordance with Article 10.14.
- 10.10. Where the Transfer Notice contains a Minimum Transfer Condition:
- 10.10.1. any allocation made under Article 10.7 to Article 10.9 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
  - 10.10.2. if the total number of Sale Shares applied for under Article 10.7 to Article 10.9 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those members 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.
- 10.11. Where either:
- 10.11.1. the Transfer Notice does not contain a Minimum Transfer Condition; or
  - 10.11.2. 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 10.7 to Article 10.9 (inclusive), give notice in writing of the allocations of Sale Shares (an "**Allocation Notice**") to the Seller and each member 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 five Business Days, but not more than ten Business Days, after the date of the Allocation Notice).
- 10.12. 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.
- 10.13. If the Seller fails to comply with Article 10.12:
- 10.13.1. 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:
    - 10.13.1.1. complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

- 10.13.1.2. 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
  - 10.13.1.3. (subject to the transfer being duly stamped) enter the Applicants in the register of members as the holders of the Shares purchased by them; and
- 10.13.2. 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.
- 10.14. Where a Transfer Notice lapses pursuant to Article 10.10.2 or an Allocation Notice does not relate to all the Sale Shares, then, subject to Article 10.15 and subject at all times to obtaining Investor Consent, the Seller may, at any time during the 10 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 the person named in the Transfer Notice (or if none was so named, to any person) at a price at least equal to the Transfer Price. Unless the Investor agrees otherwise, the sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this Article 10.14 shall continue to be subject to any Minimum Transfer Condition.
- 10.15. The Seller's right to transfer Shares under Article 10.14 does not apply if the directors (and/or the Investor) reasonably consider that:
  - 10.15.1. *the transferee is a person (or a nominee for a person) who is a competitor (or a member of the same Group as a competitor) of the business of any member of the Group;*
  - 10.15.2. the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee;
  - 10.15.3. as a result of such transfer the proposed purchaser would be required to make an offer in accordance with Article 14 and such offer has not been made; or
  - 10.15.4. 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 10.15.2.

## **11. Valuation**

- 11.1. 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 15 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.

- 11.2. The Fair Value shall be the price per Sale Share determined by the Auditors on the following bases and assumptions:
- 11.2.1. valuing the Sale Shares 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);
  - 11.2.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 11.2.3. that the Sale Shares are capable of being transferred without restriction;
  - 11.2.4. 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
  - 11.2.5. reflecting any other factors which the Auditors reasonably believes should be taken into account.
- 11.3. If any difficulty arises in applying any of these assumptions or bases then the Auditors shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 11.4. The directors will give the Auditors 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.
- 11.5. The parties are entitled to make submissions to the Auditors including oral submissions and shall provide (or procure that others provide) the Auditors with such assistance and documents as the Auditors may reasonably require for the purpose of reaching a decision.
- 11.6. The Auditors shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 11.7. The Auditors shall be requested to determine the Fair Value within 20 Business Days of their appointment and to deliver their certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 11.8. The cost of obtaining the Auditors certificate shall be borne by the parties equally or in such other proportions as the Auditors direct unless:
- 11.8.1. the Seller withdraws the relevant Transfer Notice in accordance with clause 10.3; or
  - 11.8.2. 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 Auditors,
- in which case the Seller shall bear the cost.

## 12. **Compulsory Transfers**

- 12.1. If an Employee Member (i) ceases to be a director or employee of or consultant to the Company or any member of the Group, (ii) is adjudicated as bankrupt or (iii)

makes any voluntary arrangement or composition with its creditors (each a "**Compulsory Event**") a Deemed Transfer Notice (save for any Shares subscribed by such Employee Member (if relevant) pursuant to clause 3.2 of the Investment Agreement) shall be deemed to have been immediately given in respect of:

- 12.1.1. all Shares registered in the name of the member immediately before such cessation;
  - 12.1.2. all Shares held immediately before such cessation by the Employee Member's Privileged Relations and/or Family Trusts and/or personal representatives (other than Shares which the directors (with Investor Consent) are satisfied were not acquired by such holders either:
    - 12.1.2.1. directly or indirectly from the Employee Member; or
    - 12.1.2.2. by reason of their connection with the Employee Member, and the decision of the Board in this respect will be final); and
  - 12.1.3. all Shares acquired by the Employee Member or his Privileged Relation and/or Family Trusts and/or his personal representatives after the relevant cessation date under any Share Plan.
- 12.2. On the happening of a Compulsory Event in circumstances where the relevant Employee Member is a Good Leaver, including where such person is classified as a Good Leaver pursuant to Article 12.3, or on the happening of a Compulsory Event pursuant to Article 12.1(i) the Board may with Investor Consent exercise its discretion to waive (wholly or partially) the provisions of Article 12.1 so that there shall be no Deemed Transfer Notice in respect of some or all of such Employee Member's Shares.
- 12.3. On the happening of a Compulsory Event in circumstances where the relevant Employee Member is not a Good Leaver, provided no Compulsory Event pursuant to Articles 12.1(ii) or 12.1(iii) has occurred, the Board may with the consent of the Investor (in good faith) exercise its discretion to permit such Employee Member to be classified as a Good Leaver.
- 12.4. Where there is a Deemed Transfer Notice following a Compulsory Event in circumstances where the Employee Member is a Good Leaver, the Transfer Price of the Shares the subject of a Deemed Transfer Notice shall be the higher of:
- 12.4.1. the Fair Value of such Shares; or
  - 12.4.2. the Issue Price of such Shares.
- 12.5. Where there is a Deemed Transfer Notice following a Compulsory Event in circumstances where the Employee Member is not a Good Leaver, and has not been classified as a Good Leaver pursuant to Article 12.3, the sale price of the Shares the subject of a Deemed Transfer Notice shall be the lower of the nominal value of such Shares and the Issue Price of such Shares.
- 12.6. Nothing in this Article 12 shall alter the existing terms of employment of an Employee Member in place at the date of adoption of these Articles.

- 12.7. If a corporate member ceases to be within the control (as such term is defined by section 1124 Corporation Tax Act 2010) of the person(s) who controlled such company on the date on which it became a member of the Company or on the Investment Date (whichever shall be the later) it shall (unless the Investor shall agree in writing otherwise) be deemed to have immediately given a Transfer Notice in respect of all the Shares as shall then be registered in its name save that (i) such corporate member may transfer such Shares to the person or persons who are to cease to have control as aforementioned without Investor Consent or (ii) where that member acquired Shares as a result of a transfer of Shares with Investor Consent it shall first be permitted to transfer those Shares back to the Shareholder from whom it received its Shares or to any other person with Investor Consent. This Article 12.7 shall have no application to any holders of Shares who are an Investment Fund or their respective Permitted Transferees or to Innovations or its Permitted Transferees.
- 12.8. If and whenever a Privileged Relation to whom Shares have been transferred ceases to be a Privileged Relation of the shareholder who made the transfer, a Transfer Notice shall be deemed to have been given in respect of the relevant Shares (as hereinafter defined) by the holders thereof and such Shares may not otherwise be transferred. save that, where such Privileged Relation acquired Shares as a result of a transfer of Shares with Investor Consent such person shall first be permitted to transfer those Shares back to the Shareholder from whom it received its Shares or to another Privileged Relation of such Shareholder (with Investor Consent).
- 12.9. If and whenever any Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there ceases to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice shall be deemed to have been given in respect of the relevant Shares (as hereinafter defined) by the holders thereof and such Shares may not otherwise be transferred.
- 12.10. For the purposes of Articles 12.8 and 12.9 the expression "**relevant Shares**" means and includes the Shares originally transferred to the trustees or Privileged Relation and any additional Shares issued or transferred to the trustees or Privileged Relation by virtue of the holding of the relevant Shares or any of them.
- 12.11. Forthwith upon a Transfer Notice being deemed to be served under this Article 12, all Shares subject to the relevant Deemed Transfer Notice ("**Restricted Shares**") shall cease to confer on the holder of them any rights:
- 12.11.1. 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;
  - 12.11.2. to receive dividends or other distributions otherwise attaching to these Shares; or
  - 12.11.3. to participate in any future issue of Shares.
- 12.12. The directors may (with Investor Consent) reinstate the rights referred to in Article 12.11 at any time and, in any event:
- 12.12.1. such rights only as are set out in Article 12.11.2 shall if the Board (with Investor Consent) exercises its discretion to waive (wholly or partially) the provisions of Article 12.1 be reinstated (in respect only of any Shares which are not to be the subject of the compulsory purchase provisions set

out in Article 12) immediately upon such discretion being exercised (unless the Investor objects); and

12.12.2. such rights shall be reinstated on completion of a transfer of such Shares.

13. **Transfer of Shares – Drag Along**

- 13.1. If the Investor and Praetura and, for transfers before the fifth anniversary of the Investment Date, the holders of 75% by nominal value of the Shares in issue for the time being (to always include the Investor and Praetura) (the "**Selling Shareholders**") wish to transfer all of their interest in Equity 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 Equity Shares on the date of the request, including the Company in respect of Equity Shares held in treasury, if any, ("**Called Shareholders**") to sell and transfer all their interest in Equity Shares with full title guarantee (and to give such warranties, indemnities and covenants as may be agreed with the Proposed Buyer) to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 13.
- 13.2. 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:
- 13.2.1. that the Called Shareholders are required to transfer all their Equity Shares ("**Called Shares**") pursuant to this Article 13;
  - 13.2.2. the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - 13.2.3. the consideration payable for the Called Shares calculated in accordance with Article 13.4; and
  - 13.2.4. the proposed date of completion of transfer of the Called Shares.
- 13.3. Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors, acting with Investor Consent. 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 thirty 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.
- 13.4. 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 4.2.
- 13.5. None of the Investor, Praetura, NWF or any Investment Fund nor any of their respective Permitted Transferees shall be required to provide any representations, warranties or indemnities (save as to title and capacity) or give any restrictive covenants or undertakings) in respect of any transfer of shares pursuant to this Article 13.

- 13.6. 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:
- 13.6.1. all of the Called Shareholders and the Selling Shareholders otherwise agree with Investor Consent; or
  - 13.6.2. that date is less than two 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 five Business Days after the date of service of the Drag Along Notice.
- 13.7. Within five 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 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 completion of the transfer of the Called Shares, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 13.4 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 13.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 13.4 in trust for the Called Shareholders without any obligation to pay interest.
- 13.8. To the extent that the Proposed Buyer has not, on the expiration of the Drag Along Notice, put the Company in funds to pay the amounts due pursuant to Article 13.4, then, unless the Selling Shareholders have served a further Drag Along Notice(s) following the lapse of any particular Drag Along Notice, 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.
- 13.9. 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 and attorney 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 13.
- 13.10. 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 13 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. References in this Article 13.10 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 Equity Shares.

- 13.11. 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 10.
- 13.12. 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 (unless the Investor directs otherwise) automatically be revoked by the service of a Drag Along Notice.

14. **Tag Along**

- 14.1. Save for any Permitted Transfer under Article 9, no sale or transfer of the legal or beneficial interest in any Shares in the Company may be made or validly registered without the prior written consent of the holders of more than 50% of the voting rights *attaching to the Shares in issue and the Investor if as a result of such sale or transfer and registration thereof either:*

- 14.1.1. a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert; or
- 14.1.2. where any person or group of persons acting in concert already own a Controlling Interest, such Controlling Interest is increased by a further 1 per cent

unless the proposed transferee or transferees or his or their nominees are independent third party bona fide purchasers acting in good faith and has or have offered to purchase the entire issued and to be issued Shares in the Company at the Specified Price (calculated as set out below).

- 14.2. If any part of the Specified Price is to be paid except by cash then an Investor may, at its option, elect to take a price per Share of such cash sum as may be agreed by it and the proposed transferee having regard to the transaction as a whole.

- 14.3. In this Article 14 the "**Specified Price**" means:

- 14.3.1. the consideration (in cash or otherwise) per Share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the Shares of the relevant class being acquired, plus
- 14.3.2. the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other Shares of the relevant class which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable, plus all arrears and accruals of the dividends on such Share calculated down to the date of the sale or transfer.

In the event of disagreement the calculation of the Specified Price shall be referred to the Auditors for determination whose decision shall be final and binding. If the Investor considers that the proposed transfer is not bona fide arms length and

representing a reasonable market value for the Shares the Specified Price shall be an amount determined by the Auditors as being a fair value for such Shares in accordance (mutatis mutandis) with the provisions of Article 12.

**15. General Meetings**

The directors may call general meetings and, on the requisition of members pursuant to the provisions of CA 2006, shall forthwith proceed to convene a general meeting in accordance with the provisions of CA 2006. If there are not within the United Kingdom sufficient directors to call a general meeting any director or any member of the company may call a general meeting.

**16. Notice of General Meetings**

- 16.1. General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the Shares giving that right.
- 16.2. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted at the meeting and shall include details of the right to appoint a proxy. Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all the members, to all persons entitled to a Share in consequence of the death or bankruptcy of a member and to the directors and Auditors.
- 16.3. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

**17. Proceedings at General Meetings**

- 17.1. No business shall be transacted at any meeting unless a quorum is present. Three persons, which must include proxies or representative(s) of the Investor and Praetura, entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 17.2. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine (being not less than two Business Days and not more than 10 Business Days hence) and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.
- 17.3. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

- 17.4. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 17.5. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of Shares in the Company.
- 17.6. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least five clear Business Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 17.7. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of CA 2006, a poll may be demanded:
- 17.7.1. by the chairman; or
  - 17.7.2. by at least two members having the right to vote at the meeting; or
  - 17.7.3. by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - 17.7.4. by a member or members holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right,
- and a demand by a person as proxy for a member shall be the same as a demand by the member.
- 17.8. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 17.9. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 17.10. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 17.11. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have.

17.12. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

17.13. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least five clear Business Days' notice shall be given specifying the time and place at which the poll is to be taken.

## 18. **Votes of Members**

18.1. Subject to Article 18.4 and to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall have one vote and, on a poll, every member shall have one vote for each Ordinary Share, of which he is the holder.

18.2. If at any time (without Investor Consent):

18.2.1. there has been an Event of Default then the provisions of Article 18.3 will apply; or

18.2.2. there has been an Eligibility Event of Default in which case the Investor shall agree that on the occurrence of an Eligibility Event of Default it will allow the Company 45 days (unless a further extension of time is agreed by the Investor in writing) to secure funding to repay the Investor any monies which it made available to the Company which it is obliged to repay, or to secure a buyer for the Investor's shareholding, following which time the provisions of Article 18.3.1 and Article 18.3.2 will apply

18.3. If the provisions of Article 18.2.1 and 18.2.2 apply:

18.3.1. in the case of Articles 18.2.1 or 18.2.2 applying, the provisions of Article 13 shall apply (with any necessary amendments) so that the Investor alone can exercise such drag-along rights; and

18.3.2. in the case of Articles 18.2.1 or 18.2.2 applying, the Investor shall be entitled to serve a voting adjustment notice on the Company to that effect ("**Voting Adjustment Notice**") at which point the provisions of Article 18.4 shall apply.

18.4. If a Voting Adjustment Notice has been served then:

18.4.1. the Ordinary Shares (other than the Investor Shares) shall cease to entitle each holder thereof to attend and vote (whether on a show of hands or on a poll) at any general meeting of the Company;

- 18.4.2. new shares in the Company may be issued, ranking ahead of or pari passu with the Ordinary Shares, without the consent of the holders of the Ordinary Shares (other than the Investor);
  - 18.4.3. the business and/or assets of the Company may be sold without the consent of the holders of the Ordinary Shares (other than the Investor);
  - 18.4.4. any matter, right or obligation under these Articles which is expressed to be reserved or exercisable only with the consent of a proportion of the members shall be interpreted and construed as being reserved to or exercisable with Investor Consent only;
  - 18.4.5. such number of Investor Directors (or their alternates) as are present at any meeting of the directors shall constitute a quorum; and
  - 18.4.6. the Investor shall have the power to effect and force a Sale, a sale of the entire issued share capital of the Company and/or an Asset Sale.
- 18.5. If a Voting Adjustment Notice has been served, the provisions of Article 18.4 shall:
- 18.5.1. in the case of Article 18.2.1 continue until such Event of Default is remedied to the satisfaction of an Investor (if such Event of Default is capable of remedy);
  - 18.5.2. in the case of Article 18.2.2, continue until the Investor has recovered from the Company (other than by way of loan from the Company) the portion of its investment in the Company that it was required to repay (or a sum equal to the amount it was required to repay); and
  - 18.5.3. in any other case continue until the date that the Investor gives notice in writing to the Company cancelling the Voting Adjustment Notice.
- 18.6. A member shall not be entitled to appoint more than one proxy to attend on the same occasion. Any such proxy shall be entitled to cast the votes to which he is entitled in different ways.
- 18.7. Proxies
- 18.7.1. Article 45(1)(d) of the Model Articles shall be deleted and replaced 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".
  - 18.7.2. Article 45(1) of the Model Articles shall be amended by 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 article.

## **19. Alternate Directors**

### **19.1. Appointment and removal of alternate directors**

- 19.1.1. Subject at all times to Investor Consent (other than in respect of an Investor Director or a Praetura Investor Director or an NWF Investor Director) any director ("**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
  - 19.1.1.1. exercise that director's powers; and
  - 19.1.1.2. carry out that director's responsibilities

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 19.1.2. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.
- 19.1.3. The notice must:
  - 19.1.3.1. identify the proposed alternate; and
  - 19.1.3.2. in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

## 19.2. **Rights and responsibilities of alternate directors**

- 19.2.1. An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor(s).
- 19.2.2. Except as the Articles specify otherwise, alternate directors:
  - 19.2.2.1. are deemed for all purposes to be directors;
  - 19.2.2.2. are liable for their own acts and omissions;
  - 19.2.2.3. are subject to the same restrictions as their appointors; and
  - 19.2.2.4. are not deemed to be agents of or for their appointors

and, in particular, each alternate director shall be entitled to receive notice of all meetings of directors (but not meetings of committees of directors) of which his appointor is a member (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him.
- 19.2.3. A person who is an alternate director but not, in the absence of such appointment, a director:
  - 19.2.3.1. may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
  - 19.2.3.2. may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and

19.2.3.3. shall not be counted as more than one director for the purposes of Articles 19.2.3.1 and 19.2.3.2.

19.2.4. A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

19.2.5. An alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

### **19.3. Termination of alternate directorship**

19.3.1. An alternate director's appointment as an alternate terminates:

19.3.1.1. when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

19.3.1.2. on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

19.3.1.3. on the death of the alternate's appointor; or

19.3.1.4. when the alternate's appointor's appointment as a director terminates.

19.4. A director may not appoint any person to be an alternate director in respect of any committee of the directors.

### **20. Appointment of Directors<sup>1</sup>**

20.1. The Company may by ordinary resolution (with Investor Consent) appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.

20.2. The directors may (with Investor Consent) appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with Article 20.7 as the maximum number of directors for the time being in force.

20.3. If, immediately following and as a result of the death of a member, the Company has no members and if at that time it has no directors, the personal representatives of the

---

<sup>1</sup> Please amend to reflect IA

deceased member may with Investor Consent appoint any person to be a director and the director who is appointed will have the same rights and be subject to the same duties and obligations as if appointed by ordinary resolution in accordance with Article 20.1. If two members die in circumstances rendering it uncertain which of them survived the other, such deaths shall, for the purposes of this Article, be deemed to have occurred in order of seniority and accordingly the younger shall be deemed to have survived the elder.

20.4. For so long as an Investor (and any of its Permitted Transferees) holds any shares which, combined with that of Praetura, is equivalent to 10% or more of the issued share capital of the Company it shall be entitled at any time and from time to time by the delivery of a written notice to the Company to appoint one person as a non-executive director of the Company ("**Investor Director**"). An Investor shall be entitled to remove such person appointed by such Investor from office by giving written notice of such to the Company.

20.5. Notwithstanding Article 20.4, for so long as an Investor (and any of its Permitted Transferees) holds any shares in the capital of the Company it shall have the right to appoint an observer ("**Investor Observer**") who shall be entitled to:

20.5.1. receive notice of each Board meeting of the Company together with the agenda and all accompanying documents and papers provided to the directors which shall be despatched to such observer at the same time as the same are despatched to the directors; and

20.5.2. attend and speak (but not vote) at any Board meeting of the Company.

An Investor may at any time and from time to time by giving written notice to the Company remove any Investor Observer appointed by such Investor and appoint another person in his place. No fees shall be payable in respect of any Investor Observer.

20.6. Upon request by the Investor Director concerned the Company shall also procure (so far as it is able) that such Investor Director be appointed a director to any other member of the Group.

20.7. Notwithstanding Article 21.7, for so long as NWF (and any of its Permitted Transferees) holds any shares in the capital of the Company it shall have the right to appoint an observer ("**NWF Observer**") who shall be entitled to:

20.7.1. receive notice of each Board meeting of the Company together with the agenda and all accompanying documents and papers provided to the directors which shall be despatched to such observer at the same time as the same are despatched to the directors; and

20.7.2. attend and speak (but not vote) at any Board meeting of the Company.

20.8. NWF may at any time and from time to time by giving written notice to the Company remove any NWF Observer appointed by it and appoint another person in his place. No fees shall be payable in respect of any NWF Observer.

20.9. For so long as Praetura (and any of its Permitted Transferees) holds any shares which, combined with that of the Investor, is equivalent to 10% or more of the issued share capital of the Company it shall be entitled at any time and from time to time by the delivery of a written notice to the Company to appoint one person as a non-



executive director of the Company ("**Praetura Director**"). Praetura shall be entitled to remove such person appointed by Praetura from office by giving written notice of such to the Company.

20.10. Notwithstanding Article 21.11, for so long as Praetura (and any of its Permitted Transferees) holds any shares in the capital of the Company it shall have the right to appoint an observer ("**Praetura Observer**") who shall be entitled to:

20.10.1. receive notice of each Board meeting of the Company together with the agenda and all accompanying documents and papers provided to the directors which shall be despatched to such observer at the same time as the same are despatched to the directors; and

20.10.2. attend and speak (but not vote) at any Board meeting of the Company.

20.11. Praetura may at any time and from time to time by giving written notice to the Company remove any Praetura Observer appointed by it and appoint another person in his place. No fees shall be payable in respect of any Praetura Observer.

20.12. Upon request by the Praetura Director concerned the Company shall also procure (so far as it is able) that such Praetura Director be appointed a director to any other member of the Group.

20.13. The maximum number of directors shall be 9 for the time being.

## 21. **Termination of Director's Appointment**

21.1. A person ceases to be a director as soon as:

21.1.1. he ceases to be a director by virtue of any provision of CA 2006 or these Articles or he becomes prohibited by law from being a director; or

21.1.2. he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

21.1.3. he is, or may be, suffering from mental disorder and either:

21.1.3.1. a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months; or

21.1.3.2. by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or

21.1.4. he resigns his office by notice to the Company; or

21.1.5. (other than in the case of an Investor Director, Praetura Investor Director or NWF Investor Director) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated;

- 21.1.6. 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;
  - 21.1.7. he is convicted of Fraud;
  - 21.1.8. in the case of an executive director only, he shall cease to be employed by the Company or other member of the Group (as appropriate) and does not continue as an employee of any other member of the Group;
- 21.2. Subject to section 168 of CA 2006, on any resolution to remove an Investor Director, the Shares held by the Investor shall have, in aggregate, twice the number of all the other votes exercisable in relation to such resolution and if any such Investor Director is removed pursuant to section 168 of CA 2006 or otherwise the Investor may reappoint him or any other person as an Investor Director.

**22. Gratuities and Pensions**

The directors, acting with Investor Consent, may exercise any powers of the Company to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in section 1151(3) CA 2006) of the Company and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

**23. Proceedings of the Directors**

- 23.1. Subject to the provisions of CA 2006, and provided that he has disclosed to the directors the nature and extent of any interest of his (unless the circumstances referred to in sections 177(5), 177(6), 182(5) or 182(6) CA 2006 apply, in which case no disclosure is required), a director notwithstanding his office:
- 23.1.1. may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
  - 23.1.2. may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
  - 23.1.3. may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
  - 23.1.4. shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any office, service or employment or from any transaction or arrangement or from any interest in any body corporate which he is permitted to hold or enter into by virtue of Articles 23.1.1, 23.1.2 or 23.1.3 and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit nor shall the receipt of any such remuneration or benefit constitute a breach of section 176 CA 2006; and

- 23.1.5. shall, subject to Articles 23.3 and 23.6, be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 23.1.1 to 23.1.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted.
- 23.2. For the purposes of Article 23.1:
- 23.2.1. a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- 23.2.2. an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- 23.2.3. an interest of a person who is for any purpose of CA 2006 (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 23.3. The directors may, with Investor Consent, and in accordance with the requirements set out in this Article, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 CA 2006 to avoid conflicts of interest ("**Conflict Situation**"). For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.
- 23.3.1. Any authorisation under this Article will be effective only if:
- 23.3.1.1. the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine; and
- 23.3.1.2. any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and
- 23.3.1.3. the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 23.4. Any authorisation of a Conflict Situation under Article 23.3 may (whether at the time of giving the authorisation or subsequently):
- 23.4.1. extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised; and/or

23.4.2. be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and/or

23.4.3. be terminated or varied by the directors at any time.

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

23.5. In authorising a Conflict Situation the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict Situation otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to:

23.5.1. disclose such information to the directors or to any director or other officer or employee of the Company; and/or

23.5.2. use or apply any such information in performing his duties as a director

where to do so would amount to a breach of that confidence.

23.6. Where the directors authorise a Conflict Situation they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director:

23.6.1. is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict Situation; and/or

23.6.2. is not given any documents or other information relating to the Conflict Situation; and/or

23.6.3. may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict Situation.

23.7. Where the directors authorise a Conflict Situation:

23.7.1. the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict Situation; and

23.7.2. the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 CA 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.

23.8. 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 Situation which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

23.9. For the purposes of sections 175 and 180(4) CA 2006 and for all other purposes, it is acknowledged that an Investor Director or Praetura Investor Director or NWF Investor Director may be or become subject to a Conflict Situation or Conflict

Situations as a result of his also being or having been party to an agreement or arrangement or understanding or circumstance under which he may become an employee, director, trustee, member, partner, officer, nominee, attorney or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in any of the following:

- 23.9.1. An Investor; and/or
  - 23.9.2. any "**Investor Affiliate**", which for these purposes means any person who or which, as regards an Investor, Praetura or NWF or any other Investor Affiliate of the Investor, Praetura or NWF:
    - 23.9.2.1. is a holding company of that company, or a wholly owned subsidiary of the company or of any such holding company;
    - 23.9.2.2. is its *Investment Manager* or investment advisor;
    - 23.9.2.3. is a person in which it may have or acquire a direct or indirect economic interest as part of any portfolio investment;
    - 23.9.2.4. controls or is controlled, managed advised (in an investment advisor capacity) or promoted by it; and/or
    - 23.9.2.5. is a trustee, manager, beneficiary, shareholder, partner, unitholder or other financier or any participant in or of it; and/or
  - 23.9.3. any carried interest or incentive arrangement associated with any person or arrangement referred to in paragraphs 23.9.2.1 to 23.9.2.5 inclusive above.
- 23.10. An Investor Director's, Praetura Investor Director's or NWF Investor Director's duties to the Company arising from him holding office as director shall not be breached or infringed as a result of any Conflict Situation envisaged by Article 23.9 having arisen or existing in relation to him and he shall not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement with any person or entity referred to in Articles 23.9.1 or 23.9.2 irrespective of whether the activities of such person or entity are or may become competitive with those of the Company and/or any of its subsidiaries.
- 23.11. Any director including an alternate director may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and CA 2006, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 23.12. Notice of every meeting of the directors shall be given to the Investor Observer, each director and his alternate, including directors and alternate directors who may for the

time being be absent from the United Kingdom and have given the Company an address within the United Kingdom for service.

- 23.13. Any remuneration committee constituted by the Company shall comprise only of non-executive directors and shall include a representative of the Investor.
- 23.14. Subject to Article 18.4.5 and Article 23.16, the quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two eligible directors which must include an Investor Director (if so appointed) or, if there is no Investor Director appointed, then an Investor Observer unless such Investor Director or Investor Observer has given consent to such meeting being held with a quorum of three eligible directors not including himself. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 23.15. 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 (being not less than two Business Days and not more than 10 Business Days hence). At such reconvened meeting, the quorum shall be any two eligible directors (or their alternates).
- 23.16. Subject to Article 18.4.5, for the purposes of any meeting (or part of a meeting) held pursuant to Article 23.1 to authorise a director's conflict, if there are only two eligible directors in office other than the conflicted director(s), then the quorum for such meeting (or part of a meeting) shall be two eligible directors (of which at least one must be an Investor Director or Investor Observer or a Praetura Director or Praetura Observer (if so appointed and if not conflicted)).
- 23.17. If the number of votes for and against a proposal at a meeting of the directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.
- 23.18. Model articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Investor Consent)" following each reference to "the directors" in such model articles.
- 23.19. 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.
- 23.20. 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.

#### **24. Means of Communication**

- 24.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 24.1.1. if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 24 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);

- 24.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 24.1.3. if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 24.1.4. 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, no account shall be taken of any part of a day that is not a working day.

- 24.2. In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by CA 2006.

## 25. **Indemnity**

- 25.1. Subject to the provisions of, and so far as may be consistent with, the Acts, but without prejudice to any indemnity to which a relevant officer may be otherwise entitled, the Company shall indemnify every relevant officer 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 and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer PROVIDED that in the case of any director, any such indemnity shall not apply to any liability of that director:

- 25.1.1. to the Company or to any of its associated companies;
- 25.1.2. to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
- 25.1.3. incurred:
  - 25.1.3.1. in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the Company or any of its associated companies in which judgment is given against him; or
  - 25.1.3.2. in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief,

in each case where the conviction, judgment or refusal by the court is final within the meaning stated in section 234 CA 2006.

- 25.2. Subject to the provisions of, and so far as may be consistent with, the Acts, provided the board of directors shall so determine, every person engaged by the Company as an auditor may be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office as an auditor including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an auditor of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.

26. **Insurance**

- 26.1. The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 26.2. The directors may authorise the directors of other members of the Group to purchase and maintain insurance at the expense of the Company for the benefit of any relevant officer of such company in respect of any relevant loss.
- 26.3. In this Article 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, any associated company or any pension fund or employees' share scheme of the Company or associated company.

27. **Data Protection**

Each of the shareholders of the Company (from time to time) consent to the processing of their personal data by the Company and its shareholders and directors ("**Recipient**"), applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this Article shall include any information (but excepting all "sensitive data" as defined in the Data Protection Act 1998 for which it is recognised separate consent would be obtained) which may have a bearing on the prudence or commercial merits of investing, or disposing of any Shares (or other investment or security) in the Company. Subject to any confidentiality undertakings given to them by a Recipient, each of the Company's shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient within the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.