

Company Number - 09928703

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

TWO CITIES TELEVISION LIMITED

Incorporated in England and Wales
on 23 December 2015 under the Companies Act 2006

Adopted under the Companies Act 2006 by special resolution
on 07 January 2020

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Contents

| | | |
|----|--|----|
| 1 | DEFINITIONS AND INTERPRETATION | 1 |
| 2 | LIABILITY OF MEMBERS | 10 |
| 3 | DIRECTORS. POWERS, RESPONSIBILITIES AND DELEGATION | 11 |
| 4 | DIRECTORS: NUMBER, APPOINTMENT, RETIREMENT AND REMOVAL | 11 |
| 5 | DIRECTORS. DECISION MAKING | 13 |
| 6 | DIRECTORS: PERMITTED INTERESTS | 16 |
| 7 | DIRECTORS: AUTHORISATION OF CONFLICTS OF INTEREST | 19 |
| 8 | DIRECTORS: MANAGING CONFLICTS OF INTEREST | 20 |
| 9 | DIRECTORS ALTERNATES | 21 |
| 10 | DIRECTORS REMUNERATION AND EXPENSES | 23 |
| 11 | DIRECTORS INDEMNITIES AND FUNDING OF PROCEEDINGS | 23 |
| 12 | DIRECTORS: INSURANCE | 24 |
| 13 | SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS | 25 |
| 14 | SHAREHOLDERS: VOTING AT GENERAL MEETINGS | 28 |
| 15 | SHAREHOLDERS: WRITTEN RESOLUTIONS | 31 |
| 16 | SHARES: GENERAL | 31 |
| 17 | SHARES: PRE-EMPTION | 32 |
| 18 | SHARES: TRANSFER AND TRANSMISSION | 34 |
| 19 | SHARES: PERMITTED TRANSFERS | 37 |
| 20 | SHARES: COMPULSORY TRANSFERS | 38 |
| 21 | SHARES: PRE-EMPTION ON THE TRANSFER OF SHARES | 44 |
| 22 | SHARES. TAG RIGHTS | 48 |
| 23 | SHARES: DRAG RIGHTS | 51 |
| 24 | SHARES: VALUATION | 56 |
| 25 | SHARES DIVIDENDS AND OTHER DISTRIBUTIONS | 58 |
| 26 | SHARES CAPITALISATION OF PROFITS | 59 |
| 27 | LIQUIDATION PREFERENCE | 60 |
| 28 | ANTI-DILUTION | 60 |
| 29 | ACQUISITION OF MANAGER SHARES | 61 |
| 30 | INITIAL MANAGER SHARE OPTION | 63 |
| 31 | FINAL MANAGER SHARE OPTION | 65 |
| 32 | SECRETARY | 67 |
| 33 | AUTHENTICATION | 67 |

ARTICLES OF ASSOCIATION

- of -

TWO CITIES TELEVISION LIMITED ("Company")

1 DEFINITIONS AND INTERPRETATION

1.1 The relevant model articles (within the meaning of section 20(2) Companies Act 2006 as amended, modified or re-enacted from time to time) are excluded in their entirety

1.2 In these articles (unless the context requires otherwise) the following words and expressions have the following meanings:

"**Acceptance Notice**" means a notice accepting an offer made in a Sale Notice,

"**Accountants**" means the firm of accountants appointed as valuers under article 24,

"**acting in concert**" has the meaning given in The City Code on Takeovers and Mergers,

"**Adoption Date**" means 07 January 2020,

"**A Director**" means a director appointed or deemed appointed as an A Director by the holder(s) of the majority of the A Shares in accordance with article 4.2 and including, unless otherwise stated, the duly appointed alternate of such a director,

"**Anti-Dilution Shares**" has the meaning given in article 28.1,

"**Appointor**" has the meaning given in article 9.1,

"**A Shareholders**" means the holder or holders of A Shares,

"**A Shares**" means A ordinary shares of £1.00 each in the capital of the Company, having the rights set out in these articles,

"**Associate**" means in relation to an individual only:

- (a) a member of his immediate family (that is his parent, spouse, any issue or spouse of any such issue); or
- (b) a Family Trust of which he or a member of his immediate family is a beneficiary or a trustee, or in relation to which he has the power to appoint or remove trustees,

"associated company" has the meaning given in article 11.1,

"Bad Leaver" means, subject to the terms of any shareholders' agreement, any Leaver who ceases to be employed or engaged by the Company (a) due to lawful termination by the Company as a result of that person's gross misconduct, or (b) due to the Leaver committing a material, non-remedied breach of any duties (as expressly set out in his service agreement), confidentiality undertakings and/or restrictive covenants contained in their service agreement with the Company, or (c) prior to (i) the date that is ten years commencing on the Adoption Date, or (ii) if earlier, the end of the Final Put Option Period, other than where (i) the Leaver has died, become unable to provide his services because of disability or permanent sickness or incapacity (whether physical or mental), (ii) the Leaver's employment has been terminated by the Company in circumstances that are agreed with that individual or determined by an employment tribunal or court to have been constructive dismissal or substantively unfair (and for the avoidance of doubt, this provision shall not apply to a finding of procedural unfairness only), or (iii) the Company either serves notice on the Leaver, or makes payment in lieu of notice to the Leaver, in each case in accordance with the provisions of a Leaver's service agreement,

"bankruptcy" means an adjudication of bankruptcy by a court in England and Wales or Northern Ireland, or any individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy and a "Bankrupt" shall mean a person subject to such an adjudication of bankruptcy or insolvency proceedings,

"Buy-back Agreement" has the meaning given in article 20.6,

"Buy-back Shares" has the meaning given in article 20.6,

"capitalised sum" has the meaning given in article 26.1.2,

"Cash" means the aggregate amount of unrestricted cash (excluding Production Cash) held at bank and in hand by the Group Companies and as set out in the statutory accounts and reports of the Group Companies related to the financial year in question;

"Chairman" means the chairman (if any) of the board of directors of the Company,

"chairman of the meeting" has the meaning given in article 13.3,

"clear days" means in relation to a period of notice, a period of the specified length excluding the date on which notice is given and the day for which it is given or on which it is to take effect,

"company" means a body corporate, wherever incorporated,

"Companies Acts" has the meaning given in section 2 Companies Act 2006 (as amended or modified from time to time),

"Companies Act 2006" means Companies Act 2006 including any statutory modification or re-enactment of that statute for the time being in force, subject always to article 1.3,

"Compulsory Seller" has the meaning given in article 20.2,

"Compulsory Transfer Event" means one of the events referred to in article 20.1,

"Compulsory Transfer Notice" means (in relation to any Compulsory Seller) a notice given in accordance with the terms of article 20.3 and offering, on the terms of article 20, to sell the Compulsory Transfer Shares,

"Compulsory Transfer Price" has the meaning given in article 20.4,

"Compulsory Transfer Shares" means in relation to any Compulsory Seller:

- (a) if that shareholder holds shares by reason of one or more Connected Person Transfers and the Compulsory Transfer Event has occurred not in relation to that shareholder, but in relation to the Connected Person Transferor from whom such shareholder acquired some or all of the shares held by it, all of the shares transferred to the shareholder by virtue of a Connected Person Transfer from that Connected Person Transferor and any additional shares issued to that shareholder by virtue of the holding of the shares so transferred, in each case so far as still registered in that shareholder's name, or
- (b) if that person is entitled to shares, or (in accordance with article 18.11) has become the holder of shares by reason of a transmission of shares, or in relation to which that person is entitled to exercise the rights on behalf of the relevant shareholder or person by virtue of a court order or otherwise, all of these shares to which that person is so entitled or is the holder of or is entitled to exercise rights in respect of, or
- (c) in all other cases, all of the shares registered in that shareholder's name (individually or jointly with any other person),

"Connected Person" means in relation to any shareholder, a person to whom that shareholder's shares may be transferred,

"Connected Person Transfer" means a transfer of shares to a Connected Person,

"Connected Person Transferor" means in relation to a Connected Person Transfer, the transferor or (in the case of a series of Connected Person Transfers) the first transferor in the series,

"control" means (in relation to a company) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that company, whether through the ownership of voting securities in that or any other company, by contract or otherwise,

“Delay Notice” means a notice delaying the date of the Initial Manager Call Option and/or the Final Manager Call Option (as the case may be) by 12 months in accordance with article 30.4 and/or 31.4,

"director" means a director of the Company,

"document" includes, unless otherwise specified, any document sent or supplied in electronic form,

“EBITDA” means in relation to a particular financial year of the Company, the amount in pounds sterling of the profit or loss of the Company (or where the Company has any subsidiary undertakings, the consolidated profit or loss of the Company) for that financial year, as derived from the statutory annual accounts and reports of the Company relating to that financial year and calculated so as to exclude any of the following items and without double counting (and so that, to the extent any of the following have been charged, expensed or deducted in computing such profit or loss they shall be added back and to the extent any of the following have been credited in computing such profit or loss, they shall be deducted):

- (a) any charges paid, due or accrued for income or corporation taxes and deferred tax, or any credits for income or corporation taxes and deferred tax (for the avoidance of doubt, production tax credits shall be included within EBITDA);
- (b) any interest paid or payable in respect of indebtedness (including without limitation interest payable under any cashflow facilities provided by the holder(s) of a majority of the A Shares to the Company) or any credits for interest received or receivable;
- (c) any charges or interest resulting from finance or capital leases;
- (d) any dividends paid or payable and any dividends received or receivable;
- (e) any profits or gains or costs or losses of a capital nature (including, for the avoidance of doubt, those arising from any sale and leaseback arrangements, or from the sale, disposal or scrapping of fixed assets);
- (f) any extraordinary or exceptional items (in each case being extraordinary or exceptional due to their size, nature or type and outside the ordinary course of business);
- (g) any management charges not attaching to any classification in any business plan of the Company;
- (h) any depreciation; and
- (i) any amortisation,

"eligible director" means (a) in relation to a matter proposed at a directors' meeting, a director who is entitled to vote and to have that vote counted in relation to that particular matter at that meeting, or (b) in relation to a decision of the directors taken in accordance with article 5.2, a director who would have been entitled to vote and to have that vote counted, had the matter in question been proposed at a directors' meeting,

"Excess Working Capital" means the amount of working capital of the Group Companies in excess of the Normalised Level of Working Capital,

"Family Trust" means a trust (including a trust arising under a testamentary disposition or on an intestacy) under which:

- (a) no beneficial interest in the trust property is vested or permitted to be vested in any person other than the settlor or any of his or her Associates; and
- (b) no power of control over any trust property is or is capable of being exercised by, or is subject to the consent of, any person other than the settlor, any of his or her Associates or the trustees of the trust,

"Final Call Option Period" means the period of 20 Business Days starting on the first Business Day which is two years after the Initial Manager Option Shares Completion Date,

"Final Excess Working Capital" means the amount of Excess Working Capital as at the end of the financial year ending prior to the date of the Final Manager Option Notice,

"Final Manager Call Option" means the holder(s) of a majority of the A Shares option right as set out in article 31.1,

"Final Manager Option" means the Final Manager Call Option or the Final Manager Put Option (as the case may be),

"Final Manager Option Notice" means a notice exercising the Final Manager Call Option in accordance with article 31.3 or a notice exercising the Final Manager Put Option in accordance with article 31.6 (as applicable),

"Final Manager Option Price" means an aggregate price for the Final Manager Option Shares sold by each Manager on exercise of the Final Manager Option, calculated in accordance with articles 31.8 to 31.10 (inclusive),

"Final Manager Option Shares" means all of the Ordinary Shares held by each of the Managers as at the date of the Final Manager Option Notice,

"Final Manager Put Option" means the Managers' option right as set out in article 31.2,

"Final Net Cash Amount" means an amount (as a positive or negative sum) equal to:

- (a) Cash (as a positive number) as at the end of the financial year ending prior to the date of the Final Manager Option Notice; less
- (b) Indebtedness (as a positive number) as at the end of the financial year ending prior to the date of the Final Manager Option Notice,

“Final Ordinary Share Value” means, in relation to a Final Manager Option Share, the value as determined in accordance with article 31.10,

“Final Put Option Period” means the period of 20 Business Days starting on the first day after the expiry of the Final Call Option Period,

“Forecast EBITDA” means the forecasted EBITDA for a relevant financial year as at the date on which the Company achieves Profitability, to be determined in accordance with article 29.3,

“Fully Diluted” means the entire issued equity share capital of the Company as increased by any options, warrants or other rights to subscribe for or convert into equity shares in the Company which have been granted and which have not lapsed from time to time,

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid or credited as paid to the Company,

“Group Companies” or **“Group”** means the Company and its subsidiary undertakings from time to time, and a reference to a **“Group Company”** shall be a reference to any one of them,

“Indebtedness” means the aggregate obligations of the Group Companies (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent and as set out in the statutory accounts and reports of the Group Companies related to the financial year in question,

“Initial Call Option Period” means the period of 20 Business Days starting on the first Business Day which is two years after the Manager Acquisition Shares Completion Date,

“Initial Excess Working Capital” means the amount of Excess Working Capital as at the end of the financial year ending prior to the date of the Initial Manager Option Notice,

“Initial Manager Call Option” means the holder(s) of a majority of the A Shares option right as set out in article 30.1,

“Initial Manager Option” means the Initial Manager Call Option or the Initial Manager Put Option (as the case may be),

“Initial Manager Option Notice” means a notice exercising the Initial Manager Call Option in accordance with article 30.3 or a notice exercising the Initial Manager Put Option in accordance with article 30.6 (as applicable),

“Initial Manager Option Price” means an aggregate price for the Initial Manager Option Shares sold by each Manager on exercise of the Initial Manager Option, calculated in accordance with articles 30.8 to 30.10 (inclusive),

“Initial Manager Option Shares” means 50% of the Ordinary Shares held by each of the Managers as at the date of the Initial Manager Option Notice,

“Initial Manager Option Shares Completion Date” means the date of completion of the sale and purchase of the Initial Manager Option Shares in accordance with article 30.11,

“Initial Manager Put Option” means the Managers’ option right as set out in article 30.2,

“Initial Net Cash Amount” means an amount (as a positive or negative sum) equal to:

- (a) Cash (as a positive number) as at the end of the financial year ending prior to the date of the Initial Manager Option Notice; less
- (b) Indebtedness (as a positive number) as at the end of the financial year ending prior to the date of the Initial Manager Option Notice,

“Initial Ordinary Share Value” means, in relation to an Initial Manager Option Share, the value as determined in accordance with article 30.10,

“Initial Put Option Period” means the period of 20 Business Days starting on the first day after the expiry of the Initial Call Option Period,

“instrument” means a document in hard copy form,

“Leaver” means a Manager who for any reason (including death or disability) ceases to be, and does not remain, as an employee of, consultant of (whether directly or through a consulting company) or otherwise engaged by, any Group Company, and for the purposes of these articles an individual shall (without limitation) be regarded as ceasing to be an employee of, consultant of (whether directly or through a consulting company) or otherwise engaged by a Group Company on termination without renewal or replacement of the agreement or arrangement under which that individual's services are to be supplied to that company,

“Manager Acquisition Excess Working Capital” means the amount of Excess Working Capital as at the end of the financial year ending prior to the date of the Manager Acquisition Notice,

“Manager Acquisition Net Cash Amount” means an amount (as a positive or negative sum) equal to:

- (a) Cash (as a positive number) as at the end of the financial year ending prior to the date of the Manager Acquisition Notice; less

- (b) Indebtedness (as a positive number) as at the end of the financial year ending prior to the date of the Manager Acquisition Notice,

"Manager Acquisition Notice" means the notice deemed to have been served on the Managers pursuant to article 29.1,

"Manager Acquisition Price" means the price per share for the Manager Acquisition Shares, calculated in accordance with articles 29.2 and 29.3,

"Manager Acquisition Shares" means such number of equity shares as, when aggregated with the existing shares held by the holder(s) of the A Shares on the date of the Manager Acquisition Notice, represents 51% of the enlarged Fully Diluted equity share capital of the Company on such date, such shares to be sold by the Managers pro rata to their existing shareholdings,

"Manager Acquisition Shares Completion Date" means the date of completion of the sale and purchase of the Manager Acquisition Shares in accordance with article 29.5,

"Managers" means Stephen Wright and Michael Jackson,

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Adoption Date,

"Normalised Level of Working Capital" means the average working capital of the Group Companies (net current assets less current liabilities excluding Cash and Indebtedness) for the preceding 12 months as agreed between the Managers and the A Shareholders at the relevant time,

"Ordinary Shares" means ordinary shares of £1.00 each in the capital of the Company, having the rights set out in these articles,

"paid" means paid or credited as paid,

"Patient" means, as at any date:

- (a) a person in relation to whom an order has been made (and, as at that date, not discharged) or a deputy has been appointed (and, as at that date, such appointment has not been revoked) under section 16 Mental Capacity Act 2005, or
- (b) a person who is, as at that date, a patient within the meaning of section 145(1) Mental Health Act 1983,

"persons entitled" has the meaning given in article 26.1.2,

"Production Cash" means all cash held at bank and in hand relating to amounts received by the Group Companies from a customer or distributor or other financier for the purposes of funding production costs,

"Profitability" means the Company having achieved a profit before tax for the relevant financial year as shown in the audited accounts for the relevant financial year, such accounts having been prepared, and such profit having been calculated and deemed to have been achieved, in accordance with the terms of any agreement in writing as between the shareholders at the Adoption Date,

"Proxy Notice" has the meaning given in article 14.5,

"qualifying person" has the same meaning as in section 318(3) Companies Act 2006,

"Relevant Company" has the meaning given in article 12.2,

"Relevant Matter" means a matter which may constitute or give rise to a breach by a director of his duty under section 175 Companies Act 2006 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the Company (including a breach which would arise by virtue of his appointment as a director),

"Relevant Percentage" has the meaning given in article 22.8,

"Relevant Shareholder" has the meaning given in article 22.8,

"required majority" means (in the context of the passing of a written resolution) either:

- (a) a simple majority of the total voting rights of eligible members as set out in section 282(2) Companies Act 2006, or
- (b) where the written resolution is proposed as a special resolution, not less than 75% of the total voting rights of eligible members as set out in section 283(2) Companies Act 2006,

"Sale Notice" means a notice to the Company offering to sell the entire legal and beneficial interest in all or any of the shares registered in the name of the shareholder giving that notice to each other shareholder who is not a Connected Person of the shareholder giving that notice,

"Sale Price" means the cash price per share at which the Sale Shares are offered for sale, being as specified in the relevant Sale Notice,

"Sale Shares" means the number of shares registered in the Seller's name which the Seller wishes to transfer, being as specified in the relevant Sale Notice,

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

"Seller" means a shareholder who gives a Sale Notice,

"share" means a share in the capital of the Company from time to time, unless otherwise specified,

"shareholder" means a person whose name is entered on the register of members of the Company as the holder of a share and, in relation to shares, "holder" shall have the same meaning,

"shareholders' agreement" means any agreement in writing from time to time that is binding on each shareholder and which relates (in whole or in part) to the management of the business of the Company and/or the rights and obligations of each shareholder in its capacity as a shareholder,

"Transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law,

"United Kingdom" means Great Britain and Northern Ireland, and

"writing" means a method of representing or reproducing words, symbols or other information by any method or combination of methods, whether in electronic form, hard copy or in any other legible and non-transitory form and "written" shall be construed accordingly.

- 1.3 Words or expressions defined in the Companies Act 2006 and used in these articles (either without further definition or by expressly referring to the statutory definition of that word or expression) shall bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company. This does not apply where (a) the word or expression used is not defined by express reference to the Companies Act 2006 and the subject or context in which that word or expression is used is inconsistent with the statutory definition, or (b) where that word or expression is otherwise defined in these articles. In all other circumstances references in these articles to any statute or statutory provision (including without limitation the Companies Act 2006 or any provision of the Companies Act 2006) subordinate legislation, code or guideline ("**legislation**") is a reference to such legislation as the same may from time to time be amended, re-enacted, modified, extended, varied, superseded, replaced, substituted or consolidated.

2 **LIABILITY OF MEMBERS**

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

3 DIRECTORS. POWERS, RESPONSIBILITIES AND DELEGATION

- 3.1 Subject to these articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- 3.2 Subject to these articles, the directors may delegate any of the powers which are conferred on them under these articles to such person or committee, by such means (including by power of attorney), to such an extent, in relation to such matters or territories, and on such terms and conditions, as they think fit. If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated. The directors may revoke any delegation in whole or part, or alter its terms and conditions.
- 3.3 Committees to which the directors delegate any of their powers must follow procedures which are based, as far as they are applicable, on those provisions of the articles which govern the taking of decisions by directors.

4 DIRECTORS: NUMBER, APPOINTMENT, RETIREMENT AND REMOVAL

- 4.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum.
- 4.2 The holder(s) of a majority of the A Shares may from time to time appoint up to one person willing to act and permitted by law to do so, as a director (the "A Director") and may from time to time remove from office any person so appointed as an A Director.
- 4.3 Any appointment or removal of a director under article 4.2 shall be made by notice to the Company signed by the shareholder(s) entitled to appoint or remove that director. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice. In this article 4, references to the appointment of a director as an A Director shall also include the designation of any existing director as an A Director and any director so designated in accordance with this article 4.3 shall be deemed to have been appointed under article 4.2.
- 4.4 For so long as a Manager holds shares and is not a Leaver, he may by notice to the Company appoint any person (including himself) willing to act and permitted by law to do so, as a director and may from time to time remove from office any persons so appointed by him provided always that, should a Manager wish to appoint someone other than himself as director pursuant to this article 4.4, the written consent of the A Director shall be required (such consent not to be unreasonably withheld).
- 4.5 The Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. The directors may appoint

a person who is willing to act to be a director, either to fill a vacancy or as an additional director. In either case, provided that the appointment does not cause the number of directors to exceed any number fixed in accordance with the articles as the maximum number of directors.

- 4.6 Subject to the terms of any relevant authorisation imposed on a director pursuant to article 7, any director appointed for the time being under article 4.2 may make such disclosures in relation to the Group Companies to the shareholder(s) appointing him (and any group company which holds any shares) as he thinks appropriate in his sole discretion.
- 4.7 Notwithstanding any other provision of these articles, on any resolution which is proposed:
- 4.7.1 in general meeting (either on a show of hands or on a poll) to remove a director appointed in accordance with article 4.2 from office, or
- 4.7.2 in general meeting (either on a show of hands or on a poll) or as a written resolution to revoke, vary, terminate or impose restrictions in respect of the authorisation given by article 6.1.2 as regards an A Director's office or place of profit or employment with or engagement by any A Shareholder or its connected persons (within the meaning of section 1122 of the Corporation Tax Act 2010) (if any), or in general meeting (either on a show of hands or on a poll) or as a written resolution to alter these articles so as to result in the deletion or amendment of article 4.2, article 6.1.2 or this article 4.7,

the votes cast by the shareholders (or the duly appointed proxies or corporate representatives of the shareholders) entitled to appoint and remove any director(s) under article 4.2 shall, if voting against that resolution, in aggregate carry such number of votes as is required to defeat that resolution.

- 4.8 Any director shall cease to be a director as soon as:
- 4.8.1 that person becomes a Leaver,
- 4.8.2 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
- 4.8.3 (in case of a director who is a natural person) a bankruptcy order is made against that person or a composition is made with that person's creditors generally in satisfaction of that person's debts,
- 4.8.4 (in the case of a director which is a body corporate) that body corporate (i) passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986 or otherwise) or is wound up by the court, (ii) is the subject of an administration order or an administrator is appointed in respect of that body

corporate, (iii) makes any proposal under Part I Insolvency Act 1986 or otherwise for a composition in satisfaction of its debts or a scheme of arrangement of its affairs or makes any proposal under part 26 Companies Act 2006 or otherwise for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with creditors generally or ceases to carry on all or substantially all of its business, (iv) has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets, or is the subject of any occurrence substantially similar in nature or effect, whether in England and Wales or any other jurisdiction,

- 4.8.5 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,
- 4.8.6 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,
- 4.8.7 notification is received by the Company from the director that the director is resigning from office, as director and such resignation has taken effect in accordance with its terms,
- 4.8.8 that director is removed from office in accordance with article 4.2, and
- 4.8.9 that director is removed from office as an alternate director in accordance with article 9.1 or 9.8 where such individual is not also a director.

5 DIRECTORS. DECISION MAKING

Directors to take decisions collectively

- 5.1 Subject to the terms of any shareholders' agreement, the general rule about decision making by directors is that any decision of the directors must either be by simple majority decision at a meeting or a unanimous resolution passed in accordance with article 5.2.

Unanimous decisions

- 5.2 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated his agreement in writing. A decision may only be taken in accordance with this article 5.2 where the eligible directors taking the decision would have formed a quorum had the matter been proposed as a resolution at a directors' meeting.

Calling a directors' meeting

- 5.3 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the secretary to give such notice. The secretary must call a directors' meeting if a director so requests.
- 5.4 Unless otherwise agreed by all the eligible directors in relation to a particular meeting, not less than seven days' prior notice shall be given of the time, date and location of each meeting of the directors and such notice shall be accompanied by a written agenda specifying in reasonable detail the matters to be discussed at that meeting together with copies of all documents which are to be discussed at that meeting.
- 5.5 No business shall be discussed or voted on at any meeting of the directors or at any adjournment of any such meeting, unless it is included in the agenda accompanying the notice convening the meeting.
- 5.6 Subject to these articles, notice of a meeting of the directors must be given to each director (including one who is absent for the time being from the United Kingdom) and may be given either personally or by word of mouth or in hard copy form or by electronic means, or by any other means authorised by the director concerned.
- 5.7 Notice of a directors' meeting need not be given to directors who are not entitled to receive notice or who have elected not to receive notice of that meeting pursuant to article 8.1 or who have waived their entitlement to notice of that meeting, by giving notice to that effect to the Company in advance of the meeting or not more than 7 days after the date on which the meeting is held (or any longer period determined by the shareholders by ordinary resolution). The giving of such notice of waiver after the meeting has been held does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

- 5.8 Subject to these articles, the directors participate in a directors' meeting when the meeting has been called and takes place in accordance with these articles and where each director can communicate orally to all of the other directors taking part, any information or opinions he has on any particular item of the business of the meeting. In determining whether the directors are participating in a directors' meeting it is irrelevant where any director is or (subject to the first sentence of this article) how the directors communicate with each other. 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 board meeting is located.
- 5.9 Subject to these articles, each director participating in a directors' meeting has one vote.
- 5.10 Where at a meeting of the directors or a committee of the directors the vote cast by the A Director on any resolution tabled at such meeting as a proportion of all votes cast on

that resolution at such meeting but for this article 5.10 is less than the proportion of the entire issued share capital of the Company at such time held by the shareholder appointing the A Director pursuant to article 4.2, the A Director shall be deemed to have cast such minimum number of additional votes on that resolution (cast in the same way as his original vote) as are required to result in the proportion of all votes cast on that resolution at such meeting (including such additional votes) being not less than the proportion of the entire issued share capital at such time held by the shareholder appointing the A Director.

Directors' ability to vote or take part in the decision making process

- 5.11 Save as otherwise provided by the subsequent provisions of this article or by a specific authorisation given under article 7 or by the Companies Acts or any shareholders' agreement, a director shall be entitled to vote at a meeting of directors or of a committee of directors or participate in any decision making process of the directors notwithstanding that the resolution proposed or matter being discussed or under consideration concerns a matter or situation in which he has, directly or indirectly, an interest or duty which conflicts or may reasonably be regarded as likely to give rise to a conflict of interest with the interests of the Company.

Quorum for directors' meetings

- 5.12 At a directors' meeting unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 5.13 Subject to the remaining provisions of this article 5 and subject to any specific authorisation given under article 7, the quorum for the transaction of business of the directors shall be two directors including one A Director (if so appointed) and one Manager (who is a director). 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 the same time and place the following week (or such other time and place as the Directors unanimously determine). If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed and be deemed to be quorate.
- 5.14 If the A Director, having received notice of a meeting pursuant to article 5.3, waives his entitlement to attend that meeting by giving notice to that effect to the Company in advance of the meeting, any two directors shall form a quorum for the transaction of business at that meeting. No business shall be discussed or voted on at such meeting of the directors or at any adjournment of any such meeting, unless it is included in the agenda accompanying the notice convening the meeting.
- 5.15 If:
- 5.15.1 any Group Company has or may have any claim or right against a shareholder or any of that shareholder's Connected Persons in connection with a breach of contract

or to enforce a covenant to pay, including a right to terminate any agreement, transaction or arrangement with that shareholder or any of its Connected Persons, or

- 5.15.2 it is necessary or desirable that any Group Company should defend, compromise, settle or negotiate with regard to any claim or right brought, threatened or asserted against any Group Company by a shareholder or any of its Connected Persons,

no director appointed by such shareholder pursuant to article 4.2 shall be entitled to vote on any resolution relating to such matter or attend, speak or be counted in the quorum at any meeting of the directors or any committee of the directors to the extent considering or discussing any such matter. Nor shall any such director be entitled to access or to receive notice of board meetings or to receive or see copies of any board papers (including board minutes and draft minutes) or other papers or legal advice provided to any Group Company *in connection with any such matter. The quorum at any meeting of the directors or a committee of the directors, to the extent considering and voting on any resolution in relation to which a director is not entitled to vote by virtue of this article 5.15, shall be any two directors who are entitled to vote (or, if there is only one director entitled to vote, that director), and the director(s), who are entitled to vote shall exercise all the powers of the Company in relation to the matter in question. The provisions of this article 5.15 shall apply notwithstanding any other provision of these articles.*

Chairing of directors' meetings and chairman's casting vote

- 5.16 The directors may appoint one of their number to be chairman of the board meeting.
- 5.17 The Chairman shall not have a casting vote.

Record keeping

- 5.18 The directors shall ensure that the Company keeps a permanent record in writing capable of being read by the naked eye, for at least 10 years from the date of the decision recorded, of each unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

- 5.19 Subject to these articles, the Companies Act 2006 and the provisions of any shareholders' agreement, the directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to directors.

6 DIRECTORS: PERMITTED INTERESTS

- 6.1 This article 6.1 shall apply to a director provided that (a) he has declared the nature and extent of any interest of his in accordance with and to the extent required by the

provisions of article 6.4 (and for the avoidance of doubt where article 6.4 does not require any declaration of interest to be made then this article 6.1 is still capable of applying notwithstanding the fact that no declaration has been made), and (b) the directors or the shareholder(s) have not (upon request) refused to give specific authorisation pursuant to article 7 for the particular situation or matter in question, and (c) the directors or the shareholders have not otherwise resolved pursuant to article 7.3 that such situation or matter shall no longer be authorised. Where this article 6.1 applies, a director, notwithstanding his office, shall be authorised:

- 6.1.1 to enter into, or otherwise be interested in, any transaction or arrangement with the Company or any other Group Company or in which the Company or any other Group Company is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as seller, buyer or otherwise,
- 6.1.2 to hold any other office or place of profit (except that of auditor) with, or to be employed by or a consultant to or otherwise interested (including by way of the holding of shares or any right to subscribe for or to convert securities into shares) in the Company or any other Group Company or in any shareholder or in any group company of a shareholder,
- 6.1.3 to act by himself or by any firm of which he is a partner, director, employee or shareholder in a professional capacity (except as auditor) for the Company or any other Group Company or for any shareholder or any group company of a shareholder and he or his firm shall be entitled to remuneration for professional services as if he were not a director of the Company, and
- 6.1.4 to be a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his appointment as a director of the Company or that other company (whichever is the later),

and such authorisations shall extend to any direct or indirect interest that conflicts or possibly may conflict with the interests of the Company and which may reasonably be expected to arise out of the situations and matters so authorised and is capable of being authorised at law. Save as may be specifically provided by any contrary resolution of the directors or shareholders in relation to any particular matter or situation, no authorisation of any matter or situation referred to in this article 6.1 shall be required pursuant to article 7 and no director shall, by reason of his holding office as director of the Company (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this article 6.1 and no transaction or arrangement shall be liable to be avoided by reason of any director having any interest or having received any benefit permitted by this article 6.1.

- 6.2 The authorisations given pursuant to, and the other provisions of, article 6.1 shall extend to and include, in particular but without limitation, direct or indirect interests of a director which arise or which may potentially arise due to:
- 6.2.1 any agreement, transaction or arrangement entered into by the director or by any shareholder who appointed the director pursuant to article 4.2, in relation to shares (or any right to subscribe for or to convert securities into shares) debentures or other securities in (a) the Company or any other Group Company or in (b) any shareholder which is a company or in any group company of any such shareholder,
 - 6.2.2 any guarantee, security or indemnity given or proposed to be given by any Group Company to, or to any person for the benefit of, (a) any other Group Company or (b) the shareholder who appointed the director pursuant to article 4.2,
 - 6.2.3 the recommendation, declaration and payment of any dividend or other distribution by the Company, and
 - 6.2.4 any agreement, transaction or arrangement proposed, made, terminated or varied between (a) the Company and any other Group Company, or (b) any Group Company and the shareholder who appointed the director pursuant to article 4.2, including without limitation agreements, transactions or arrangements relating to the sale and supply of goods and services, the borrowing or advancing of money and the use of property and other assets and any claims asserted or rights exercised by one party against another arising out of any such agreement, transaction or arrangement or any action taken by one party against another to defend, compromise, settle or negotiate with regard to any such claim asserted or right exercised.
- 6.3 For the purposes of articles 6.1 and 6.2:
- 6.3.1 an interest of (a) a person who is connected with a director (within the meaning of section 252 of the Companies Act 2006), (b) a person who appointed a director to office under article 4.2, (c) in the case of a director that is a company, any individual nominated to perform the duties of that director, and (d) the Appointor in relation to any alternate, shall be treated as an interest of the director or the alternate (as appropriate) in each case in addition to any interest which the director or alternate otherwise has,
 - 6.3.2 any authorisation of a situation or matter pursuant to those articles relating to a Group Company or to any shareholder shall be effective only for so long as the relevant Group Company remains a Group Company, the relevant shareholder remains a shareholder of the Company or the group company of a shareholder remains a group company of that shareholder.
- 6.4 In relation to transactions or arrangements with the Company, the director shall declare the nature and extent of any interest authorised under article 6.1 and article 6.2 in any

way permitted by the Companies Act 2006 and shall only be required to make such disclosure to the extent required to do so under the Companies Act 2006 In relation to other situations of actual or potential conflict of interest, the director shall declare the nature of that situation and the nature and extent of his interest in it at a meeting of the directors, or as otherwise determined by the directors, but shall not be required to make such declarations to the extent that the other directors are already aware of the situation and/or interest and its extent.

7 DIRECTORS: AUTHORISATION OF CONFLICTS OF INTEREST

- 7.1 Any Relevant Matter may be authorised by the directors to the fullest extent permitted by law in accordance with the provisions of articles 7.2 to 7.4.
- 7.2 Any director or shareholder may propose that a Relevant Matter be authorised by the directors. Such proposal and any authorisation given by the directors shall be effected in the same way as any other matter may be proposed to, and resolved upon by the directors (or in such other manner as the directors may approve) in accordance with these articles, except that no authorisation shall be effective unless the requirements of section 175(6) Companies Act 2006 have been complied with.
- 7.3 Any authorisation of a matter by the directors under this article 7 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised and shall be subject to such terms, conditions and limitations as the directors may specify, whether at the time of giving the authorisation or subsequently. The directors may at any time in relation to a particular director and a particular matter or situation terminate or vary (including by imposing new terms, conditions and limitations in relation to) any authorisation of a Relevant Matter (whether given under articles 6.1 and 6.2 or this article 7 or otherwise) provided that no such termination or variation shall have retrospective effect and further provided that such matter is not one described in article 6.1.2 that relates to an A Director and his office or place of profit or employment with or engagement by any A Shareholder or its group company. The director concerned must act in accordance with any terms, conditions or limitations specified by the directors in accordance with this article 7.3.
- 7.4 No director shall, by reason of his office as director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised in accordance with this article 7. No transaction or arrangement shall be liable to be avoided by reason of any interest of a director to the extent that it has been so authorized.
- 7.5 Notwithstanding the other provisions of this article 7, the shareholders of the Company shall be entitled, by ordinary resolution or by any higher majority as is required by law, to authorise a Relevant Matter (whether or not authorisation has previously been requested from and/or refused by the directors pursuant to this article 7) or to terminate

or vary the terms and conditions of, or procedures for managing conflicts attaching to, any authorisation previously given either by the directors or shareholders. The provisions of articles 7.3 to 7.4 and article 8 shall apply mutatis mutandis to any authorisation given by the shareholders, save that references to any procedures for managing conflicts laid down by the directors and to any authorisation given, varied or terminated by the directors and any terms and conditions specified, imposed, varied or terminated by the directors in relation to any such authorisation, shall be interpreted as though they were references to procedures laid down, authorisation given, varied or terminated or terms and conditions specified, imposed, varied or terminated by the shareholders.

8 DIRECTORS: MANAGING CONFLICTS OF INTEREST

8.1 Where this article 8.1 applies, a director shall be authorised, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 Companies Act 2006 to take, and shall (if so requested by the other directors or the shareholders) take, such steps as may be necessary or desirable for the purpose of managing any conflict of interest to which this article 8.1 applies, including (without limitation) by:

- 8.1.1 complying with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally or any specific procedures approved by the directors in relation to the situation, matter or interest in question,
- 8.1.2 excluding himself from attending and voting at board meetings or otherwise participating in directors' decision making to the extent relating to such situation, matter or interest or from participating in discussions (whether at meetings of the board or otherwise), or receiving documents or information, relating to any such situation, matter or interest (including without limitation, notice of meetings, directors' written resolutions, board papers, minutes or draft minutes and legal advice given to any Group Company),
- 8.1.3 arranging for documents or information relating to any such situation, matter or interest to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information, and/or
- 8.1.4 not disclosing to the Company, or not using in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a director of the Company which relates to a situation, matter or interest and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party.

8.2 Article 8.1 shall apply, where a director has or could have:

- 8.2.1 a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company, provided that the interest or the existence of the situation or

relationship leading to the interest has been authorised pursuant to article 6.1, article 6.2 or article 7 and the terms and conditions of such authorisation do not provide otherwise, or

8.2.2 a direct or indirect interest in an agreement, transaction or arrangement (or a proposed agreement, transaction or arrangement) with the Company and such interest has been declared to the other directors to the extent required by the Companies Act 2006.

8.3 Where a director obtains or has obtained information, otherwise than through his position as a director, which is confidential to a third party other than the Company, then provided that the duty of confidentiality does not arise out of a situation in which the director has or may have a direct or indirect conflict of interest, the director shall not be required to disclose such information to the Company or use it in relation to the Company's affairs. This article is without prejudice to the ability of a director to withhold such information from the Company in accordance with the provisions of article 8.1.

8.4 Articles 8.1 and 8.3 are without prejudice to any equitable principle or rule of law which may otherwise excuse or release the director from any requirement to disclose information or use information in relation to the Company's affairs, participate in discussions or receive documents or information.

8.5 For the purposes of articles 6 to 8 (inclusive), references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

9 DIRECTORS ALTERNATES

9.1 Any director, other than an alternate director, ("**Appointor**") may appoint as an alternate any other director, or any other person who is willing to act, to exercise (in the absence of the Appointor) the Appointor's powers as a director generally, and in particular (in the absence of the Appointor) to carry out the Appointor's responsibilities in relation to the taking of decisions by directors. In addition, an alternate for any director appointed in accordance with article 4.2 may be appointed and removed from office by the shareholder(s) who appointed the original director in accordance with that article and in such circumstances, (unless the context requires otherwise) references in this article 9 to "Appointor" shall be construed as references to the original director notwithstanding the fact that the alternate was appointed by the relevant shareholder(s). An alternate director appointed by a shareholder in accordance with this article 9.1 shall not count towards the number of directors capable of being appointed by the shareholder under article 4.2.

9.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor (or where the alternate is being appointed by relevant shareholder(s) in accordance with article 9.1, signed by the relevant shareholder(s)) or in any other manner approved by the directors and shall take effect

when the notice is received or at any later time specified for the purpose in the notice. The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice or on whose behalf such notice is given.

- 9.3 An alternate director has the same rights, in relation to any directors' meeting or decision of the directors, as the alternate's Appointor and, without limitation, is entitled to be given notice of all meetings of directors and committees of directors and all meetings of shareholders which their Appointor is entitled to be given and in the absence of their Appointor, to attend, speak and vote at all such meetings at which the Appointor is entitled to attend, speak and vote.
- 9.4 Except as these articles specify otherwise, alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their Appointors, and are not deemed to be agents of or for their Appointors.
- 9.5 Subject to article 9.6, a person who is an alternate director, but not a director:
 - 9.5.1 may be counted as participating in a directors' meeting for the purposes of determining whether a quorum is present and may vote on any proposal made at a directors' meeting by casting the same number of votes that his Appointor would have been entitled to cast had he been present (if that person's Appointor is not participating but would have been an eligible director in relation to that proposal had he been participating), and
 - 9.5.2 may take part in decisions of the directors pursuant to article 5.2 (provided that person's Appointor does not take part in making the decision but would have been an eligible director in relation to that decision had he taken part in making it).
- 9.6 A person may be appointed as the alternate director of more than one director. Where a person is appointed as the alternate director of more than one director, or is an alternate director and a director himself, that alternate director shall:
 - 9.6.1 subject to article 9.6.2, be entitled at meetings of the directors to one vote in respect of every director by whom he has been appointed (and who is not himself participating, but who would have been an eligible director in relation to the proposal had he been participating) in addition to his own vote (if any) as a director,
 - 9.6.2 If he is the alternate of a director appointed in accordance with article 4.2, be entitled at meetings of the directors to cast the number of votes that such director would have been entitled to cast had he been present and an eligible director in relation to the proposal, in addition to this own vote (if any) as a director and any votes he has as the alternate of any other director,

- 9.6.3 may be counted more than once for the purpose of determining whether or not a quorum is present, and
- 9.6.4 shall be entitled to take part in decisions of the directors pursuant to article 5.2 on behalf of each director by whom he has been appointed (and who would have been an eligible director in relation that decision) as well as being able to take part in making the decision for himself (if he is a director).
- 9.7 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the remuneration of the alternate's Appointor as the Appointor may direct by notice in writing made to the Company.
- 9.8 An alternate director's appointment as an alternate for a particular Appointor shall terminate:
- 9.8.1 when that Appointor (or the shareholder(s) which made the appointment) revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- 9.8.2 on the death of that Appointor, or
- 9.8.3 when the directorship of that Appointor terminates,

and an alternate director's appointment as an alternate for an Appointor (and if the person is an alternate for more than one director, that person's appointment as an alternate for each Appointor) shall terminate on the occurrence in relation to the alternate of any event which, if it occurred in relation to any Appointor of that alternate, would result in the termination of that Appointor's appointment as a director.

10 DIRECTORS REMUNERATION AND EXPENSES

- 10.1 No person appointed to the office of Director shall be entitled to any fee merely in respect of the holding of that office.
- 10.2 The Company may pay any reasonable expenses which the directors (including any alternate director) or the secretary properly incur in connection with their attendance at meetings of directors or committees of directors, general meetings, or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the proper exercise of their powers and the discharge of their responsibility in relation to the Company.

11 DIRECTORS INDEMNITIES AND FUNDING OF PROCEEDINGS

- 11.1 Subject to the provisions of and so far as may be consistent with the Companies Act 2006:

11.1.1 every director, former director and other officer of the Company shall be indemnified out of the assets of the Company against:

- (a) all liabilities incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company other than:
 - (i) any liability incurred to the Company or any of its associated companies, and
 - (ii) any liability of the kind referred to in sections 234(3) to (6) Companies Act 2006, and
- (b) all other liabilities incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office,

11.1.2 where the Company or any of its associated companies is or was at any time a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act 2006 as amended, modified or re-enacted from time to time), the directors may exercise all the powers of the Company to indemnify any person who is or was at any time a director of that company against all liabilities incurred by him in connection with that company's activities as trustee of the occupational pension scheme, to the fullest extent permitted by law, and

11.1.3 the directors may exercise all the powers of the Company to provide any director of the Company with funds to meet expenditure incurred or to be incurred by him of the kind referred to in sections 205(1)(a) and 206(a) Companies Act 2006 as amended, modified or re-enacted from time to time, and otherwise take any action to enable any such director to avoid incurring such expenditure, to the fullest extent permitted by law,

and in this article 11.1, the term "**associated company**" shall have the meaning given in section 256(b) Companies Act 2006 as amended, modified or re-enacted from time to time

12 **DIRECTORS: INSURANCE**

12.1 Without prejudice to article 11 the directors may exercise all the powers of the Company to purchase and maintain insurance for, or for the benefit of, any person who is or was at any time:

12.1.1 a director of any Relevant Company, or

- 12.1.2 a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of any Relevant Company or of any employees' share scheme in which employees of any such Relevant Company are interested,

including (without limitation) insurance against any liability referred to in article 11 attaching to him in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme.

- 12.2 In this article 12, "Relevant Company" means the Company or any other undertaking which is or was at any time:

12.2.1 a subsidiary undertaking of the Company, or

12.2.2 a company in which the Company has an interest (whether direct or indirect).

13 SHAREHOLDERS ORGANISATION OF GENERAL MEETINGS

Quorum for general meetings and adjourned general meetings

- 13.1 Subject to these articles, no business other than the appointment of the chairman of the meeting (if the Chairman is not present) shall be transacted at any general meeting (or adjourned meeting) unless a quorum is present. A quorum shall be two qualifying persons having the right to vote on the business to be transacted at the meeting provided that:

13.1.1 one such qualifying person is duly authorised to represent, or is the validly appointed proxy of, at least one A Shareholder,

13.1.2 one such qualifying person is duly authorised to represent, or is the validly appointed proxy of, a Manager,

13.1.3 where two or more qualifying persons are present and:

(a) each is a qualifying person only because he is authorised under section 323 Companies Act 2006 to act as the representative of a corporation in relation to a meeting and they are representatives of the same corporation, or

(b) each is a qualifying person only because he is appointed as proxy of a shareholder in relation to the meeting, and they are proxies of the same shareholder,

those qualifying persons shall be treated as one qualifying person for the purposes of this article, and

13.1.4 if and for so long as the Company has only one shareholder, one qualifying person having the right to vote on the business to be transacted at the meeting shall be a quorum.

13.2 Where a meeting is adjourned for lack of quorum, the quorum at any reconvening of that meeting shall be any two qualifying persons having the right to vote on the business to be transacted at the meeting. If such a quorum is not present within half an hour of the time at which the adjourned meeting was due to start or if during an adjourned meeting a quorum ceases to be present, the chairman of the meeting shall dissolve the meeting.

Chairing general meetings

13.3 The Chairman shall chair general meetings if present and willing to do so. If the Chairman is not present within 10 minutes of the time at which a meeting was due to start or if there is no Chairman or if the Chairman is unwilling to chair the meeting a majority of those qualifying persons present and entitled to vote at the meeting must appoint a qualifying person to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting. The person chairing a general meeting in accordance with this article 13.3 is referred to in these articles as "the chairman of the meeting". The Chairman shall not have a casting vote at general meetings.

Attendance and speaking by directors

13.4 Directors may attend and speak at general meetings whether or not they are shareholders.

Notice of general meetings

13.5 General meetings (except for those requiring special notice) shall be called by at least 14 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 90 per cent in nominal value of the shares giving that right. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted. Subject to the provisions of these articles and the Companies Act 2006 and to any restrictions imposed on any shares, the notice shall be given to all the shareholders, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors.

Notice deemed received and failure to give notice

13.6 To the extent permitted by section 313(2) Companies Act 2006, section 313(1) Companies Act 2006 shall not apply to disregard any accidental failure to give notice of a general meeting or resolution to any person or persons.

Adjournment

- 13.7 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the meeting, if called on the request of shareholders, shall be dissolved and in any other case shall be adjourned by the chairman of the meeting. Otherwise, the chairman of the meeting may adjourn any general meeting if the meeting consents and must adjourn a general meeting if directed to do so by a meeting at which a quorum is present.
- 13.8 Save where (a) the adjournment is of a temporary nature lasting not more than half an hour, and (b) the adjourned meeting is to be held in the same place as the meeting, and (c) the chairman announces, whilst a quorum is present, the time at which the adjourned meeting shall start, the directors shall fix a time and place for the meeting to continue and at least five clear days' notice shall be given of every adjourned meeting. Such notice shall be given to the same persons to whom notice of the Company's general meetings is required to be given, and shall specify the time and place of the adjourned meeting and the general nature of the business to be conducted. No further notice of an adjourned meeting is required.
- 13.9 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Attendance and speaking at general meetings

- 13.10 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate orally to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 13.11 A person is able to exercise the right to vote at a general meeting when that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 13.12 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it. In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other as long as all participants can hear and be heard by each other and participate in any vote taken. Such a meeting shall be deemed to take place where the largest group of those persons are assembled, or if there is no such group, where the chairman of the meeting is located.
- 13.13 Requesting a general meeting

Any shareholder may request a general meeting and if any shareholder does so, the provisions of sections 303(1) and (4) to (6) inclusive and sections 304(2), (3) and (4) and section 305 Companies Act 2006 shall apply mutatis mutandis to that request as if it were a members' request made under section 303(1). The directors shall be required to convene a general meeting so requested to be held on a date not more than 21 days after the date on which the Company receives the request.

13.14 Class meetings

Save as otherwise provided by the Companies Act 2006 and this article 13.14 in relation to meetings or resolutions of holders of a class of shares (including without limitation meetings or resolutions to consider the variation of class rights) the provisions of these articles relating to general meetings and written resolutions shall apply, with any necessary modifications, to any separate general meeting or written resolution of the holders of the shares of any class required to take place by the Companies Act 2006 or these articles, except that the necessary quorum at any such meeting (other than a meeting to consider the variation of class rights) shall be one shareholder holding shares of the relevant class present in person or by proxy and any shareholder may request a class meeting. Without prejudice to the generality of the foregoing, the provisions of articles 4.7, 13.13 and 15 shall not apply in relation to meetings or resolutions of the holders of a class of shares.

14 SHAREHOLDERS: VOTING AT GENERAL MEETINGS

General

- 14.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is demanded in accordance with these articles.

Poll votes

- 14.2 A poll on a resolution may be demanded in advance of the general meeting where it is to be put to the vote, or at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. Unless the chairman of the meeting determines it would be impractical or unfair to do so, polls must be taken immediately and in such manner as the chairman of the meeting directs.
- 14.3 A poll may be demanded by:
- 14.3.1 the chairman of the meeting, or
 - 14.3.2 any person having the right to vote on the resolution.
- 14.4 A demand for a poll may be withdrawn if the poll has not yet been taken, and the chairman of the meeting consents to the withdrawal. A demand so withdrawn shall not

be taken to have invalidated the result of a show of hands declared before the demand was made.

Content of Proxy Notices

- 14.5 Proxies may only validly be appointed by way of a notice in writing ("**Proxy Notice**") which:
- 14.5.1 *states the name and address of the shareholder appointing the proxy,*
 - 14.5.2 *identifies the person appointed to be proxy for that shareholder and the general meeting in relation to which that person is appointed,*
 - 14.5.3 *where the proxy is not entitled to exercise the rights attaching to all of the shares held by that shareholder, identifies the number and class of shares in relation to which the proxy is entitled to exercise such rights,*
 - 14.5.4 *is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and*
 - 14.5.5 *is delivered to the Company in accordance with these articles and any instructions contained in the notice of the general meeting to which they relate.*
- 14.6 Only one proxy may be appointed in any Proxy Notice and a shareholder wishing to appoint more than one proxy must use separate forms for each appointment.
- 14.7 Unless a Proxy Notice indicates otherwise, it must be treated as:
- 14.7.1 *allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting,*
 - 14.7.2 *appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself, and*
 - 14.7.3 *allowing the person appointed under it as a proxy to exercise the rights attaching to all of the shares of whatever class held by the shareholder appointing that person as a proxy and no person shall be entitled to challenge the validity of the exercise by such proxy of all of those rights.*
- 14.8 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- 14.9 Notwithstanding any other provision of these articles, the Company shall be under no obligation to ensure that any proxy or corporate representative of any shareholder

exercises its right to vote at any general meeting of the Company in accordance with the instructions they have been given by the shareholder appointing them and the business conducted at the meeting shall not be invalidated if it is subsequently found that this is not the case.

Delivery of Proxy Notices

14.10 Any Proxy Notice and any authority under which it is signed or otherwise authenticated in a manner required by the directors under article 14.5.4 or a copy of such authority or other authentication certified notarially or by a solicitor or in some other way approved by the directors may:

14.10.1 in the case of a Proxy Notice in hard copy form, be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any form of proxy sent out by the Company in relation to the meeting, at any time before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or

14.10.2 in the case of a Proxy Notice sent by electronic means where an address has been given by the Company:

- (a) in the notice calling the meeting, or
- (b) in any form of proxy sent out by the Company in relation to the meeting, or
- (c) in any invitation to appoint a proxy issued by the Company in relation to the meeting,

be received at that address (subject to any conditions or limitations specified in the notice) at any time before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote, or

14.10.3 in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll,

and a Proxy Notice which is not deposited or received in a manner so permitted shall be invalid. Any valid Proxy Notice shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting.

In this article 14.10 "**address**" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.

14.11 An appointment under a Proxy Notice may be revoked by delivering a notice given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given to

any address specified by the Company pursuant to article 14.10 in relation to the particular meeting concerned.

- 14.12 A notice revoking a proxy appointment or the authority of a person authorised by a corporation pursuant to section 323(1) Companies Act 2006 only takes effect if it is delivered before:

14.12.1 the start of the meeting or adjourned meeting to which it relates, or

14.12.2 (in the case of a poll not taken at the meeting or adjourned meeting at which the poll was demanded) the time appointed for taking the poll to which it relates.

- 14.13 Subject to article 14.12, the provisions of sections 330(1) to (4) inclusive Companies Act 2006 shall apply mutatis mutandis to any termination of the authority of a person authorised by a corporation pursuant to section 323(1) Companies Act 2006.

15 SHAREHOLDERS: WRITTEN RESOLUTIONS

Any shareholder may require the Company to circulate a written resolution and if any shareholder does so, the provisions of sections 292(1) to (3) (inclusive) and sections 292(6), 293, 294 and 295 Companies Act 2006 shall apply mutatis mutandis to that request as if it were a request made by shareholders pursuant to section 292 Companies Act 2006.

16 SHARES: GENERAL

- 16.1 All shares shall be issued fully paid.
- 16.2 Subject to these articles, but without prejudice to the rights attached to any existing share, the Company has the power to issue shares with such rights or restrictions as may be determined by special resolution.
- 16.3 The A Shares and the Ordinary Shares shall constitute separate classes of shares but except as expressly provided otherwise in these articles, shall rank *pari passu* in all respects. If at any time the Company has only one class of share in issue, these articles shall be read as if they do not include reference to the class no longer in issue, or to any consents from, or attendance at any meeting or votes to be cast by any shareholder of that class or to any directors appointed by that class. In particular, but without limitation, the provisions of articles 5.13 and 13.1 shall not apply to require the presence at board meetings or the participation in board decisions of a director appointed by the holders of a class of shares which is no longer in issue or to require the presence at general meetings of the holders of a class of shares which is no longer in issue.
- 16.4 The Company may issue shares which are to be redeemed, or are liable to be redeemed only if the issue of such shares and the terms, conditions and manner of their redemption as approved by special resolution are complied with.

- 16.5 The Company may not reduce its share capital except in accordance with Chapter 10 of Part 17 Companies Act 2006.
- 16.6 Except as required by law and save as otherwise provided by these articles, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or these articles, the Company is not in any way to be bound by or recognise any interest in a share other than the shareholder's absolute ownership of it and all the rights attaching to it.
- 16.7 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 16.8 Every certificate must specify:
- 16.8.1 in respect of how many shares and of what class, it is issued,
 - 16.8.2 the nominal value of those shares, and
 - 16.8.3 any distinguishing numbers assigned to them,
- and no certificate may be issued in respect of shares of more than one class. Certificates must have affixed to them the Company's common seal, or be otherwise executed in accordance with the Companies Acts.
- 16.9 If more than one person holds a share, only one certificate may be issued in respect of it and delivery to one joint shareholder shall be a sufficient delivery to all of them.
- 16.10 If a certificate issued in respect of a shareholder's shares is damaged or defaced, or said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares. A shareholder exercising the right to be issued with such a replacement certificate may at the same time exercise the right to be issued with a single certificate or separate certificates and (if it is damaged or defaced) must return the certificate which is to be replaced to the Company, and must comply with such conditions as to evidence and indemnity as the directors decide.

17 SHARES: PRE-EMPTION

- 17.1 Unless the A Shareholder and the Managers have consented otherwise, before any equity securities are allotted and subject to the terms of any shareholders' agreement, they shall all be offered to all the shareholders (other than in the case of Anti-Dilution Shares). Every offer shall be made by notice and shall specify:
- 17.1.1 the number and class of equity securities offered,
 - 17.1.2 the price payable for each equity security and when it is payable,

- 17.1.3 the offer period (being not less than seven days and not more than 28 days) at the end of which, the offer, if or to the extent not taken up, will be deemed to have been declined,
- 17.1.4 the person or persons (if already identified) to whom the Company intends to allot all or any of the equity securities if they are not applied for by the shareholders, and
- 17.1.5 whether or not the offer is conditional on all or a specified minimum number of equity securities being taken up.

Where shares are held by two persons jointly the offer may be made to the joint holder first named in the register of members in relation to the shares.

- 17.2 Subject to the terms of any shareholders' agreement, article 17.1 shall not apply:
 - 17.2.1 to the allotment of bonus shares, or
 - 17.2.2 to the allotment of equity securities that would, apart from any renunciation or assignment of the right to their allotment, be held under or allotted or transferred pursuant to an employees' share scheme, or
 - 17.2.3 If the equity securities to be allotted are or are to be paid up wholly or partly otherwise than in cash (and for these purposes, if the equity securities in question comprise the grant of a right to subscribe for, or to convert securities into, any share in the Company, then they shall be regarded as paid up in the same way in which those shares would be paid up on exercise of that right).
- 17.3 Applications for equity securities offered in accordance with article 17.1 shall be made by notice to the Company, received by the Company within the offer period set out in the Company's notice, and shall specify the number of equity securities applied for. No shareholder may revoke an application which it makes.
- 17.4 Unless the offer to shareholders lapses in accordance with article 17.6, each shareholder applying for equity securities shall be allotted the number applied for or, if the aggregate number applied for exceeds the number on offer, the number allocated to it in accordance with article 17.5.
- 17.5 If the aggregate number of equity securities applied for exceeds the number on offer, then the equity securities on offer shall be allocated to the applying shareholders in proportion to the number of shares held as between those applying shareholders at the date of the offer. No applying shareholder shall be allocated more equity securities than it has applied for, but subject to this, the equity securities shall be allocated to the applying shareholders on the basis set out above (and may need to be so allocated more than once) until all equity securities are allocated. Fractional entitlements to equity securities shall be ignored.

- 17.6 In the event that an offer made under article 17.1 fails to become unconditional because the aggregate number of equity securities applied for is less than any minimum number of equity securities specified in the offer, then the offer shall lapse.
- 17.7 For the purposes of articles 17.1 to 17.12 (inclusive), a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of an offer made under article 17.1 shall be deemed to be a shareholder of the Company and to hold those shares on that date.
- 17.8 Any equity securities offered under article 17.1 which are not applied for or are the subject of an offer which has lapsed, and equity securities comprised of fractions ignored as provided in article 17.5, may be allotted by the directors to the people (if any) specified in the Company's offer or (if none) to such people as the directors may determine, provided that:
- 17.8.1 no such equity securities shall be so allotted more than three months after the end of the offer period referred to in article 17.1 unless the procedure set out in article 17.1 is repeated in respect of those equity securities, with this article 17.8.1 applying equally to any repetition of that procedure, and
- 17.8.2 no such equity securities shall be allotted at a price less than that at which they were offered to the shareholders in accordance with article 17.1.
- 17.9 No person entitled to the allotment of any equity securities may assign its entitlement to any other person.
- 17.10 Pursuant to section 567(1) Companies Act 2006, sections 561 and 562 Companies Act 2006 shall be generally excluded and shall not apply to any allotment by the Company of equity securities.
- 17.11 Each share allotted to an A Shareholder or a Connected Person of that shareholder (whether under the exercise of a right to subscribe for, or convert any security into, shares or otherwise) shall be designated as an A Share.
- 17.12 For the purposes of articles 17.1 to 17.12 (inclusive), references to "equity securities" shall be construed in accordance with section 560 Companies Act 2006.

18 SHARES: TRANSFER AND TRANSMISSION

- 18.1 Subject to the terms of any shareholders' agreement, no shareholder may transfer any share except in accordance with:
- 18.1.1 article 19 (Permitted Transfers);
- 18.1.2 article 20 (Compulsory Transfers);

- 18.1.3 article 21 (Pre-emption on the Transfer of Shares) on or after (i) the date that is ten years commencing on the Adoption Date, or (ii) if earlier, the end of the Final Put Option Period;
- 18.1.4 article 22 (Tag Rights) on or after (i) the date that is ten years commencing on the Adoption Date, or (ii) if earlier, the end of the Final Put Option Period;
- 18.1.5 article 23 (Drag Rights) on or after (i) the date that is ten years commencing on the Adoption Date, or (ii) if earlier, the end of the Final Put Option Period;
- 18.1.6 article 29 (Acquisition of Manager Shares);
- 18.1.7 article 30 (Initial Manager Share Option); or
- 18.1.8 article 31 (Final Manager Share Option),

and any purported transfer in breach of this article 18 shall be void.

- 18.2 References in article 18.1 to a transfer of any share include a transfer or grant of any interest in any share or of any right attaching to any share, whether by way of sale, gift, holding on trust, declaration of trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also include an agreement to make any such transfer or grant or to exercise the voting rights attaching to a share at the direction of any third party and any renunciation or other direction by a shareholder entitled to an allotment, issue or transfer of shares, that such shares be allotted, issued or transferred to any other person.
- 18.3 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and (if any of the shares is partly paid) the transferee. No fee may be charged by the Company for registering any instrument of transfer or other document relating to or affecting the title to any share and the Company may retain any instrument of transfer which is registered. The Company shall return any instrument of transfer which the directors refuse to register when notice of refusal is given, unless the directors suspect that the proposed transfer may be fraudulent.
- 18.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as shareholder in respect of it.
- 18.5 *The directors shall refuse to register a transfer of shares prohibited by or not effected in accordance with these articles, and a transfer of shares to a minor, a Bankrupt or a Patient.*
- 18.6 The directors may, notwithstanding any provisions of these articles, refuse to register a transfer of shares to a person reasonably believed by the directors to be engaged in any activity which involves (i) pornography, (ii) the promotion of political parties, lobbying

groups or religious organisations or (iii) material which might reasonably be considered to risk bringing the STV Productions Limited and/or STV Group plc and/or any of their brands into disrepute.

- 18.7 The directors may from time to time require any shareholder, or any Transmittée of a shareholder, or in the case of any proposed transfer, any proposed transferee, to supply to the Company such information as they may reasonably think relevant for the purpose of determining whether a transfer has been effected in breach of these articles, a Compulsory Transfer Event has occurred or (as the case may be) the proposed transfer is permitted under these articles. Unless that information is supplied within 30 days of the date of the request, the directors may declare the shares in question to be subject to the restrictions set out in section 797 Companies Act 2006 until such time as that information is supplied, showing no transfer has been effected in breach of these articles or (as the case may be) no Compulsory Transfer Event has occurred or (as the case may be) the proposed transfer is permitted under these articles or is no longer proposed.
- 18.8 Unless under these articles the directors have an express discretion or are obliged to refuse to register the transfer of any share, the directors shall register any transfer permitted by or effected in accordance with these articles as soon as practicable and in any event within two months after the date on which the following are lodged at the office or such other place as the directors may appoint:
- 18.8.1 the duly stamped transfer (or otherwise duly certified as exempt from stamping),
- 18.8.2 the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors, and
- 18.8.3 evidence (reasonably satisfactory to the directors) that each proposed transferee has first agreed to be bound, in accordance with its terms, by any applicable provisions of any shareholders' agreement then in force with effect from the date of the transfer.
- 18.9 If the directors refuse to register a transfer of a share, they shall comply with the requirements of the Companies Act 2006 to give the transferee notice of such refusal together with reasons as soon as practicable and in any event within two months after the date on which the transfer was lodged in accordance with article 18.8.
- 18.10 Any A Share transferred to a holder of Ordinary Shares shall, on the registration of that transfer, be redesignated as an Ordinary Share and any Ordinary Share transferred to an A Shareholder shall, on the registration of that transfer, be redesignated as an A Share.
- 18.11 If title to a share passes to a Transmittée, the Company may recognise only the Transmittée as having any title to that share. Nothing in these articles releases any shareholder, Transmittée or the estate of a deceased shareholder from any liability in respect of a share held solely or jointly by that shareholder. A Transmittée may, upon

such evidence being produced as the directors may properly require, elect by notice in writing received by the Company to become the holder of that share (subject always to the right of any director to give a Compulsory Transfer Notice in respect of that share under article 20.3) but shall have no right to have any person nominated by him registered as the transferee. Subject to article 18.12 pending any transfer of the shares to the Transmitttee, the Transmitttee has the same rights as the shareholder from whom he derives title had.

18.12 Transmitttees do not have the right to attend or vote at general meetings or class meetings or to agree to a proposed written resolution of the shareholders or any class of shareholders, in respect of shares to which they are entitled by reason of a shareholder's death or bankruptcy or otherwise, unless they become the holders of those shares.

18.13 Transmitttees who wish to become holders in relation to shares to which they have become entitled must notify the Company in writing of that wish.

19 SHARES: PERMITTED TRANSFERS

19.1 A transfer of any share, other than one which in accordance with these articles is declared to be subject to the restrictions set out in section 797 Companies Act 2006, may, unless otherwise provided in these articles, be made at any time and at any price in each of the following cases:

19.1.1 with the prior consent of each shareholder who holds 10% or more (in nominal value) of the issued share capital of each class of shares, subject to the fulfilment of any conditions on the basis of which any such consent is given;

19.1.2 as permitted under any shareholders' agreement for the time being in force;

19.1.3 a transfer of the entire legal and beneficial interest in any share by a shareholder who is a company to another member of that company's group, provided that any such transferee shall transfer back to the relevant transferor those shares promptly after ceasing to be a member of the same group as the transferor;

19.1.4 a transfer of the entire legal and beneficial interest in any share by a shareholder who is an individual to that shareholder's Associate, provided that any such transferee shall transfer back to the relevant transferor those shares within 28 days after ceasing to be an Associate of the transferor, failing which a Compulsory Transfer Event will be deemed to have occurred in respect of the shares held by the transferee and the provisions of articles 20.2 to 20.14 (inclusive) shall come into effect; and

19.1.5 a transfer of the entire legal and beneficial interest in any share by the personal representatives of a deceased shareholder in accordance with the provisions of that deceased shareholder's will or the laws of intestacy.

20 **SHARES: COMPULSORY TRANSFERS**

- 20.1 For the purposes of these articles, a Compulsory Transfer Event shall occur in relation to a person: if that person (being a company other than one which holds shares as trustee of a Family Trust):
- 20.1.1 passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986 or otherwise) or is wound up by the court,
 - 20.1.2 is the subject of an administration order or an administrator is appointed in respect of that company,
 - 20.1.3 makes any proposal under Part I Insolvency Act 1986 or otherwise for a composition in satisfaction of its debts or a scheme of arrangement of its affairs or makes any proposal under part 26 Companies Act 2006 or otherwise for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with its creditors generally or ceases to carry on all or substantially all of its business,
 - 20.1.4 has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets, or
 - 20.1.5 is the subject of any occurrence substantially similar in nature or effect to those in articles 20.1.1 to 20.1.4 whether in England and Wales or any other jurisdiction,
- or if that person (being an individual, other than one which holds shares as trustee of a Family Trust)
- 20.1.6 becomes a Bankrupt,
 - 20.1.7 becomes a Patient,
 - 20.1.8 is the subject of any occurrence substantially similar in nature or effect to those in articles 20.1.6 and 20.1 7 whether in England and Wales or any other jurisdiction,
 - 20.1.9 becomes a holder of shares by virtue of being a Transmtee,
 - 20.1.10 becomes a Leaver, or
 - 20.1.11 if that person holds shares jointly with any other person and a Compulsory Transfer Event occurs in relation to that other person,
- or if that person (being a person who holds shares as trustee of a Family Trust)

- 20.1.12 ceases to hold those shares on the terms of a Family Trust or holds them on trust only for an individual in relation to whom a Compulsory Transfer Event has occurred.
- 20.2 if a Compulsory Transfer Event occurs:
- 20.2.1 in relation to a shareholder, or
- 20.2.2 where a shareholder holds shares by reason of a Connected Person Transfer, in relation either to that shareholder or to the Connected Person Transferor,
- then the shareholder in question, or any Transmitttee of that shareholder, or any person appointed by the court or otherwise becoming able to act on behalf of that shareholder or person in relation to shares in the Company ("**Compulsory Seller**") shall promptly notify the directors that the Compulsory Transfer Event has occurred.
- 20.3 Subject to the terms of any shareholders' agreement, any director may, on behalf of a Compulsory Seller, give a Compulsory Transfer Notice to all of the shareholders at any time during the period of 60 days starting on the date on which that director receives the notice given by the Compulsory Seller under article 20.2 or (if no such notice is received during the period of 14 days starting on the date of the relevant Compulsory Transfer Event) starting on the date when that director becomes aware of that Compulsory Transfer Event. The Compulsory Transfer Notice shall:
- 20.3.1 identify the Compulsory Seller and the number and class of the Compulsory Transfer Shares,
- 20.3.2 constitute an irrevocable and unconditional offer to sell the Compulsory Transfer Shares on the terms set out in this article 20 and specify the persons to whom the Compulsory Transfer Shares are to be offered pursuant to article 20.5,
- 20.3.3 state the Compulsory Transfer Price for the Compulsory Transfer Shares,
- 20.3.4 set out a summary of the procedure to be adopted for the sale and purchase of the Compulsory Transfer Shares pursuant to this article 20 including the way in which the Compulsory Transfer Shares will be allocated pursuant to articles 20.7 and 20.8, and
- 20.3.5 may contain any further information deemed by the director giving the Compulsory Transfer Notice to be necessary or expedient in the circumstances.
- 20.4 Subject to the terms of any shareholders' agreement, the "Compulsory Transfer Price" of Compulsory Transfer Shares shall be a price per share:
- 20.4.1 where the person in respect of whom the Compulsory Transfer Event has occurred is a Bad Leaver, that is the par value of one such share, or

20.4.2 in all other circumstances, that is the fair value of one such share as at the time that the fair value falls to be assessed, as such fair value is agreed between the Company and the Compulsory Seller (and such person and the Company shall negotiate in good faith to agree such fair value) In the event that a fair value is not agreed within 28 days of the date on which the directors declared the relevant Compulsory Transfer Notice to be given, the Company shall appoint a firm of accountants in accordance with article 24 to determine in accordance with article 24 the fair value of the Compulsory Transfer Shares.

20.5 Subject to the terms of any shareholders' agreement, the offer contained in the Compulsory Transfer Notice shall be made:

20.5.1 to all shareholders (other than any shareholder to whom a Compulsory Transfer Event has occurred), who shall have the right to accept any or all of the Compulsory Transfer Shares offered to them by notice to the Company; and

20.5.2 to the Company, which shall have the right to indicate its intention (subject to any specified conditions) to accept any or all of the Compulsory Transfer Shares offered to it by notice given by it to all shareholders containing the information required by article 20.6,

and the notices required to be given by and to the Company under articles 20.5.1 and 20.5.2 must be given within 14 days of ascertaining the Compulsory Transfer Price in accordance with article 20.4. A person shall be deemed to have declined an offer made to it under the preceding provisions of this article 20.5 to the extent that acceptance of the offer is not received (or, in the case of the Company, a notice indicating an intention to accept, is not received) in accordance with this article within the relevant period of time. An accepting person's notice shall specify the number of Compulsory Transfer Shares applied for. For the purposes of article 20.5.1, a person to whom shares have been allotted, but who has not been registered as the holder of those shares on the date of the Compulsory Transfer Notice shall be deemed to be a shareholder of the Company and to hold those shares on that date.

20.6 A notice given by the Company under article 20.5.2 indicating an intention to accept the offer shall specify:

20.6.1 the number of shares which the Company intends to acquire,

20.6.2 the procedure (determined in accordance with article 20.9) to be adopted by the Company to enable it to purchase the shares,

20.6.3 the timetable within which it is intended the acquisition of the Buy-back Shares will be completed, and

20.6.4 a long-stop date, being not more than 45 days after the date of the notice of intention to accept the offer given by the Company under article 20.5.2.

In the event that either (a) a lawful and legally binding unconditional contract between the Company and the Compulsory Seller ("**Buy-back Agreement**") to acquire any or all of the shares specified (pursuant to article 20.6.1) in the notice given by the Company under article 20.5.2 ("**Buy-back Shares**") has not been entered into by the long-stop date specified in accordance with article 20.6.4 or (b) prior to the long-stop date specified in article 20.6.4 the Company decides that it no longer wishes to acquire any shares, then the notice given by the Company pursuant to article 20.5.2 shall automatically be revoked, the Company shall give notice of such revocation to all the shareholders without delay and any shares the subject of a notice given by the Company under article 20.5.2 shall be available to be allocated to the shareholders pursuant to article 20.8.1.

20.7 Each notice received by the Company under article 20.5.1 shall, subject to the terms of this article 20 be irrevocable, and shall give rise to a legally binding and unconditional agreement between the person giving it and the Compulsory Seller. A notice given by the Company under article 20.5.2 shall not give rise to a legally binding agreement between the Company and the Compulsory Seller but shall indicate the Company's conditional intention to accept the offer made to it under article 20.5.2. Subject to the terms of any shareholders' agreement, under any agreement arising pursuant to this article 20.7 as a result of a notice received by the Company under article 20.5.1 or under any Buy-back Agreement, the person accepting the offer or the Company (as appropriate) shall be bound to buy, and the Compulsory Seller shall be bound to sell the number of Compulsory Transfer Shares applied for or the subject of the Buy-back Agreement, except where the aggregate of (a) the number of Compulsory Transfer Shares applied for by all persons under article 20.5.1 and (b) the number of Compulsory Transfer Shares the subject of any Buy-back Agreement, exceeds the total number of Compulsory Transfer Shares. In those circumstances, the Compulsory Transfer Shares shall be allocated in accordance with article 20.8.

20.8 Subject to the terms of any shareholders' agreement, if the aggregate of (a) the number of shares applied for under article 20.5.1 and (b) the number of shares the subject of any Buy-back Agreement, exceeds the number of Compulsory Transfer Shares then the Compulsory Transfer Shares shall be allocated as follows:

20.8.1 to satisfy, to the extent possible, the number of Compulsory Transfer Shares applied for by each shareholder pursuant to an offer made under article 20.5.1, except where the aggregate number of shares applied for by all shareholders to whom the offer is made under article 20.5.1 exceeds the number of Compulsory Transfer Shares available to be allocated under this article 20.8.1, in which case the Compulsory Transfer Shares available to be allocated under this article 20.8.1 shall be allocated to the applying shareholders in proportion to the number of shares held as between those applying shareholders on the date of the Compulsory Transfer Notice. No applying shareholder shall be allocated more Compulsory Transfer Shares than it has applied for, but subject to this, the Compulsory Transfer Shares available to be allocated under this article 20.8.1 shall be allocated to the applying shareholders on the basis set out above (and may need to be so allocated more than once) until all Compulsory Transfer Shares are allocated. Fractional entitlements to shares shall be

ignored. Fractions of shares which would otherwise be allocated to shareholders under this article 20.8.1 shall be consolidated and allocated by the drawing of lots in any manner thought appropriate by the directors, provided that no shareholder shall be allocated more shares than it has applied for, and

- 20.8.2 to the extent that there remain any Compulsory Transfer Shares unallocated following an offer made under article 20.5.1 or if there has not been an offer made under article 20.5.1, to satisfy to the extent possible the number of shares the subject of any Buy-back Agreement following an offer made under article 20.5.2.

Subject to the terms of any shareholders' agreement, in each case, the Compulsory Transfer Shares shall be sold on, and be subject to, the provisions of articles 20.10, 20.11, 20.12 and 20.13. If the aggregate number of Compulsory Transfer Shares to be sold does not comprise all the Compulsory Transfer Shares, each agreement to which a notice given to the Company under article 20.5.1 gives rise and any Buy-back Agreement shall immediately lapse.

- 20.9 If the Company gives notice under article 20.5.2 that it intends to buy any Compulsory Transfer Shares, the directors (other than the Compulsory Seller or (if different) any director who is the person to whom the Compulsory Transfer Event in question has occurred or any director appointed by the Compulsory Seller or any such person) shall in accordance with the provisions of this article 20 determine a timetable and procedure for such purchase and the shareholders shall comply with any requirements of the directors (as to voting of their shares or otherwise) to give effect to that purchase. In the event that any shareholder refuses so to comply, then any director shall be entitled to do anything on behalf of such shareholder (including without limitation appointing any person as that shareholder's proxy at any general meeting of the Company or signifying that shareholder's agreement to and authenticating on behalf of that shareholder any written resolution of the Company) in order to give effect to this article 20.9.
- 20.10 The Compulsory Transfer Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the Compulsory Transfer Price, and together with all rights attaching to such shares on or after the date of the Compulsory Transfer Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Compulsory Transfer Shares.
- 20.11 The Company shall specify by notice given to the shareholders (or other persons) acquiring Compulsory Transfer Shares pursuant to this article 20 and the Compulsory Seller, a time and place for completion of the sale and purchase of the Compulsory Transfer Shares. Where the Company does not give a notice under article 20.5.2 indicating its intention to purchase Compulsory Transfer Shares, completion shall take place not less than three and not more than 14 days after the date on which the final notice is received by the Company under article 20.5.1. If the Company gives notice under article 20.5.2 indicating its intention to purchase Compulsory Transfer Shares, then:

20.11.1 where some or all of the Compulsory Transfer Shares are being acquired by the Company under a Buy-back Agreement, completion of the sale and purchase of the Buy-back Shares and any Compulsory Transfer Shares to be sold pursuant to acceptances received under article 20.5.1 shall take place at the same time, where appropriate in accordance with the provisions of the Buy-back Agreement, but in any event on a date not later than 7 days after the long-stop date specified in the directors' notice pursuant to article 20.6.4, or

20.11.2 where any notice given by the Company under article 20.5.2 is automatically revoked in accordance with article 20.6, completion of the sale and purchase of all of the Compulsory Transfer Shares to be sold pursuant to acceptances received under article 20.5.1 shall take place on the date falling not less than three and not more than 14 days after the date of the Company's notice under article 20.6 informing shareholders of such revocation,

when

(a) each person acquiring Compulsory Transfer Shares shall pay the Compulsory Seller in cash the Compulsory Transfer Price for the shares bought by that person, and

(b) the Compulsory Seller shall deliver to each person acquiring Compulsory Transfer Shares, a transfer in respect of the shares bought by it, duly executed in its favour by the Compulsory Seller, together with the certificate(s) for the shares being sold or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors.

20.12 If the Compulsory Seller does not, (where relevant) execute and deliver the Buy-back Agreement in accordance with any procedure or timetable determined by the directors under article 20.9 and/or, execute and deliver the transfers in accordance with article 20.11 and/or deliver the certificate(s) for the Compulsory Transfer Shares (or an indemnity in lieu of those certificate(s) in accordance with article 20.11), then any director shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute, (where relevant) the Buy-back Agreement and/or the necessary transfer(s) on behalf of the Compulsory Seller and, against receipt by the Company on trust for the Compulsory Seller of the consideration payable for the Compulsory Transfer Shares, deliver (where relevant) the Buy-back Agreement, those transfer(s) and certificate(s) (or indemnities) to the Company and the relevant purchaser (as appropriate). Following receipt by the Company of the consideration payable for the Compulsory Transfer Shares, the Company shall (subject to the payment of any stamp duty) cause the relevant purchaser(s) (other than the Company itself where the sale of shares is pursuant to a Buy-back Agreement) to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person Sections 982(2), (3), (4), (5), (7) and (9) Companies Act 2006 shall apply mutatis mutandis in relation to any consideration held on trust in accordance with this article 20.12.

- 20.13 Subject to the provisions of article 20.14, the Compulsory Transfer Shares shall be subject to the restrictions set out in section 454 Companies Act 1985, until sold under this article 20 or otherwise agreed by the directors.
- 20.14 In the event that a Sale Notice has been given to the Company under article 21.1 and after the date of the Sale Notice a Compulsory Transfer Event occurs in relation to the shareholder (or where a shareholder holds shares by reason of a Connected Person Transfer, in relation either to that shareholder or the Connected Person Transferor of that shareholder) by whom shares are offered pursuant to article 21.2 then the sale process then underway shall terminate forthwith. In any other circumstance where a sale process pursuant to articles 19, 21, 22 or 23 is underway and a Compulsory Transfer Event occurs in relation to any shareholder (or where a shareholder holds shares by reason of a Connected Person Transfer, in relation either to that shareholder or the Connected Person Transferor of that shareholder) then (without prejudice to the obligations of the Compulsory Seller to give notice of that Compulsory Transfer Event to the directors pursuant to article 20.2) this article 20 shall not apply and the sale process underway pursuant to article 19, 21, 22 or 23 (as appropriate) shall continue in accordance with the provisions of that article. If following the conclusion of such sale process (including without limitation the completion of the sale and purchase of the last of the shares to be bought and sold pursuant to such article or the lapse of such process in accordance with the terms of article 19, 21, 22 or 23 or otherwise the termination of such process with the consent of the shareholders of the Company) the relevant Compulsory Seller (and/or a Connected Person of such Compulsory Seller) still holds or is entitled to shares by reason of a transmission, then the provisions of this article 20 shall then apply in relation to those shares save that the time period within which any director shall be entitled to serve a Compulsory Transfer Notice on behalf of such Compulsory Seller pursuant to article 20.3 shall be the later of (a) the time period set out in article 20.3, and (b) 30 days following the date on which the sale process pursuant to article 19, 21, 22 or 23 as appropriate has concluded.

21 SHARES: PRE-EMPTION ON THE TRANSFER OF SHARES

- 21.1 Subject to the terms of any shareholders' agreement, a shareholder who wishes to transfer on or after (i) the date that is ten years commencing on the Adoption Date, or (ii) if earlier, the end of the Final Put Option Period, the entire legal and beneficial interest in any shares registered on its name, other than:
- 21.1.1 under article 19 (Permitted Transfers), or
 - 21.1.2 under article 20 (Compulsory Transfers), or
 - 21.1.3 under article 22 (Tag Rights) as Relevant Shareholders, or
 - 21.1.4 under article 23 (Drag Rights), or
 - 21.1.5 under article 29 (Acquisition of Manager Shares), or

21.1.6 under article 30 (Initial Manager Share Option), or

21.1.7 under article 31 (Final Manager Share Option),

shall first give a Sale Notice to the Company.

21.2 The Sale Notice shall specify:

21.2.1 the number and class of Sale Shares,

21.2.2 a cash price per share at which the Sale Shares are offered for sale,

21.2.3 whether any third party has indicated a willingness to buy any of the Sale Shares within the period of three months prior to the date of the Sale Notice and if so, the number of shares concerned and the date of that indication,

21.2.4 the identity of any such third party, together with details of any person(s) on whose behalf the Sale Shares will or may be held and (if the third party is a company or a partnership) the person(s) believed by the Seller to control that company or partnership, and

21.2.5 a summary of the terms of purchase put forward by any such third party, including, without limitation, details of the nature and amount of the consideration and the date on which it would be payable.

The Sale Notice shall also state whether or not the Seller's offer is conditional on acceptances being received for all (or any other specified percentage) of the Sale Shares, but may not otherwise be conditional.

21.3 The Sale Notice shall not be revocable except with the consent of the directors, and shall constitute the Company the agent of the Seller for the sale of the entire legal and beneficial interest in the Sale Shares to all shareholders on the date of the Sale Notice (other than the Seller and any Connected Person of the Seller who owns Shares solely as a result of a Connected Person Transfer and any shareholder on whose behalf a Compulsory Transfer Notice has been given and any shareholder from whom the Company has received a Sale Notice in respect of all the shares registered in his name) in accordance with this article 21 at the Sale Price. Until the Seller's offer lapses or is declined or deemed declined by all shareholders to whom it is made, and notwithstanding article 19, the Seller may not make a Connected Person Transfer.

21.4 Promptly after the Sale Notice is received the directors shall send a copy of the Sale Notice to each shareholder to whom the Sale Shares are to be offered. Subject to the terms of any shareholders' agreement, each such shareholder shall have the right to buy Sale Shares at the Sale Price by providing the Company with an Acceptance Notice (with a copy to the Seller) within 60 days of the date of the directors' communication enclosing the copy Sale Notice, specifying the number of Sale Shares applied for. In

the event that the Company does not receive an Acceptance Notice from a shareholder within that 60 days' period, that shareholder shall be deemed to have declined the offer made to it.

- 21.5 Each Acceptance Notice received by the Company shall be irrevocable, and shall give rise to a legally binding agreement between the shareholder giving it and the Seller. That agreement shall be conditional upon acceptances being received for all or any other specified percentage of the Sale Shares only if so provided by the Sale Notice, but shall not otherwise be conditional. Under each such agreement, the relevant shareholder shall be bound to buy, and the Seller shall be bound to sell, a number of Sale Shares determined in accordance with the provisions of articles 21.7 and 21.8. If the aggregate number of Sale Shares so to be sold does not satisfy any acceptance condition contained in the Sale Notice, each agreement to which an Acceptance Notice gives rise shall immediately lapse.
- 21.6 The Sale Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the Sale Price, and together with all rights attaching to the Sale Shares on or after the date of the Sale Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Sale Shares.
- 21.7 Each shareholder from whom an Acceptance Notice is received by the Company shall be allocated the number of Sale Shares applied for in that Acceptance Notice, except where the aggregate number of Sale Shares applied for by all shareholders to whom the offer is made exceeds the number of Sale Shares. In those circumstances, the Sale Shares shall be allocated to the applying shareholders in proportion to the number of shares (of whatever class) held as between those applying shareholders on the date of the Sale Notice. The Sale Shares shall be allocated to the applying shareholders on the basis set out above (and may need to be so allocated more than once) until all Sale Shares are allocated save that no shareholder shall be allocated more Sale Shares than it has applied for. Fractional entitlements to Sale Shares shall be ignored.
- 21.8 For the purposes of article 21.3, a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of the Sale Notice shall be deemed to be a shareholder of the Company and to hold those shares on that date.
- 21.9 The Company shall specify by notice given to the relevant shareholders a time and place for completion of the sale and purchase of the Sale Shares, being not less than three and not more than 14 days after the date of receipt of the final Acceptance Notice. Completion of that sale and purchase shall take place at the time and place specified in the Company's notice, when:
- 21.9.1 each buying shareholder shall pay the Seller in cash the purchase price for the Sale Shares bought by that buying shareholder, and

- 21.9.2 the Seller shall deliver to each such buying shareholder a transfer in respect of the Sale Shares bought by it, duly executed in its favour by the Seller, together with the certificate(s) for the Sale Shares or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors.
- 21.10 If the Seller does not, on the relevant date specified by the Company in accordance with article 21.9, execute and deliver transfers in accordance with article 21.9.2 and/or deliver the certificate(s) for the Sale Shares (or an indemnity in lieu of those certificate(s) in accordance with article 21.9.2), then any director shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) on behalf of the Seller and, against receipt by the Company on trust for the Seller of the consideration payable for the Sale Shares, deliver those transfer(s) and certificate(s) (or indemnities) to the buying shareholder(s). Following receipt by the Company of the consideration payable for the Sale Shares, the Company shall (subject to the payment of any stamp duty) cause the buying shareholder(s) to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person Sections 982(2), (3), (4), (5), (7) and (9) Companies Act 2006 shall apply mutatis mutandis in relation to any consideration held on trust in accordance with this article 21.10.
- 21.11 If in respect of all or any Sale Shares the Seller's offer lapses, or is declined or deemed declined by all the shareholders to whom it is made, then the directors shall promptly give notice to the Seller (with copies to all other shareholders, save for Connected Persons of the Seller) specifying the number of Sale Shares concerned. The Seller shall then be entitled, in pursuance of a bona fide sale, and subject to articles 18.5 to 18.8 (inclusive) and the terms of any shareholders' agreement, to transfer the entire legal and beneficial interest in any of those Sale Shares or (if the Sale Notice stated that the Seller's offer was conditional on acceptances being received for all or any other specified percentage of the Sale Shares) not less than all or that specified percentage of the Sale Shares, to the buyer(s) named in the Sale Notice, subject to the holder(s) of a majority of the A Shares from time to time approving the identity of such buyer, in accordance with, and within the period referred to in, article 21.12.
- 21.12 The consideration per share payable on a transfer of Sale Shares under article 21.11 (after allowing for any deduction, rebate or allowance to the buyer other than one equal to any dividend or distribution declared, paid or made after the date of the Sale Notice and which is not to be received by the buyer):
- 21.12.1 (where the Sale Shares are being sold solely for a consideration which is payable in cash, including by means of a loan note) shall be not less than the Sale Price, or
- 21.12.2 (in any other case) shall have a value which before that transfer is made shall have been agreed or determined under article 21.13 to be not less than the Sale Price.

The relevant transfer(s) shall be lodged for registration during the period of 30 days starting on the date of the directors' notice under article 21.11 or, if applicable, on the date of any agreement or determination under article 21.13.

- 21.13 If the Sale Shares to be sold under article 21.11 are not being sold solely for a consideration which is payable in cash, then the value of that consideration shall be determined by the Accountants who shall be appointed by the Company under article 24 by no later than the date falling 14 days after the date of the directors' notice under article 21.11, unless the value of that consideration is agreed between the Seller and the directors before the date falling seven days after the date of the directors' notice under article 21.11.

22 **SHARES: TAG RIGHTS**

- 22.1 If any holder(s) of Ordinary Shares representing at least 50% of the issued share capital of the Company ("**Selling Shareholder(s)**") wish to transfer the beneficial (or the legal and beneficial) interest in any shares to any person and any person acting in concert with that person (the "**Proposed Transferee**") then the Selling Shareholder(s) shall notify the Company of the intended transfer. That notice ("**Prospective Seller's Notice**") shall set out:
- 22.1.1 the number and class of shares which the Selling Shareholder(s) propose(s) to transfer,
 - 22.1.2 the nature of the consideration payable per share, including without limitation, where the shares are not to be transferred solely for a consideration immediately payable in cash, details of the material terms of any loan notes offered by way of consideration and the material terms of any deferred consideration, and the date(s) on which the consideration would be payable,
 - 22.1.3 the identity of the Proposed Transferee, together with details of any person(s) on whose behalf the shares will or may be held and (if the Proposed Transferee is a company or partnership) the person(s) believed by the Selling Shareholder(s) to control that company or partnership,
 - 22.1.4 details of any conditions to which the transfer is subject, and
 - 22.1.5 the date on which the transfer is proposed to be made.
- 22.2 The Prospective Seller's Notice shall be accompanied by an irrevocable offer by the Proposed Transferee, complying with the requirements set out below in this article 22 ("**Tag-along Offer**") to buy all the Relevant Percentage (as defined in article 22.8) of the shares of each Relevant Shareholder (as defined in article 22.8).
- 22.3 The Tag-along Offer shall be expressed to be capable of acceptance by notice given to the Company, shall remain open for acceptance for not less than 21 days after the date

of the Prospective Seller's Notice or such lesser period as the shareholders other than the Selling Shareholder(s) shall agree and shall provide for the sale and purchase of any shares to which it relates to be completed (and for the purchase price to be paid in full) at the same time as completion of the purchase of the shares held on the date of the Prospective Seller's Notice by the Selling Shareholder(s), which may not be earlier than the first working day falling not less than two working days after (i) the end of the period during which the Tag-along Offer is open for acceptance, or (ii) if later and if applicable, the date of the notification of the value of the consideration in accordance with articles 22.4 and 24.

- 22.4 The consideration per share to be offered by the Proposed Transferee in the Tag-along Offer shall (subject to this article 22.4, article 22.5 and article 22.7) be the same consideration per share (irrespective of the class of share) as offered by the Proposed Transferee to the Selling Shareholder(s) and set out in the Prospective Seller's Notice provided that if the Selling Shareholder(s) is/are offered terms for the provision of his/their services to the Proposed Transferee (or any member of the Proposed Transferee's group of companies) and a firm of accountants (appointed in accordance with article 24 on the reasonable request of any Shareholder holding A Shares) determines that the consideration per share offered to Selling Shareholder(s) would have been a higher amount were they not being offered to provide services on such terms, the consideration shall be equal to that higher amount. If any consideration so paid was not immediately payable in cash, then the value of that consideration shall be determined by the Accountants who shall be appointed by the Company under article 24 by no later than the date falling 14 days after the date of the Prospective Seller's Notice, unless the value of that consideration is agreed between the Selling Shareholders and the directors before the date falling seven days after the date of the Prospective Seller's Notice. If the consideration to be paid by the Proposed Transferee to the Selling Shareholder(s) is to be determined by a calculation, the consideration payable to the Relevant Shareholders shall be determined by the same calculation criteria and if there is to be a mixture of forms of consideration the Relevant Shareholders shall be offered the same mixture in the same proportions.
- 22.5 Where any of the Relevant Shareholders hold shares of a class which no Selling Shareholder(s) hold, then the Relevant Shareholders in question will be regarded as having been offered the same consideration per share (irrespective of class) as that offered by the Proposed Transferee to the Selling Shareholder(s).
- 22.6 The Tag-along Offer may not require any Relevant Shareholder to give any warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) in respect of the number of shares to be transferred by the Relevant Shareholder in question other than a covenant as to title and the aggregate liability of each Relevant Shareholder under any warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) it may give shall be limited to the consideration payable by the Proposed Transferee to that Relevant Shareholder for such shares. However, the consideration payable to such Relevant Shareholder by the Proposed Transferee for such Relevant Shareholder's shares will be

contingent on or subject to adjustment (either upwards or downwards) by reference to any completion accounts, retention or similar mechanism if applicable.

22.7 The requirement that the Tag-along Offer is required by article 22.4 to offer the same consideration per share as offered to the Selling Shareholder(s) shall not be regarded as not being satisfied merely because:

22.7.1 that offer is made to the Relevant Shareholders after it is made to the Selling Shareholder(s), or

22.7.2 some or all of the Selling Shareholders give or make warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) which are not to be given or made by the Relevant Shareholders,

and in determining the consideration to be paid by the Proposed Transferee to the Selling Shareholder(s), the circumstances of the proposed sale to the Proposed Transferee as a whole shall be taken into account.

22.8 For the purposes of this article 22:

22.8.1 **"Relevant Percentage"** shall be equal to the number of shares specified in the notice pursuant to article 22.1 as a percentage of the total number of shares held by the Selling Shareholder(s) on the date that such notice is given, and

22.8.2 **"Relevant Shareholder"** means any shareholder, other than a Selling Shareholder, holding not less than 10% of the share capital of the Company on a Fully Diluted basis as at the date of the Prospective Seller's Notice.

22.9 The Company shall (within three working days of receipt) send a copy of the Prospective Seller's Notice and a copy of the Tag-along Offer to each Relevant Shareholder, and each Relevant Shareholder may, within the period during which the Tag-along Offer remains open for acceptance, notify the Company that it wishes to accept that offer. If any notice accepting the offer is so given to the Company by any Relevant Shareholder, the Proposed Transferee and Relevant Shareholder(s) in question shall each, at the time or times set in the Tag-along Offer for the completion of the sale and purchase of the shares, comply with the provisions of articles 21.9.1, 21.9.2 and 21.10 mutatis mutandis in relation to the completion of the sale and purchase of the relevant shares and for this purpose references to "each buying shareholder" shall be deemed to refer to "the Proposed Transferee", references to "Seller" shall be deemed to refer to "each Relevant Shareholder that accepts the Tag-along Offer in accordance with article 22.9" and references to "Sale Shares" shall be deemed to refer to "the shares which are the subject of a Tag-along Offer and which are to be transferred to the Proposed Transferee by such Relevant Shareholder(s)".

22.10 If the Proposed Transferee does not, at the time set in the Tag-along Offer for completion of the sale and purchase of the shares, pay the consideration for the relevant

number of shares in respect of which notice has been received from a Relevant Shareholder under article 22.9, other than by reason of any failure by that Relevant Shareholder to discharge its obligations in relation to the completion of the sale and purchase of the relevant shares, no Selling Shareholder may sell any of the shares registered in its name to the Proposed Transferee. The directors shall refuse to register any transfer prohibited by this article 22.10.

- 22.11 The provisions of this article 22 shall not apply where the transfer which would otherwise cause this article to apply is made by the Selling Shareholder(s) under article 19 (Permitted Transfers), article 20 (Compulsory Transfers), provided that a Qualifying Offer is made to all Non-Accepting Shareholders under article 23 (Drag Rights).
- 22.12 Transfers of shares by the Relevant Shareholders in accordance with this article 22 are not subject to the provisions of article 21 (Pre-emption on the Transfer of Shares).
- 22.13 This article 22 shall only apply on or after (i) the date that is ten years commencing on the Adoption Date, or (ii) if earlier, the end of the Final Put Option Period.

23 SHARES: DRAG RIGHTS

- 23.1 For the purposes of this article 23 (save as provided in articles 23.4 to 23.6 below):

23.1.1 a "Qualifying Offer" means:

- (a) an offer on arm's length terms to buy the entire issued share capital, or alternatively the entire issued and to be issued share capital, of the Company for Qualifying Consideration by any person meeting the criteria referred to in article 23.2 and accepted (whether conditionally or unconditionally) by the Accepting Shareholders, or
- (b) an agreement on arm's length terms signed (in one copy or in counterparts) by the Accepting Shareholders for the sale (whether conditional or unconditional) of their entire legal and beneficial holdings of shares in the Company (either issued or issued and to be issued) for Qualifying Consideration to a person meeting the criteria referred to in article 23.2 who has signed that agreement agreeing to buy those shares.

For an offer to be a "Qualifying Offer", in addition to the above, it must be conditional on the holders of A Shares not exercising any applicable rights under any shareholders' agreement

For the purposes of this article 23, references to the means of acceptance or to acceptance by a Non-Accepting Shareholder of a "Qualifying Offer" falling within this article 23.1.1 shall be construed as references to the means by which a Non-Accepting Shareholder shall sell shares in accordance with article 23.8.2,

- 23.1.2 **"Qualifying Offeror"** means a person who makes an offer such as is referred to in article 23.1.1(a) or who agrees to buy the shares to be sold in accordance with an agreement such as is referred to in article 23.1.1(b) and who meets the criteria referred to in article 23.2,
- 23.1.3 **"Accepting Shareholders"** means holder(s) of shares representing in aggregate not less than 50% of the voting rights attaching to the then issued share capital of the Company (such 50% to include those Managers who hold shares),
- 23.1.4 **"Non-Accepting Shareholder"** means any person who is not an Accepting Shareholder, but is either a shareholder of the Company or (whether or not a shareholder) has a right (whether or not contingent or then exercisable) to acquire shares in the Company,
- 23.1.5 **"Qualifying Consideration"** means consideration means that is
- (a) in respect of all shares (irrespective of the class of share), the same consideration per share, and
 - (b) in respect of the A Shares (where the offer is made for the A Shares or were it to be extended to the A Shares in accordance with this article 23) and without prejudice to article 23.1.5(a), an aggregate amount attributable to all of the A Shares that is not less than the Minimum Return Amount.

For the avoidance of doubt, consideration offered for the shares that equates to a price per Ordinary Share that is higher than the price per A Share shall not constitute Qualifying Consideration for the purposes of this article 23 and accordingly such offer shall not be a Qualifying Offer,

- 23.1.6 **"Minimum Return Amount"** in respect of the A Shares means an amount equal to:
- (a) the aggregate subscription price paid for all of the A Shares issued by the Company, plus
 - (b) either
 - (i) where notice of the Qualifying Offer is served on the holders of the A Shares on or prior to the fifth anniversary of the Adoption Date, an amount in respect of each A Share being interest of 15% of the subscription price of that A Share compounded annually from the date of its allotment to the date that notice is served on the holders of the A Shares of the Qualifying Offer, or

- (ii) where notice of the Qualifying Offer is served on the holders of the A Shares after the fifth anniversary of the Adoption Date, an amount in respect of each A Share being interest of 15% of the subscription price of that A Share compounded annually from the date of its allotment until the fifth anniversary of the Adoption Date.

23.2 The criteria for being a Qualifying Offeror are that the person:

- 23.2.1 is not a shareholder of the Company or entitled to become a shareholder by reason of the exercise of any option over shares in the Company or the conversion of any security convertible into shares in the Company, and
- 23.2.2 is not connected with any shareholder of the Company (within the meaning of section 1122 Corporation Tax Act 2010), and
- 23.2.3 has no arrangement or agreement with any shareholder relating to the offer referred to in this article, other than an arrangement or agreement regarding the acceptance of that offer.

23.3 If a Qualifying Offer is made, the Accepting Shareholders may procure that the Qualifying Offeror gives notice to all Non-Accepting Shareholders to the effect that the Qualifying Offer is made available to them as of the date of such notice. By reason of that notice the Non-Accepting Shareholders shall, subject to the terms of any shareholders' agreement, be required to sell or procure the sale to the Qualifying Offeror of the entire legal and beneficial ownership of the shares registered in their names (save as set out at article 23.4) on the terms of the Qualifying Offer. The Qualifying Offeror's notice shall:

- 23.3.1 give details of the consideration to be paid per share (or per share of each class, if there is more than one class of share), including an explanation of any choice of consideration offered under the terms of the Qualifying Offer and which consideration so offered will be taken as applying in default of a Non-Accepting Shareholder indicating a choice,
- 23.3.2 have attached to it a copy of the Qualifying Offer as made to the Accepting Shareholders,
- 23.3.3 give the identities of the Accepting Shareholders and the percentage of shares of each class held by them, and
- 23.3.4 specify the means and by when the Qualifying Offer as made to the Non-Accepting Shareholders is to be accepted, and for these purposes, more than one date may be specified in the notice to ensure that rights to acquire shares in the Company become exercisable, provided that no date may be so specified which is less than 14 days after the date of the Qualifying Offeror's notice or which is earlier than the date on

which the Qualifying Offer as made to the Accepting Shareholders becomes unconditional (or would do so but for the transfer of shares (whether or not in issue on the date of the Qualifying Offeror's notice) held by the Non-Accepting Shareholders in accordance with article 23.8.2).

- 23.4 References in articles 23.1 to the same consideration per share include that the consideration shall be in the same form and of the same amount and, if the consideration is to be determined by a calculation, on the same calculation criteria, if there are to be deferred payments of consideration, on the same payment dates, and if there is to be a mixture of forms of consideration that shareholders shall be offered the same mixture in the same proportions.
- 23.5 Where any of the Non-Accepting Shareholders hold shares of a class which no Accepting Shareholder holds, the Non-Accepting Shareholders in question will be regarded as having been offered the same consideration per share of each class as that offered by the Qualifying Offeror to the Accepting Shareholder(s), provided that if this results in the aggregate consideration for the A Shares being less than the Minimum Return Amount such offer shall not constitute a Qualifying Offer for the purposes of this article 23.
- 23.6 Save for the covenant of full title guarantee set out in article 23.8.2, no Non-Accepting Shareholder shall be required to give or make any warranty, representation, indemnity or covenant (including, without limitation, restrictive covenants). However, the consideration payable to such Non-Accepting Shareholder by the Qualifying Offeror for such Non-Accepting Shareholder's shares will be contingent on or subject to adjustment (either upwards or downwards) by reference to any completion accounts, retention or similar mechanism (if applicable).
- 23.7 The requirement that the Qualifying Offer should be for the Qualifying Consideration shall not be regarded as not being satisfied merely because:
- 23.7.1 the dates on which the Qualifying Offer is made to persons may differ,
- 23.7.2 the dates on which the Non-Accepting Shareholders are required to transfer their shares may differ from the dates applicable to the Accepting Shareholders, or
- 23.7.3 some or all of the Accepting Shareholders give or make warranties, representations, indemnities or covenants (including, without limitation, restrictive covenants) which are not to be given or made by any other Accepting Shareholder or by all of the Non-Accepting Shareholders,

and in determining the consideration to be paid by the Qualifying Offeror to the Non-Accepting Shareholders, the circumstances of the proposed sale to the Accepting Shareholders as a whole shall be taken into account.

23.8 Each Non-Accepting Shareholder shall, on the receipt of a notice given by the Qualifying Offeror under article 23.3:

23.8.1 cease to be entitled (if then entitled to do so) to give a Sale Notice under article 21.1 (Pre-emption) or to transfer the legal or beneficial interest in any share under article 19 (Permitted Transfers) or article 22 (Tag Rights), and

23.8.2 sell to the Qualifying Offeror (or its nominee) with full title guarantee and free from all encumbrances at the consideration per share payable by the Qualifying Offeror specified in the notice all shares registered in his name on the date for acceptance of the Qualifying Offer specified in the Qualifying Offeror's notice (and/or the last such date if more than one date is so specified), and shall on that date (or each such date as the case may be) execute and deliver to the Company transfers in respect of those shares, any other documents necessary to accept the Qualifying Offer and the certificate(s) in respect of those shares (or an indemnity in lieu of those certificate(s) in a form satisfactory to the directors).

23.9 If any Non-Accepting Shareholder, whether or not a shareholder on the date of the notice given to him under article 23.3, does not cause the Company to receive on any relevant date specified by the Qualifying Offeror in accordance with article 23.3 any of the documents referred to in article 23.8.2, then any director shall be entitled to:

23.9.1 execute the documents in question on that Non-Accepting Shareholder's behalf, and

23.9.2 against receipt by the Company on trust for that Non-Accepting Shareholder of the consideration payable for the relevant shares, deliver those documents to the Qualifying Offeror.

Following receipt by the Company of the consideration payable for those shares, the Company shall (subject to the payment of any stamp duty) cause the Qualifying Offeror to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person. Sections 982(2), (3), (4), (5), (7) and (9) Companies Act 2006 shall apply mutatis mutandis in relation to any consideration held on trust in accordance with article 23.9.2.

23.10 Acceptances of a Qualifying Offer and transfers of shares, whether by Accepting Shareholders or Non-Accepting Shareholders, in accordance with this article 23, are not subject to the provisions of article 21 (Pre-emption on the Transfer of Shares) provided that the Qualifying Offer is made to all Non-Accepting Shareholders pursuant to article 23.3.

23.11 This article 23 shall only apply on or after (i) the date that is ten years commencing on the Adoption Date, or (ii) if earlier, the end of the Final Put Option Period.

24 SHARES: VALUATION

- 24.1 Where these articles or any shareholders' agreement provide for a valuation to be determined by a firm of accountants who are to be appointed by the Company under this article 24 within a specified period of time:
- 24.1.1 the Company, following agreement with the holder(s) of a majority of the A Shares, shall appoint a firm of chartered accountants (which may be the Company's auditors if they are able and willing to act) and determine their terms of engagement within the specified period of time and shall notify the identity of such firm to all instructed parties, or
- 24.1.2 if no such firm is appointed (and their terms of engagement agreed) within the period of time specified or any director or shareholder so requests within 7 clear days of the Company notifying the identity of the relevant firm, a firm of chartered accountants shall be nominated on the application of any director or shareholder by the President for the time being of the Institute of Chartered Accountants in England and Wales and the Company shall appoint such firm. In the event that the Company fails to sign terms of engagement with any firm so nominated within 20 working days after the date on which such nomination is made, or terms are received by the Company (if later) any director or shareholder shall be entitled to enter into such terms of engagement on behalf of the Company and the appointment of that firm on such terms shall be binding on the Company and all the shareholders and shall not be challenged by the Company or any shareholder.
- 24.2 The Company shall use all reasonable efforts to ensure that the valuation is determined by the Accountants as quickly as possible. The Accountants shall act as experts and not as arbitrators, shall not be obliged to give reasons for their valuation and their certificate shall, save in the case of manifest error or fraud, be final and binding on the Company and all shareholders, including (for the avoidance of doubt but without limitation) in the circumstances where pursuant to article 24.1 any director or shareholder has signed that firm's terms of engagement on behalf of the Company, and their costs (and the costs of appointment under article 24.1.2 if any) shall be borne by the Company. The Company shall ensure that a notice containing details of any determination under this article 24 is promptly given to each shareholder.
- 24.3 Where the fair value of any share is to be determined under this article, it shall be its fair value as certified by the Accountants as at the date when, as the case may be, the Sale Notice or Prospective Seller's Notice is received by the Company or when the Compulsory Transfer Notice is deemed to be given. In making their determination, the Accountants shall:
- 24.3.1 be entitled to determine the procedure to be followed save that such procedure shall allow both the Company, the relevant selling shareholder and the A Shareholder to make written and oral representations to the Accountants and also shall enable the Accountants to require the Company, the relevant selling shareholder and the A

Shareholder to provide to each other any information and documents reasonably required by them to enable them to make their submissions to the Accountants and to provide to the Accountants any information and documents reasonably requested by the Accountants to assist them in their determination of fair value save, in either case, for any information and documents to which legal professional privilege would apply in litigation,

- 24.3.2 be entitled to determine any issue involving the interpretation of any provision of these articles, their jurisdiction to determine the matters referred to them and their terms of reference so far as relevant for determining the fair value of the shares, and shall be entitled to take legal advice (at the cost of the Company) on these and any other matters relevant to their determination of fair value,
- 24.3.3 save where the Compulsory Transfer Notice (if applicable) is deemed to be given following a Compulsory Transfer Event falling within articles 20.1.1 to 20.1.5 (inclusive) and articles 20.1.6 and 20.1.7 (as it relates to article 20.1.6) where the buyer shall be assumed to be a willing buyer, but the seller shall be assumed to be selling in the circumstances which apply to it following the occurrence of the Compulsory Transfer Event and the price adjusted accordingly,
 - (a) assume a willing seller and buyer, and
 - (b) determine fair value as the market value which would be payable on a transaction between a buyer and a seller at arm's length of the entire issued share capital of the Company pro-rated to the number of shares which are the subject of the valuation, applying no premium or discount in relation to the size of any holding,
- 24.3.4 assume, if the Company is then carrying on business as a going concern, that it will continue to do so,
- 24.3.5 (save as set out in article 24.3.3) ignore any restrictions on transfer contained in these articles,
- 24.3.6 be permitted to take into account, if relevant:
 - (a) any bona fide sales of or offers made for any shares in the period of two years preceding the date of the valuation,
 - (b) the applicable multiple of EBITDA as set out in the terms of any shareholders' agreement,
 - (c) any significant programme commissions (together with any associated forecast IP income) which have been obtained by the Company as of the date the Accountants were requested to determine the fair value, and

- (d) the Company's cashflow forecast for the next 12 months, forecast profit and loss for the then current financial year, the net assets of the Company and any surplus working capital.
- 24.4 The determination of fair value shall be conducted in complete confidence. Details of the determination of fair value and all the information or documents produced for or arising in relation to the determination shall be kept confidential and shall not be disclosed by the Company or any shareholder except to their professional advisers, and the Company and each shareholder shall ensure that their professional advisers keep confidential and do not disclose such details, information or documents. The Company and each shareholder shall not use for any collateral or ulterior purpose any documents and materials relating to the determination of fair value or produced for, or arising in relation to such determination except:
 - 24.4.1 so far as is necessary to implement and enforce these articles;
 - 24.4.2 as required by court order; or
 - 24.4.3 otherwise as required by law.

25 SHARES DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for Declaring Dividends

- 25.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 25.2 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights. Unless the terms on which shares are issued or any shareholders' agreement or these articles specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it if the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if at the time of payment, any preferential dividend is in arrears.
- 25.3 Dividends shall be paid to:
 - 25.3.1 the shareholder of the share, or
 - 25.3.2 if the share has two or more joint shareholders, whichever of them is named first in the register of members, or
 - 25.3.3 if the shareholder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree.

Non-cash distributions

- 25.4 Subject to the terms of issue of the share in question and to article 28, the Company may, by ordinary resolution, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 25.5 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including (where any difficulty arises regarding the distribution) fixing the value of any assets, paying cash to any person entitled to the distribution on the basis of that value in order to adjust the rights of such persons, and vesting any assets in trustees.

26 SHARES CAPITALISATION OF PROFITS

- 26.1 Subject to these articles, the directors may, if they are so authorised by an ordinary resolution:
- 26.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
 - 26.1.2 appropriate any sum which they so decide to capitalise ("**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend ("**persons entitled**") and in the same proportions.
- 26.2 Capitalised sums must be applied on behalf of the persons entitled, and in the same proportions as a dividend would have been distributed to them.
- 26.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 26.4 Any capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 26.5 Subject to these articles the directors may:
- 26.5.1 apply capitalised sums in accordance with articles 26.3 and 26.4 partly in one way and partly in another,
 - 26.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments or ignoring fractions altogether), and

- 26.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

27 LIQUIDATION PREFERENCE

- 27.1 Subject to article 27.2, on a return of assets on liquidation, capital reduction or, at the same time as or following a disposal by the Company of all or a material part of its assets or in connection with the Company ceasing to trade, any other distribution by the Company, those assets shall (to the extent that the Company is lawfully able to do so) be distributed pro rata to the holders of Ordinary Shares and A Shares as if they constituted one and the same class and according to the number of shares held by such shareholders.
- 27.2 Where the application of proceeds in accordance with article 27.1 would result in the holders of A Shares receiving an amount less than the amount credited as paid up for those A Shares (being the aggregate original subscription price paid for those A Shares) minus any dividends or other distributions actually made to the relevant A Shareholder (the "**Subscription Amount**"), then the proceeds shall be distributed to the holders of the A Shares in proportion to the amounts due to each such share held until the A Shareholders have received, in aggregate, the Subscription Amount and then the balance (if any) shall be distributed pro rata to the holders of the Ordinary Shares.

28 ANTI-DILUTION

- 28.1 If any New Securities are allotted and issued by the Company after the Adoption Date but prior to the date on which the A shares represent not less than 35% of the issued share capital of the Company, each holder of A Shares shall automatically be deemed to subscribe simultaneously for such number of new A Shares ("**Anti-Dilution Shares**") so as to ensure that (following the issue of such shares and insofar as possible) the shares held by each holder of A Shares immediately prior to the allotment and issue of such New Securities are not diluted by such New Securities, save that any fractional entitlements to Anti-Dilution Shares shall be rounded up or down if so requested by the holders of the A Shares. The Company shall promptly give notice to the holders of the A Shares of any proposed allotment and issue of New Securities as referred to in this article.
- 28.2 The holders of the A Shares shall automatically subscribe for the Anti-Dilution Shares specified in article 28.1 by way of bonus issue and, for the avoidance of doubt, the A Shareholders will not be required to take any action or pay any consideration for the Anti-Dilution Shares. If there is any dispute between the Company and any holder of A Shares as to the number of Anti-Dilution Shares to be issued under article 28.1, the matter shall be referred (at the cost of the Company) to the Company's accountants for determination of the number of Anti-Dilution Shares to be issued. The Company's accountants determination of the matter shall, in the absence of manifest error, be final and binding on the Company and the relevant holder of A Shares.

- 28.3 The Anti-Dilution Shares shall be issued by the Company credited fully paid up simultaneously with the New Securities and shall rank pari passu in all respects with the existing A Shares.

29 ACQUISITION OF MANAGER SHARES

- 29.1 On the date of determination that the Company has achieved Profitability the holder(s) of a majority of the A Shares are deemed to have served notice on the Managers, such notice being irrevocable and shall constitute a legally binding and unconditional agreement for the sale and purchase of the Manager Acquisition Shares. Under the terms of that agreement, the Managers shall be bound to sell, and the holder(s) of a majority of the A Shares shall be bound to buy, the Manager Acquisition Shares free from all charges, liens and encumbrances and with full title guarantee, together with all rights attaching to at a price per share equal to the Manager Acquisition Price.
- 29.2 The Manager Acquisition Price shall be the fair value of each Manager Acquisition Share at the date on which the Company achieves Profitability ("**Fair Value**"), such Fair Value to be determined in accordance with article 29.3.
- 29.3 The holder(s) of a majority of the A Shares and the Managers shall each use all reasonable endeavours to agree the Fair Value in accordance with article 29.4 within 20 Business Days of the date of the Manager Acquisition Notice. If the holder(s) of a majority of the A Shares and the Managers fail to agree the Fair Value within such period, then they shall instruct the Accountants to give a final determination of the Fair Value in accordance with article 24.
- 29.4 The Fair Value shall be calculated as follows:

$$EQ/C = \text{Fair Value}$$

where

A = the aggregate of (i) the EBITDA for the financial year ending prior to the date of the Manager Acquisition Notice and (ii) the Forecast EBITDA for the financial year in which the Manager Acquisition Notice is deemed served, divided by 2;

B = a multiple specified by the Company on the Adoption Date;

C = the number of A Shares and Ordinary Shares in issue;

EQ = EV + Manager Acquisition Net Cash Amount + Manager Acquisition Excess Working Capital; and

EV = A x B.

- 29.5 Completion of the sale and purchase of the Manager Acquisition Shares shall take place on the Business Day which is 10 Business Days after the Manager Acquisition Price is agreed or determined in accordance with articles 29.2 to 29.4 (or on such other date as the holder(s) of a majority of the A Shares and the Managers agree), when:
- 29.5.1 the Managers shall deliver to the holder(s) of a majority of the A Shares stock transfer forms in respect of all of the Manager Acquisition Shares, duly executed by the Managers in favour of the holder(s) of a majority of the A Shares (or its nominee), together with the share certificate(s) in respect of the Manager Acquisition Shares (as the case may be) (or, if lost, an indemnity in lieu of the certificate(s) in a form satisfactory to the Company); and
- 29.5.2 the holder(s) of a majority of the A Shares shall pay to the Managers in cash an amount equal to $50\% \times (\text{Fair Value} \times \text{Manager Acquisition Shares})$ (“**Initial Manager Acquisition Consideration**”), which, for the avoidance of doubt shall not be refundable.
- 29.6 The holder(s) of a majority of the A Shares and the Managers shall each use all reasonable endeavours to agree the revised Fair Value in accordance with article 29.7 (“**Revised Fair Value**”) within 30 Business Days of the end the financial year in which the Manager Acquisition Notice is deemed served. If the holder(s) of a majority of the A Shares and the Managers fail to agree the Revised Fair Value within such period, then they shall instruct the Accountants to give a final determination of the Revised Fair Value in accordance with article 24.
- 29.7 The Revised Fair Value shall be calculated as follows:

$$\text{EQ/C} = \text{Revised Fair Value}$$

where

A = the aggregate of (i) the EBITDA for the financial year ending prior to the date of the Manager Acquisition Notice and (ii) the EBITDA for the financial year in which the Manager Acquisition Notice is deemed served, divided by 2;

B = a multiple specified by the Company on the Adoption Date;

C = the number of A Shares and Ordinary Shares in issue;

EQ = $\text{EV} + \text{Manager Acquisition Net Cash Amount} + \text{Manager Acquisition Excess Working Capital}$; and

EV = $A \times B$.

- 29.8 The holder(s) of a majority of the A Shares shall pay to the Managers in cash the deferred consideration for the Manager Acquisition Shares within 10 Business Days of agreement or determination of the Revised Fair Value in accordance with articles 29.6 and 29.7, such deferred consideration being an amount equal to:

(Revised Fair Value x Manager Acquisition Shares) – Initial Manager Acquisition Consideration

(the “**Deferred Manager Acquisition Consideration**”) (as calculated and payable in accordance with articles 29.6 to 29.8), unless the above formula would result in the Deferred Manager Acquisition Consideration being a negative number, in which case the Deferred Manager Acquisition Consideration shall be deemed to be £0.

- 29.9 If the Managers fail to comply with article 29.5, then the holder(s) of a majority of the A Shares shall be irrevocably entitled to execute, or to authorise and instruct such person as it thinks fit to execute, the necessary transfer or indemnity on behalf of the Managers and, against an undertaking from the Company to hold on trust for the Managers the consideration payable for the Manager Acquisition Shares, deliver any such transfer or indemnity to the holder(s) of a majority of the A Shares. Following receipt by the Company of the consideration for each of the Manager Acquisition Shares pursuant to article 29.5.2, the Company shall (subject to the payment of any stamp duty) cause the holder(s) of a majority of the A Shares to be registered as the holder of the Manager Acquisition Shares.

30 INITIAL MANAGER SHARE OPTION

- 30.1 The holder(s) of a majority of the A Shares shall have the right to require the Managers to sell all (and not some only) of the Initial Manager Option Shares to the holder(s) of a majority of the A Shares on the terms of this article 30.
- 30.2 The Managers shall have the right to require holder(s) of a majority of the A Shares to purchase all (and not some only) of the Initial Manager Option Shares on the terms of this article 30.
- 30.3 The Initial Manager Call Option may only be exercised during the Initial Call Option Period by notice in writing given by the holder(s) of a majority of the A Shares to the Managers and such a notice shall, subject to article 30.4, be irrevocable.
- 30.4 Following receipt of an Initial Manager Option Notice pursuant to article 30.3 the Managers shall be entitled to, by notice in writing to the holder(s) of a majority of the A Shares within 10 Business Days of the date of the Initial Manager Option Notice, elect to delay the sale and purchase of the Initial Manager Option Shares by 12 months.
- 30.5 If a Delay Notice has been served by the Managers pursuant to article 30.4 the date of the Initial Manager Option Notice shall be deemed to be the date falling 12 months after the date of the relevant Initial Manager Option Notice served by the holder(s) of a

majority of the A Shares and the provisions of articles 30.7 to 30.12 (inclusive) shall apply *mutatis mutandis*.

- 30.6 The Initial Manager Put Option may only be exercised by the Managers during the Initial Put Option Period by notice in writing given by the Managers to the holder(s) of a majority of the A Shares and such a notice shall be irrevocable.
- 30.7 If the Initial Manager Option Notice has been served by the holder(s) of a majority of the A Shares or the Managers (as applicable), then a legally binding and unconditional agreement for the sale and purchase of the Initial Manager Option Shares shall immediately arise. Under the terms of that agreement, the Managers shall be bound to sell, and the holder(s) of a majority of the A Shares shall be bound to buy, the Initial Manager Option Shares free from all charges, liens and encumbrances and with full title guarantee, together with all rights attaching to them, for the Initial Manager Option Price.
- 30.8 The Initial Manager Option Price shall be the Initial Ordinary Share Value, as determined in accordance with article 30.10, multiplied by the number of Initial Manager Option Shares transferred by each of the Managers.
- 30.9 The holder(s) of a majority of the A Shares and the Managers shall each use all reasonable endeavours to agree the Initial Manager Option Price within 20 Business Days of the Initial Manager Option Notice being given. If the holder(s) of a majority of the A Shares and the Managers fail to agree the Initial Manager Option Price within such period, then they shall instruct the Accountants to give a final determination of the Initial Manager Option Price.
- 30.10 The Initial Ordinary Share Value for each Initial Manager Option Share shall be calculated as follows:

$$EQ/C = IOSV$$

where

A = the aggregate EBITDA for the two preceding financial years ending prior to the date of the Initial Manager Option Notice, divided by 2;

B = a multiple specified by the Company on the Adoption Date;

C = the number of A Shares and Ordinary Shares in issue;

EQ = EV + Initial Net Cash Amount + Initial Excess Working Capital;

EV = A x B; and

IOSV = Initial Ordinary Share Value.

- 30.11 Completion of the sale and purchase of the Initial Manager Option Shares on exercise of the Initial Manager Option shall take place on the Business Day which is 10 Business Days after the Initial Manager Option Price is agreed or determined in accordance with article 30.9 (or on such other date as the holder(s) of a majority of the A Shares and the Managers agree), when:
- 30.11.1 the Managers shall deliver to the holder(s) of a majority of the A Shares stock transfer forms in respect of all of the Initial Manager Option Shares held by each of them, duly executed by the Managers in favour of the holder(s) of a majority of the A Shares (or its nominee), together with the share certificate(s) in respect of the Initial Manager Option Shares (as the case may be) (or, if lost, an indemnity in lieu of the certificate(s) in a form satisfactory to the Company); and
- 30.11.2 the holder(s) of a majority of the A Shares shall pay to each of the Managers in cash the Initial Manager Option Price for their respective Initial Manager Option Shares.
- 30.12 If the Managers fail to comply with article 30.11, then the holder(s) of a majority of the A Shares shall be irrevocably entitled to execute, or to authorise and instruct such person as it thinks fit to execute, the necessary transfer or indemnity on behalf of the Managers and, against an undertaking from the Company to hold on trust for the Managers the consideration payable for the Initial Manager Option Shares, deliver any such transfer or indemnity to the holder(s) of a majority of the A Shares. Following receipt by the Company of the Initial Manager Option Price, the Company shall (subject to the payment of any stamp duty) cause the holder(s) of a majority of the A Shares to be registered as the holder of the Initial Manager Option Shares.

31 FINAL MANAGER SHARE OPTION

- 31.1 The holder(s) of a majority of the A Shares shall have the right to require the Managers to sell all (and not some only) of the Final Manager Option Shares to holder(s) of a majority of the A Shares on the terms of this article 31.
- 31.2 The Managers shall have the right to require holder(s) of a majority of the A Shares to purchase all (and not some only) of the Final Manager Option Shares on the terms of this article 31.
- 31.3 The Final Manager Call Option may only be exercised during the Final Call Option Period by notice in writing given by the holder(s) of a majority of the A Shares to the Managers and such a notice shall, subject to article 31.4, be irrevocable.
- 31.4 Following receipt of the Final Manager Option Notice pursuant to article 31.3 the Managers shall be entitled to, by notice in writing to the holder(s) of a majority of the A Shares within 10 Business Days of the date of that Final Manager Option Notice, elect to delay the sale and purchase of the Final Manager Option Shares by 12 months.

- 31.5 If a Delay Notice has been served by the Managers pursuant to article 31.4 the date of the Final Manager Option Notice shall be deemed to be the date falling 12 months after the date of the relevant Final Manager Option Notice served by the holder(s) of a majority of the A Shares and the provisions of articles 31.7 to 31.12 (inclusive) shall apply *mutatis mutandis*.
- 31.6 The Final Manager Put Option may only be exercised by the Managers during the Final Put Option Period by notice in writing given by the Managers to the holder(s) of a majority of the A Shares and such a notice shall be irrevocable.
- 31.7 If the Final Manager Option Notice has been served by the holder(s) of a majority of the A Shares or the Managers (as applicable), then a legally binding and unconditional agreement for the sale and purchase of the Final Manager Option Shares shall immediately arise. Under the terms of that agreement, the Managers shall be bound to sell, and the holder(s) of a majority of the A Shares shall be bound to buy, the Final Manager Option Shares free from all charges, liens and encumbrances and with full title guarantee, together with all rights attaching to them, for the Final Manager Option Price.
- 31.8 The Final Manager Option Price shall be the Final Ordinary Share Value, as determined in accordance with article 31.10, multiplied by the number of Final Manager Option Shares transferred by each of the Managers.
- 31.9 The holder(s) of a majority of the A Shares and the Managers shall each use all reasonable endeavours to agree the Final Manager Option Price within 20 Business Days of the Final Manager Option Notice being given. If the holder(s) of a majority of the A Shares and the Managers fail to agree the Final Manager Option Price within such period, then they shall instruct the Accountants to give a final determination of the Final Manager Option Price.
- 31.10 The Final Ordinary Share Value for each Final Manager Option Share shall be calculated as follows:

$$EQ/C = FOSV$$

where

A ≈ the aggregate EBITDA for the two preceding financial years ending prior to the date of the Final Manager Option Notice, divided by 2;

B ≈ a multiple specified by the Company on the Adoption Date;

C ≈ the number of A Shares and Ordinary Shares in issue;

EQ = EV + Final Net Cash Amount + Final Excess Working Capital;

$EV = A \times B$; and

FOSV = Final Ordinary Share Value.

31.11 Completion of the sale and purchase of the Final Manager Option Shares on exercise of the Final Manager Option shall take place on the Business Day which is 10 Business Days after the Final Manager Option Price is agreed or determined in accordance with article 31.9 (or on such other date as the holder(s) of a majority of the A Shares and the Managers agree), when:

31.11.1 The Managers shall deliver to the holder(s) of a majority of the A Shares a stock transfer form in respect of all of the Final Manager Option Shares held by each of them, duly executed by the Managers in favour of the holder(s) of a majority of the A Shares (or its nominee), together with the share certificate(s) in respect of the Final Manager Option Shares (as the case may be) (or, if lost, an indemnity in lieu of the certificate(s) in a form satisfactory to the Company); and

31.11.2 the holder(s) of a majority of the A Shares shall pay to each of the Managers in cash the Final Manager Option Price for their respective Final Manager Option Shares.

31.12 If the Managers fail to comply with article 31.11, then the holder(s) of a majority of the A Shares shall be irrevocably entitled to execute, or to authorise and instruct such person as it thinks fit to execute, the necessary transfer or indemnity on behalf of the Managers and, against an undertaking from the Company to hold on trust for the Managers the consideration payable for the Final Manager Option Shares, deliver any such transfer or indemnity to the holder(s) of a majority of the A Shares. Following receipt by the Company of the Final Manager Option Price, the Company shall (subject to the payment of any stamp duty) cause the holder(s) of a majority of the A Shares to be registered as the holder of the Final Manager Option Shares.

31.13 All payments to be made pursuant to articles 29 to 31 (inclusive) shall be made by electronic transfer of immediately available funds to any bank account of which the payee gives the paying party at least three Business Days' notice before the due date for payment.

32 **SECRETARY**

The Company shall not be required to have a secretary but may choose to have one. Any secretary shall be appointed by the directors for such term and at such remuneration and upon such conditions as they think fit, and any secretary so appointed may be removed by them.

33 **AUTHENTICATION**

Any director or the secretary or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company, any resolutions of the Company or the board or any committee, and any books, records, documents

and accounts relating to the business of the Company, and to certify copies of, or extracts from, them as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the board or any committee which is certified in accordance with this article shall be conclusive evidence in favour of a person dealing with the Company upon the faith of that document that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

34 **ACCOUNTS**

Any shareholder shall be entitled, on notifying the Company not less than 48 hours in advance, either through itself or through duly authorised agents, to inspect and take copies of any accounting record or other book or document of the Company. The Company may make a reasonable charge for any copies taken.

35 **NOTICES AND COMMUNICATIONS**

35.1 Notwithstanding anything to the contrary in the remainder of this article 35, a notice, consent, approval, offer or other communication (each a "notice" for the purpose of the remainder of this article) given under articles 4.3, 5.16, 17, 19, 20, 21, 22, 23, 24, 30 and 31 may only be given if it is given:

35.1.1 in hard copy form, in writing, in English and signed by or on behalf of the person giving it and is either

(a) hand delivered to the person to whom it is to be given, or

(b) sent by prepaid, first-class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail addressed to the person to whom it is to be given and in the case of a person that is not an individual also marked for the attention of the company secretary or any other person notified for the time being in accordance with this article for the purpose, or

35.1.2 in electronic form, by fax to a fax number for the time being notified for that purpose to the person giving the notice and in the case of a person that is not an individual also marked for the attention of the company secretary or any other person notified for the time being in accordance with this article for the purpose and where the hard copy of the fax sent is in writing, in English and signed by or on behalf of the person giving it.

Notices given under this article 35.1 shall be given only when received.

35.2 Except as set out in articles 5.6 and 35.1 or as otherwise provided in these articles:

- 35.2.1 subject to article 35.4, any document or information to be given, sent or supplied under these articles by the Company shall be given, sent or supplied in any way in which the Company may send or supply documents or information to the intended recipient under schedule 5 Companies Act 2006 including, without limitation, in hard copy form, in electronic form or by making it available on a website, subject to, and in accordance with, the requirements of that schedule, and
- 35.2.2 subject to article 35.4, any document or information to be given, sent or supplied under these articles to the Company shall be given, sent or supplied in English and otherwise any way in which documents or information may be sent or supplied by the sender to the Company under schedule 5 Companies Act 2006 (where the sender is a body corporate) or schedule 4 Companies Act 2006 (in all other cases) subject to, and in accordance with, the requirements of schedule 4 or schedule 5 Companies Act 2006, as applicable.
- 35.3 Articles 35.2.1 and 35.2.2 shall apply whether the document or information is authorised or required to be sent or supplied by the Companies Acts or otherwise. References in articles 35.2.1 and 35.2.2 to documents or information being given, sent or supplied by or to the Company include references to documents or information being given, sent or supplied by or to the directors of the Company acting on the Company's behalf.
- 35.4 Articles 35.2.1 and 35.2.2 shall apply as if schedules 4 and 5 Companies Act 2006 required documents and information sent by post to be sent by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail.
- 35.5 In the case of joint holders of a share, all notices, documents and information shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and any notices, documents and information so given shall be sufficiently given to all the joint holders. A shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices, documents or information may be given to him, or an address to which notices, documents or information may be sent by electronic means, shall be entitled to have such notices, documents or information given to him at that address.
- 35.6 In the case of the death or bankruptcy of a shareholder, the Company shall not be obliged to send any documents or information to an address provided to the Company by the Transmitttee(s) of such shareholder unless such Transmitttee(s) has also provided the directors with such evidence of the entitlement of the Transmitttee(s) to those shares as the directors shall in their absolute discretion require. Nothing in this article shall require the directors to investigate the entitlement of any person claiming to be a Transmitttee of a shareholder. Until such address and evidence (to the satisfaction of the directors) has been supplied, the Transmitttee shall be bound by any notice given to the shareholder from whom he derives title.

- 35.7 Proof that an envelope containing a notice, document or information was properly addressed, prepaid first-class and posted or properly addressed and delivered by hand shall be conclusive evidence that the notice, document or information was given. Proof that a notice, document or information sent by electronic means was sent or given in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice, document or information was sent or given. The board may require authentication of any document or information given, sent or supplied to the Company in electronic form in such manner as it may determine.
- 35.8 Except as set out in article 34.1 or as otherwise provided in these articles, a notice, document or information sent or supplied by the Company under these articles or for the purposes of any provision of the Companies Acts that authorises or requires documents or information to be sent or supplied by the Company, shall be deemed to have been received by the intended recipient:
- 35.8.1 where the document or information is sent by prepaid first-class post to an address in the United Kingdom or by airmail to an address outside the United Kingdom, 48 hours after it is posted,
 - 35.8.2 where the document or information is delivered by hand, when it is sent,
 - 35.8.3 where the document or information is sent or supplied by electronic means, when the document or information is first transmitted, and
 - 35.8.4 where the document or information is 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.
- 35.9 The first two sentences of article 35.7 and article 35.8 shall not apply:
- 35.9.1 where these articles refer to a notice, consent or other communication needing to be "received", or
 - 35.9.2 in respect of any notice, consent or other communication to be given, sent or supplied to the Company under these articles or for the purposes of any provision of the Companies Acts that authorises or requires documents or information to be sent or supplied to the Company,
- and in each such case actual receipt of the notice, consent or other communication shall be required for the notice, consent or other communication to take effect.
- 35.10 Section 1147 Companies Act 2006 shall not apply to documents or information sent by or to the Company for the purposes of the Companies Acts or these articles.

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- 35.11 In this article 35, "address" includes (where the context permits) a number or address used for the purposes of sending or receiving documents or information by electronic means.
- 35.12 Nothing in these articles shall affect any legal requirement that any particular notice or other document be served in any particular manner.
- 35.13 Notices given by a company under these articles may be signed on its behalf by an officer of the company or by its duly appointed attorney.
- 35.14 Unless otherwise specified by the Company, notices to the Company shall be sent to the office, marked for the attention of the secretary.