

Company No.: 10198535

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

DISTRIBUTION FINANCE CAPITAL LTD (the "Company")

Passed the 4th day of September 2018

By a written resolution agreed to in accordance with Chapter 2 of Part 13 of the Companies Act 2006 by or on behalf of the required number of the members of the Company who, at the date of circulating the resolution, were entitled to vote on the resolutions the following resolutions of the Company were duly passed:

ORDINARY RESOLUTIONS

6. THAT, each A Ordinary Share of £1 each in the capital of the Company be subdivided into 1,000 A Ordinary Shares of £0.001 each.
7. THAT, each B Ordinary Share of £1 each in the capital of the Company be subdivided into 1,000 B Ordinary Shares of £0.001 each.

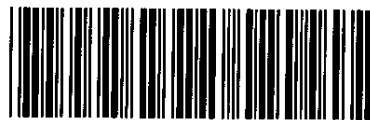
SPECIAL RESOLUTION

8. THAT, new articles of association of the Company be adopted as attached hereto.

Signed 
7D992DC523CB4E7
Director

Dated 4th October 2018

TUESDAY



A14 *A7G7F45L* 09/10/2018 #162
COMPANIES HOUSE

DATED 4th OCTOBER 2018

**ARTICLES OF ASSOCIATION OF
DISTRIBUTION FINANCE CAPITAL LTD**

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Company No. 10198535

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
DISTRIBUTION FINANCE CAPITAL LTD (the "Company")**
(Adopted by written resolution passed on 4 October 2018)

PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

"A Ordinary Shares" means the A ordinary shares of £0.001 each in the capital of the Company.

"Act" means the Companies Act 2006 as supplemented and amended from time to time.

"appointor" has the meaning given to it in Article 59.1.

"Articles" means the Company's articles of association.

"Asset Sale" means the sale of all or substantially all of the business and assets of the Company.

"B Ordinary Shares" means the B ordinary shares of £0.001 each in the capital of the Company.

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy.

"Board" means the board of directors of the Company from time to time.

"Board Majority" means a majority in number of the votes capable of being cast by the directors in attendance and entitled to vote at the meeting of the Board.

"Business Day" means any day (other than a Saturday, Sunday or public holiday in England) on which clearing banks in the City of London are generally open for business.

"Buyer" has the meaning given to it in Article 37.1(a).

"C Ordinary Shares" means the C ordinary shares of £0.001 each in the capital of the Company.

"capitalised sum" has the meaning given to it in Article 26.1(b).

"Cessation Date" means:

- (a) where a contract of employment, contract for services or directorship is terminated by the employer giving notice to the employee of the termination of the employment, engagement or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
- (b) where a contract of employment, contract for services or directorship is terminated by the employee by giving notice to the employer of the termination of the employment, the engagement or directorship, the date of that notice;

- (c) where an employer or employee/consultant wrongfully repudiates the contract of employment or contract for services and the other accepts that the contract of employment or contract for services has been terminated, the date of such acceptance;
- (d) where a contract of employment or contract for services is terminated under the doctrine of frustration, the date of the frustrating event; or
- (e) where a contract of employment, contract for services or directorship is terminated for any reason other than in the circumstances set out in paragraphs (a) to (d) above, the date on which the action or event giving rise to the termination occurs.

"chairman" has the meaning given to it in Article 48.2.

"chairman of the meeting" has the meaning given to it in Article 14.4.

"Company Reorganisation" means the acquisition of all of the Ordinary Shares of the Company by another company ("new company") in circumstances in which:

- (a) the consideration for the Ordinary Shares consists wholly of the issue of shares ("new shares") in the new company;
- (b) the new shares are issued in consideration of the Ordinary Shares only at times when there are no issued shares in the new company other than (i) subscriber shares; and (ii) new shares previously issued in consideration of old shares;
- (c) the new shares are issued to holders of Ordinary Shares in respect of, and in proportion to, their holdings; and
- (d) following the acquisition of Ordinary Shares and any other transactions taking place at or around the same time, the new company has no subsidiaries other than the Company and any subsidiary of the Company,

or such other event as the Board shall determine is a Company Reorganisation.

"Conflict" has the meaning given to it in Article 51.1.

"director" means a director of the Company, and includes any person occupying the position of director, by whatever name called.

"distribution recipient" has the meaning given to it in Article 21.2.

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

"Drag Along Approved Offer" has the meaning given to it in Article 38.5.

"Drag Along Right" has the meaning given to it in Article 38.1.

"electronic form" has the meaning given to it in section 1168 of the Act.

"eligible director" means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).

"Employee Trust" means any trust established by the Company for the benefit of employees and/or any of the persons referred to in section 1166 of the Act and which has been approved by the Board.

"equity securities" has the meaning given to it in section 560 of the Act.

"Exit EBITDA" means the Company's Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") as at the date of a Sale Event or return of capital, derived from taking the EBITDA as shown in the most recent audited accounts of the Company and

updating it using consistent accounting principles to reflect the period between the end of the preceding financial year and the date of the Sale Event or return of capital.

"Exit Loan Book" means the loan book of any Group Company as at the date of a Sale Event or return of capital.

"Exit Multiple" for the purposes of Article 5.3 means the Surplus Assets divided by the Exit EBITDA, and for the purposes of Article 5.4 means the Exit Value divided by the Exit EBITDA.

"Exit PBT" means the Company's Profit Before Tax ("PBT"), as at the date of a Sale Event or return of capital, derived from taking the PBT as shown in the most recent audited accounts of the Company and updating it using consistent accounting principles to reflect the period between the end of the preceding financial year and the date of the Sale Event or return of capital.

"Exit Value" means the value of the Company at a Sale Event, being:

- (a) on a Share Sale or Asset Sale, the aggregate consideration payable for the Shares or assets, less costs and expenses which have been incurred for the benefit of Shareholders, as determined by the directors;
- (b) on a Listing, the market value of the shares that are the subject of the Listing, determined by reference to the price per share at which shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements related to the Listing, as shown in the prospectus published in connection with the Listing or determined by the merchant or, if none, the broker appointed by the board of directors of the Company to advise in connection with the Listing; and
- (c) on a Company Reorganisation or any other Sale Event, the market value of the Company as determined by the Board with the consent of the Investor Director.

"Exit Event" means the earliest to occur of:

- (a) the date and time on which a Sale is completed; and
- (b) the date and time on which a Listing takes place.

"Founders" means Christopher Dailey and Andrew Stafferton, but in each case only for so long as such person holds Shares.

"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 to the Company.

"Group" means the Company and its Subsidiaries from time to time and "Group Company" means any one of them.

"hard copy form" has the meaning given to it in section 1168 of the Act.

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

"Hurdle" means an amount in pounds sterling equal to the sum of:

- (a) £86,000,000; and
- (b) the amount of any consideration paid to the Company to subscribe for A Ordinary Shares on or after the date of adoption of these Articles.

"instrument" means a document in hard copy form.

"Interest Rate" means 2 per cent per annum plus LIBOR.

"Investment Date" means 3 October 2016.

"Investor" means TruFin Holdings Limited, a company incorporated under the laws of Jersey (company registration number 125244) whose registered office is at 26 New Street, St. Helier, Jersey, JE2 3RA or those of its permitted transferees, successors or assigns (if any).

"Investor Director" means a director appointed by the Investor under Article 55 or otherwise any agreement between all of the Shareholders from time to time.

"Investor's Group" means the Investor and its Parent Undertakings and Subsidiary Undertakings (if any).

"Issue Date" means the date on which the Preference Shares are issued to the holder(s) of such Preference Shares.

"Issue Price" means the amount paid up or credited as paid up (including any premium on issue) on a Share.

"Leaver" means:

- (a) any person (other than an Investor Director) who is a Shareholder and who is at the date of adoption of these Articles or who later becomes an employee and/or director or consultant of the Company and who subsequently ceases to be so employed or engaged and does not continue in any such capacity for any reason whatsoever (including death or bankruptcy); and
- (b) any Shareholder who is the nominee of any person referred to in (a) above in respect of the Share held on behalf of such person;
- (c) any Shareholder who is (or is the nominee of) a family member or family trust (each as defined in Article 34) of any person referred to in (a) above; and
- (d) any person who becomes entitled to any Shares:
 - (i) following the death of a Shareholder; or
 - (ii) following the bankruptcy of a Shareholder.

"Leaving Date" means:

- (a) in relation to any person who ceases to be an employee and/or director or consultant of the Company, the Cessation Date; and
- (b) in relation to any person who acquires shares following the death or bankruptcy of a Shareholder, the date they first acquired any Shares.

"Leaver's Shares" means all A Ordinary Shares held by the Leaver and/or his family member and/or his family trust, or to which he or his family member or his family trust are entitled, on the Leaving Date and any A Ordinary Shares acquired by the Leaver and/or his family member and/or his family trust after the Leaving Date.

"LIBOR" means the one-month London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency which appears as "ICE LIBOR" on the ICE Benchmark Administration website (www.theice.com) as being in effect at the relevant time.

"Listing" means the admission of any Shares to the Official List of the UK Listing Authority, the AIM Market of the London Stock Exchange plc or any other recognised investment exchange (as defined in section 285(1) of the Financial Services and Markets Act 2000).

"Market Value" means the price payable for any Shares determined pursuant to Article 35.5.

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

"Offer Notice" has the meaning given to it in Article 35.3(a).

"ordinary resolution" has the meaning given to it in section 282 of the Act.

"Ordinary Shares" means the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares.

"Other Shareholders" has the meaning given to it in Article 38.1.

"paid" means paid or credited as paid.

"Parent Undertakings" has the meaning set out in the Act.

"participate" in relation to a directors' meeting, has the meaning given to it in Article 46.1.

"persons entitled" has the meaning given to it in Article 26.1(b).

"Preference Dividend" has the meaning given to it in Article 5.2(a).

"Preference Shares" means the preference shares of £0.00001 each in the capital of the Company.

"Pro-Rata Amount" on any date means the balance of the Surplus Assets multiplied by the aggregate nominal value of C Ordinary Shares in issue on that date, divided by the aggregate nominal value of Ordinary Shares in issue on that date.

"proxy notice" has the meaning given to it in Article 17.1.

"Purchaser" has the meaning given to it in Article 35.4(a).

"Redemption Notice" has the meaning given to it in Article 6.4.

"relevant officer" has the meaning given to it in Article 65.3(b).

"Relevant Shareholder" has the meaning given to it in Article 35.3(a).

"Sale" means a sale or transfer to any person or persons of in aggregate either:

- (a) more than 50 per cent of the voting rights attaching to the equity share capital of the Company; or
- (b) all or substantially all of the business and undertaking of the Group.

"Sale Event" means a Share Sale, an Asset Sale, a Listing or any other event that the Board determines should be a Sale Event, but excludes a Company Reorganisation.

"Sale Price" has the meaning given to it in Article 35.2(a).

"Sale Notice" has the meaning given to it in Article 35.4(a).

"Sale Shares" has the meaning given to it in Article 35.1(a)(i).

"Share Sale" means a sale to any person or persons acting in concert (as defined in the City Code on Takeovers and Mergers as amended from time to time) of all or substantially all of the issued share capital of the Company other than shares already held by such persons, but shall not include a Company Reorganisation;

"Shareholders" means the holders of Shares from time to time and **"Shareholder"** shall be construed accordingly.

"Shareholder Majority Consent" means the prior written consent of the holders of Shares carrying not less than 50.1% of all of the votes which are capable of being cast at general meetings of the Company.

"Shares" means any shares in the capital of the Company in issue from time to time.

"special resolution" has the meaning given to it in section 283 of the Act.

"Subsidiary" means a "subsidiary" as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee.

"Subsidiary Undertakings" has the meaning set out in the Act.

"Surplus Assets" has the meaning given to it in Article 5.3

"Tag Along Approved Offer" has the meaning given to it in Article 37.2(a).

"Total Transfer Condition" has the meaning given to it in Article 35.1(a)(v).

"Transfer Notice" has the meaning given to it in Article 35.1(a).

"transmittee" means a person entitled to a Share by reason of the death or bankruptcy of a Shareholder or otherwise by operation of law.

"Valuers" means a firm of chartered accountants agreed between the Vendor and the Board or, in default of agreement within 20 Business Days after the date on which a Transfer Notice has been (a) given in accordance with Article 35.1; or (b) deemed to be given in accordance with Article 36.1, appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of the Board.

"Vendor" has the meaning given to it in Article 35.1(a).

"Vested B Ordinary Shares" means any B Ordinary Shares in respect of which more than 3 years has passed since the date on which those B Ordinary Shares were first allotted by the Company, unless the Board has resolved that this meaning shall extend to any B Ordinary Shares at an earlier date.

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these Articles bear the same meaning as in the Act as in force on the date when these Articles become binding on the Company.

- 1.2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.3 A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - (a) any subordinate legislation from time to time made under it; and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.5 The terms "including", "include", "in particular" or any similar expression used herein shall be deemed to include the expression "without limitation" immediately after them.
2. **EXCLUSION OF MODEL ARTICLES**

The Model Articles shall not apply to the Company.

3. **LIABILITY OF SHAREHOLDERS**

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

PART 2

SHARES AND DECISION MAKING BY SHAREHOLDERS

4. **SHARE CAPITAL**

The share capital of the Company at the date of adoption of these Articles is £17,275 consisting of 16,493,000 A Ordinary Shares of £0.001, 430,000 B Ordinary Shares of £0.001, 317,000 C Ordinary Shares of £0.001 and 3,500,000 Preference Shares of £0.00001.

5. **SHARE RIGHTS**

The Shares shall have the following rights and be subject to the following restrictions:

5.1 **Voting**

- (a) The holders of the A Ordinary Shares and B Ordinary Shares shall be entitled to receive notice of, to attend and vote at general meetings of the Company.
- (b) On a vote at a general meeting, voting shall take place by way of poll only, and on a poll, every holder of A Ordinary Shares or B Ordinary Shares who (being an individual) is present in person or by one or more duly appointed proxies or (being a company) by a representative or by one or more duly appointed proxies shall have one vote for every A Ordinary Share or B Ordinary Share of which it is the holder.
- (c) On a vote by way of written resolution, every holder of A Ordinary Shares or B Ordinary Shares shall have one vote for every A Ordinary Share or B Ordinary Share of which it is the holder.
- (d) The holder(s) of the C Ordinary Shares and Preference Shares shall not be entitled to receive notice of or attend or vote at general meetings of the Company.

5.2 **Income**

- (a) A fixed cumulative preferential dividend at an annual rate of 5% of the Issue Price per Preference Share (the "**Preference Dividend**") shall accrue on each Preference Share calculated on a daily basis assuming a 365 day year and shall be compounded annually on 31 December each year.
- (b) All accruals of Preference Dividend shall become due and payable on redemption of the Preference Shares in accordance with Article 6 or, if earlier, on a return of capital in accordance with Article 5.3.
- (c) The right to the Preference Dividend has priority over the rights to a dividend of holders of any other class.
- (d) Where the Company is precluded by the Act or otherwise by law from paying in full any Preference Dividends on any date specified in these Articles, then in respect of such Preference Dividend which would otherwise require to be paid pursuant to these Articles on that date:
 - (i) the Company shall pay, on that date, to the holders of the Preference Shares *pari passu* on account of the Preference Dividends the maximum sum (if any) which can then, consistent with the Act and otherwise in accordance with law, be paid by the Company;

- (ii) interest shall be paid in accordance with Article 6.10; and
 - (iii) as soon as the Company is no longer precluded from doing so, the Company shall in respect of the Preference Shares *pari passu* pay on account of the balance of Preference Dividends for the time being accrued but unpaid, and until all arrears and accruals of the Preference Dividends have been paid in full, the maximum amount of Preference Dividends remaining unpaid which can, consistent with the Act and any other relevant law, properly be paid by the Company at that time.
- (e) Subject to the provisions of any agreement entered into from time to time by the Founders and the Investor and the payment of any Preference Dividends and redemption of any Preference Shares due for redemption, any profits which the Company resolves to distribute in or in respect of any financial year shall be apportioned amongst the holders of the A Ordinary Shares and B Ordinary Shares in proportion to the numbers of A Ordinary Shares and B Ordinary Shares held by them respectively, save that the Company may also declare a dividend on the C Ordinary Shares in its discretion.

5.3 Return of Capital

On a return of capital on liquidation or capital reduction or otherwise (except in the case of the redemption of Shares of any class or the purchase by the Company of its own Shares), the surplus assets of the Company available for distribution among the Shareholders ("**Surplus Assets**") shall be applied in the following manner and order of priority:

- (a) first, in paying to each holder of Preference Shares an amount equal to the aggregate Issue Price of all the Preference Shares held by him;
- (b) second, in paying to each holder of Preference Shares all unpaid arrears and accruals of the Preference Dividends on the Preference Shares held by such holder, calculated up to and including the date the return of capital is made (such arrears and accruals being payable irrespective of whether the relevant Preference Dividend has become due and payable in accordance with the Articles);
- (c) third, in paying to the holders of A Ordinary Shares and Vested B Ordinary Shares, an amount equal to the Hurdle less any amounts paid under Articles 5.3(a) and 5.3(b), pro rata to the number of A Ordinary Shares and Vested B Ordinary Shares held by them respectively; and
- (d) thereafter, in distributing the balance of the Surplus Assets amongst the holders of A Ordinary Shares, Vested B Ordinary Shares and C Ordinary Shares pro rata to the number of such Ordinary Shares held by them respectively as follows:
 - (i) the holders of C Ordinary Shares as a class shall receive an amount equal to:
 - (i) nil, unless:
 - (i) the Company's Exit PBT is greater than or equal to £20,000,000; and
 - (ii) the Company's Exit Loan Book is greater than £500,000,000; and
 - (ii) subject to (A) above, if the Exit Multiple is equal to 7, an amount equal to the Pro-Rata Amount;
 - (iii) subject to (A) above, if the Exit Multiple is equal to a figure in the first column of the table below, an amount equal to the amount in the second column, with a straight line adjustment between these Exit Multiples:

Exit Multiple	C Share proportion
4 or less	10% of the Pro-Rata Amount
6	30% of the Pro-Rata Amount
7	100% of the Pro-Rata Amount
8	125% of the Pro-Rata Amount
10	140% of the Pro-Rata Amount
12 or more	175% of the Pro-Rata Amount

- (iv) Notwithstanding the foregoing, the Board, with consent of the Investor Director, may determine that the holders of C Ordinary Shares should receive a greater amount than that set out under this Article 5.3(d); and
- (ii) the holders of A Ordinary Shares and Vested B Ordinary Shares shall receive the balance of the Surplus Assets as if they were one class.

For the avoidance of doubt, the holders of any B Ordinary Shares that are not Vested B Ordinary Shares shall not be entitled to receive any Surplus Assets.

5.4 Sale Event

- (a) On a Share Sale or Asset Sale, the Exit Value shall be applied in the manner and order of priority set out in Article 5.3, as if the words "Surplus Assets" were replaced by "Exit Value".
- (b) On an Asset Sale, the holders of B Ordinary Shares or C Ordinary Shares shall have the right ("**Exit Put Right**") to require the Investor or person nominated by the Investor to purchase such B Ordinary Shares and C Ordinary Shares for the amount of consideration applied to such B Ordinary Shares and C Ordinary Shares under Article 5.4(a) above, on the following terms:
 - (i) the Exit Put Right can be exercised by written notice to the Investor at any time prior to or within three months of the Asset Sale becoming effective, save that any exercise of the Exit Put Right prior to the Asset Sale becoming effective shall be conditional upon and take effect immediately prior to the Asset Sale becoming effective;
 - (ii) on exercise of the Exit Put Right, the relevant shareholder will become bound to sell and the Investor (or person nominated by the Investor) will become bound to purchase the relevant B Ordinary Shares and C Ordinary Shares on the terms set out in this Article 5.4(b).
- (c) On an Asset Sale, the Investor shall have the right ("**Exit Call Right**") to require the holders of B Ordinary Shares or C Ordinary Shares to sell such B Ordinary Shares and C Ordinary Shares to the Investor or person nominated by the Investor for the amount of the consideration that is applied to such B Ordinary Shares and C Ordinary Shares under Article 5.4(a) above, on the following terms:
 - (i) the Exit Call Right can be exercised by written notice to the Investor at any time prior to or within three months of the Asset Sale becoming effective, save that any exercise of the Exit Call Right prior to the Asset Sale becoming effective shall be conditional upon and take effect immediately prior to the Asset Sale becoming effective;
 - (ii) on exercise of the Exit Call Right, the relevant shareholder will become bound to sell and the Investor (or person nominated by the Investor) will become bound to purchase the relevant B

Ordinary Shares and C Ordinary Shares on the terms set out in this Article 5.4(c).

- (d) Prior to a Listing, the Shareholders shall procure that such actions are taken as shall ensure that the Shares held by the Shareholders or the assets which replace the Shares have a value on the Listing equal to the amount that the Shareholders would have been entitled to had the Listing been a Share Sale at an Exit Value equal to the market value of the shares that are the subject of the Listing, determined by reference to the price per share at which shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements related to the Listing, as shown in the prospectus published in connection with the Listing or determined by the merchant or, if none, the broker appointed by the board of directors of the Company to advise in connection with the Listing.
- (e) In the event of a Company Reorganisation that involves the sale of shares in the Company, the Shareholders shall procure that the Shares held by the Shareholders or the assets which replace the Shares have a value following the relevant event that is substantially the same as the value of the Shares prior to the relevant event.
- (f) In the event that the Board determines that any other event is a Sale Event, for the purposes of this Article 5.4, the Shareholders shall procure that the Shareholders receive or maintain value in accordance with the principles set out in this Article 5.4 and Article 5.3.

6. REDEMPTION OF PREFERENCE SHARES

- 6.1 Subject to the Act and the provisions of these Articles, the Preference Shares shall be redeemed at the price set out in Article 6.9 in the numbers and on the dates set out below:

Number of Preference Shares to be redeemed	Date of Redemption
3,500,000 or such smaller amount of Preference Shares as remains in issue at such date	On the 5 th anniversary of the Issue Date

- 6.2 Subject to the Act, the Company shall redeem all the Preference Shares then in issue immediately prior to an Exit Event (unless Shareholder Majority Consent has been given to their not being redeemed).
- 6.3 The Company may, at any time on not less than 10 Business Days' notice in writing to the holders of Preference Shares, redeem such total number of Preference Shares as is specified in such notice.
- 6.4 Where Preference Shares are to be redeemed in accordance with this Article 6, the Company shall give to the holders of the Preference Shares falling to be redeemed prior notice in writing of the redemption (a "**Redemption Notice**"). The Redemption Notice shall specify the particular Preference Shares to be redeemed and the date fixed for redemption (which, in the case of a redemption pursuant to Article 6.2 shall be the expected date for completion of the Exit Event) and shall be given not less than 5 nor more than 20 Business Days prior to the date fixed for redemption. In the case of a redemption pursuant to Article 6.2, the Redemption Notice shall be conditional on such Exit Event occurring within one month of the date fixed for redemption, failing which the Redemption Notice shall be revoked.
- 6.5 If the Company is unable, due to the Act or any other law, to redeem in full the relevant number of Preference Shares on the date fixed for redemption, the Company shall redeem as many of such Preference Shares as can lawfully and properly be redeemed and the Company shall redeem the balance as soon as it is lawfully and properly able to do so.
- 6.6 If the Company is at any time redeeming less than all the Preference Shares from time to time in issue, the number of Preference Shares to be redeemed shall be apportioned between those holders of the Preference Shares then in issue pro rata according to the number of Preference Shares held by them respectively at the date fixed for redemption.

- 6.7 On the date fixed for redemption, each of the holders of the Preference Shares falling to be redeemed shall be bound to deliver to the Company, at the Company's registered office, the certificate(s) for such Preference Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) in order that the same may be cancelled. Upon such delivery, the Company shall pay to the holder (or, in the case of any joint holders, to the holder whose name stands first in the Company's register of members in respect of such Shares) the amount due to it in respect of such redemption against delivery of a proper receipt for the redemption monies.
- 6.8 If any certificate delivered to the Company pursuant to Article 6.7 includes any Preference Shares not falling to be redeemed on the date fixed for redemption, a new certificate in respect of those Preference Shares shall be issued to the holder(s) thereof as soon as practicable thereafter (and, in any event, within 20 Business Days thereafter).
- 6.9 Subject to Article 6.5, there shall be paid on the redemption of each Preference Share an amount equal to:
- (a) 100% of the Issue Price thereof; and
 - (b) all accruals and/or unpaid amounts of Preference Dividends in respect thereof, calculated down to and including the date of actual payment.
- 6.10 If and to the extent that the amount to be paid pursuant to Article 6.9 is not paid in full on the due date, the unpaid amount shall carry interest at the Interest Rate in respect of the period from and including the due date down to and including the date of actual payment.
- 7. ALL SHARES TO BE FULLY PAID UP**
- 7.1 No Share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.
- 7.2 This does not apply to Shares taken on the formation of the Company by the subscribers to the Company's memorandum.
- 8. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**
- Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or the Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it.
- 9. POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**
- 9.1 Subject to the Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as is in accordance with the provisions of any agreement entered into from time to time by the Founders and the Investor.
- 9.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such Shares.
- 10. VARIATION OF CLASSES OF SHARES**
- 10.1 No variation of the rights attaching to any class of Shares shall be effective except with:
- (a) the consent in writing of the holders of not less than three-quarters in nominal value of the issued Shares of the relevant class; or
 - (b) the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the relevant class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply.

- 10.2 Notwithstanding the foregoing, the Board may resolve from time to time that any A Ordinary Shares held by the trustee of the Employee Trust shall be converted to C Ordinary Shares on the basis of 1 C Ordinary Share for 1 A Ordinary Share.

11. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 11.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

- 11.2 A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) 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.

- 11.3 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.

- 11.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

- 11.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

12. ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

- 12.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.

- 12.2 The chairman of the meeting may permit other persons who are not:

- (a) Shareholders of the Company; or
- (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings,

to attend and speak at a general meeting.

13. QUORUM FOR GENERAL MEETINGS

- 13.1 The quorum of Shareholders required for the transaction of business at a general meeting shall be the holders of in excess of 80% of the A Ordinary Shares and B Ordinary Shares in issue, being present in person or by proxy or a duly authorised representative of a corporation.

- 13.2 The quorum of Shareholders required for the transaction of business at the continuation of a general meeting adjourned pursuant to Article 15.1 shall be the holders of at least 80% of the A Ordinary Shares and B Ordinary Shares in issue being present in person or by proxy or a duly authorised representative of a corporation.

- 13.3 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

14. CHAIRING GENERAL MEETINGS

- 14.1 The chairman of the Board shall preside at every general meeting of the Company. If there is no such chairman or if at any meeting he or she shall not be present within ten minutes after the time appointed for holding the meeting, or shall be unwilling to act as chairman, the deputy chairman (if any) of the Board shall, if present and willing to act, preside at such meeting. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in

office as a director the longest shall take the chair. If no chairman or deputy chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he or she shall be chairman if willing to act. If there be no Director present and willing to act, the members present and entitled to vote shall choose one of their number to be chairman of the meeting. Nothing in these Articles shall restrict or exclude any of the powers or rights of a chairman of a meeting which are given by law. The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting".

15. ADJOURNMENT

15.1 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 chairman of the meeting must adjourn it.

15.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

15.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

15.4 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors;
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting; and
- (c) in any event ensuring that the continuation of the adjourned general meeting shall take place on a date which is at least 5 Business Days after the date of the adjourned meeting.

15.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of the Company's general meetings is required to be given; and
- (b) containing the same information which such notice is required to contain.

15.6 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.

16. ERRORS AND DISPUTES

16.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

16.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

17. CONTENT OF PROXY NOTICES

17.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

- (a) states the name and address of the Shareholder appointing the proxy;

- (b) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the Shareholder appointing the proxy, or is *authenticated in such manner as the directors may determine*; and
- (d) is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate,

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.

- 17.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 17.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 17.4 Unless a proxy notice indicates otherwise, it must be treated as:
 - (a) 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; and
 - (b) 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.

18. **DELIVERY OF PROXY NOTICES**

- 18.1 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.
- 18.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 18.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 18.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of whoever executed it to execute it on that person's behalf.

19. **AMENDMENTS TO RESOLUTIONS**

- 19.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
 - (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 19.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
 - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

19.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

20. **PROCEDURE FOR DECLARING DIVIDENDS**

20.1 The Company may declare dividends on any class or classes of Shares, and the directors may decide to pay interim dividends on any class or classes of Shares in accordance with the Articles and the provisions of any agreement entered into from time to time by the Founders and the Investor.

20.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

20.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.

20.4 Unless the Shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which Shares are issued, or the provisions of any agreement entered into from time to time by the Founders and the Investor, specify otherwise, it must be paid by reference to each Shareholder's holding of relevant Shares on the date of the resolution or decision to declare or pay it.

20.5 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.

20.6 Subject to the provisions of any agreement entered into from time to time by the Founders and the Investor, the directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

20.7 If the directors act in good faith, they do not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights.

21. **PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS**

21.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the distribution recipient in writing;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient in writing;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
- (d) any other means of payment as the directors agree with the distribution recipient in writing.

21.2 In the Articles, "the distribution recipient" means, in respect of a Share in respect of which a dividend or other sum is payable:

- (a) the holder of the Share; or
- (b) if the Share has two or more joint holders, whichever of them is named first in the register of members; or

- (c) if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

22. NO INTEREST ON DISTRIBUTIONS

The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

- (a) the terms on which the Share was issued; or
- (b) the provisions of another agreement between the holder of that Share and the Company.

23. UNCLAIMED DISTRIBUTIONS

23.1 All dividends or other sums which are:

- (a) payable in respect of Shares; and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

23.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

23.3 If:

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

24. NON-CASH DISTRIBUTIONS

24.1 Subject to the terms of issue of the Share in question, the Company may, in accordance with the provisions of any agreement entered into from time to time by the Founders and the Investor and on the recommendation of the directors, 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).

24.2 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:

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

25. WAIVER OF DISTRIBUTIONS

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if:

- (a) the Share has more than one holder; or
- (b) more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders; or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the Share.

26. AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

26.1 Subject to the Articles and the provisions of any agreement entered into from time to time by the Founders and the Investor, the directors may, if they are so authorised to do so by the Shareholders:

- (a) 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
- (b) appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (the "**persons entitled**") and in the same proportions.

26.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled; and
- (b) 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 A capitalised sum which was appropriated from profits available for distribution may be applied in 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 the Articles the directors may:

- (a) apply capitalised sums in accordance with Articles 26.3 and 26.4 partly in one way and partly in another;
- (b) 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); and
- (c) 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. ISSUE OF NEW SHARES

27.1 Subject to the provisions of any agreement entered into from time to time by the Founders and the Investor, the Company has the power to allot and issue Shares and to grant rights to subscribe for, or to convert any security into, Shares pursuant to those rights.

27.2 If the Company has at any time only one class of Shares, the directors may only exercise the power of the Company to allot and issue Shares or to grant rights to subscribe for, or to convert any security into, Shares in accordance with section 551 of the Act. The powers of the directors pursuant to section 550 of the Act shall be limited accordingly.

27.3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities made by the Company.

27.4 Unless otherwise agreed by Shareholder Majority Consent or save as provided for in Article 27.6, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all holders of A Ordinary Shares and B Ordinary Shares on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu

and pro rata basis to the number of A Ordinary Shares and B Ordinary Shares held by those holders (as nearly as possible without involving fractions). The offer:

- (a) shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and
- (b) may stipulate that any Shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he or she is entitled shall, in his or her acceptance, state the number of excess equity securities ("**Excess Securities**") for which he or she wishes to subscribe.

27.5 Any equity securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 27.4 shall be used for satisfying any requests for Excess Securities made pursuant to the Article 27.4. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of A Ordinary Shares and B Ordinary Shares held by the applicants immediately before the offer was made to Shareholders in accordance with Article 27.4 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the Shareholders.

27.6 Notwithstanding the provisions of Article 27.4, the Company may, without any restriction at all, issue equity securities at any time to any person of up to 5% of the then fully issued share capital of the Company per annum.

27.7 Subject to Articles 27.4 and 27.5 and to section 551 of the Act and to any agreement entered into from time to time by the Founders and the Investor, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

27.8 The Company is authorised to purchase its own shares out of capital up to the annual limit in accordance with section 692 of the Act.

28. **SHARE CERTIFICATES**

28.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.

28.2 Every certificate must specify:

- (a) in respect of how many Shares, of what class, it is issued;
- (b) the nominal value of those Shares;
- (c) that the Shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

28.3 No certificate may be issued in respect of Shares of more than one class.

28.4 If more than one person holds a Share, only one certificate may be issued in respect of it.

28.5 Certificates must:

- (a) have affixed to them the Company's common seal; or
- (b) be otherwise executed in accordance with the Act.

29. **REPLACEMENT SHARE CERTIFICATES**

29.1 If a certificate issued in respect of a Shareholder's Shares is:

- (a) damaged or defaced; or
- (b) said to be lost, stolen or destroyed,

that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.

29.2 A Shareholder exercising the right to be issued with such a replacement certificate:

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

30. **TRANSFER OF SHARES**

30.1 No Shareholder shall sell, transfer, assign, pledge, charge or otherwise dispose of any Share or any interest in any Share except:

- (a) with Shareholder Majority Consent;
- (b) other than in the case of C Ordinary Shares, in accordance with the terms of any agreement entered into from time to time by the Founders and the Investor;
- (c) other than in the case of C Ordinary Shares, where made in accordance with Article 34 (*Permitted Transfers*) or Article 36 (*Compulsory Transfer of Shares*);
- (d) in accordance with the terms of the agreement entered into with the Company and pursuant to which B Ordinary Shares or C Ordinary Shares are acquired;
- (e) with the consent of the Board, to the trustee of an Employee Trust or by the trustee of an Employee Trust to any person;
- (f) where made in accordance with Article 5.4 (*Sale Event*); or
- (g) pursuant to the acceptance of an offer made and completed under and in accordance with Article 37 (*Tag Along Rights*) or Article 38 (*Drag Along Rights*).

30.2 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.

30.3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.

30.4 The Company may retain any instrument of transfer which is registered.

30.5 The transferor remains the holder of a Share until the transferee's name is entered in the register of members as holder of it.

30.6 The directors may refuse to register the transfer of a Share only where such a transfer is not carried out in accordance with Article 30.1, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

30.7 The C Ordinary Shares may not be charged, pledged, mortgaged or encumbered in any way whatsoever. If a holder of C Ordinary Shares purports to charge, pledge, mortgage or encumber the C Ordinary Shares in any way whatsoever he shall be required to transfer the C Ordinary Shares as soon as practicable to such person as the Board shall direct for £1.00 in aggregate.

31. TRANSMISSION OF SHARES

- 31.1 If title to a Share passes to a transmittee, the Company may only recognise the transmittee as having any title to that Share.
- 31.2 A transmittee who produces such evidence of entitlement to Shares as the directors may properly require:
- (a) may, subject to the Articles, choose either to become the holder of those Shares or to have them transferred to another person; and
 - (b) subject to the Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.
- 31.3 Transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless and until they become the holders of those Shares.

32. EXERCISE OF TRANSMITTEES' RIGHTS

- 32.1 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 32.2 If the transmittee wishes to have a Share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 32.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.

33. TRANSMITTEES BOUND BY PRIOR NOTICES

If a notice is given to a Shareholder in respect of Shares and a transmittee is entitled to those Shares, the transmittee is bound by the notice if it was given to the Shareholder before the transmittee's name or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Article 32.2 has been entered in the register of members.

34. PERMITTED TRANSFERS

34.1 Definitions

For the purposes of this Article 34:

- (a) **"family member"** means, in relation to any Shareholder, any of his or her spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren); and
- (b) **"family trust"** means, in relation to a Shareholder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Shareholder or any of his or her family members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Shareholder or any of his or her family members.

34.2 Transfers to family members and family trusts

- (a) Subject to Articles 34.2(b) to 34.2(e), any Shareholder who is an individual may at any time transfer his or her Shares (other than C Ordinary Shares) to a person shown to the reasonable satisfaction of the Board to be:
 - (i) a family member of his or her; or

- (ii) trustees to be held under a family trust for that Shareholder or any of his or her family members.
- (b) Subject to Article 34.2(d), no Shares shall be transferred under Article 34.2(a) by any person who previously acquired those Shares by way of transfer under Article 34.2(a) other than to the original Shareholder.
- (c) No transfer of Shares shall be made by a Shareholder under Article 34.2(a) unless:
 - (i) in the case of a transfer under Article 34.2(a)(ii), there is a Board Majority indicating satisfaction:
 - (A) with the terms of the instrument constituting the relevant family trust and in particular with the powers of the trustees;
 - (B) with identity of the trustees and the procedures for the appointment and removal of trustees;
 - (C) with restrictions on changes in the terms of the trust instrument and on distributions by the trustees; and
 - (D) that none of the costs incurred in establishing or maintaining the relevant family trust will be payable by the Company.
- (d) Where Shares are held by trustees under a family trust:
 - (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that family trust;
 - (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any other family member to whom that settlor could have transferred them under this Article 34 if he had remained the holder of them; and
 - (iii) if any of those Shares cease to be held under a family trust for any other reason, the trustees shall give a Transfer Notice within 10 Business Days in respect of all the Shares then held by those trustees.
- (e) If:
 - (i) any person has acquired Shares as a family member of a Shareholder by way of one or more permitted transfers; and
 - (ii) that person ceases to be a family member of that Shareholder;that person shall forthwith transfer all the Shares then held by that person back to that Shareholder within 10 Business Days of the cessation.

34.3 Permitted Investor Transfers

The Investor or, if relevant, any member of the Investor's Group, shall be free to transfer any Shares held by them to any third party without restriction.

35. VOLUNTARY TRANSFER OF SHARES

35.1 Transfer Notice

- (a) Any Shareholder who wishes to sell or transfer Shares or any beneficial interest therein (the "**Vendor**") save as permitted under Article 30 (*Transfers of Shares*) or provided in Article 34 (*Permitted Transfers*), Article 36 (*Compulsory Transfers*) or where Article 38 (*Drag Along Rights*) applies shall give a written notice (a "**Transfer Notice**") to the Company specifying:

- (i) the number of Shares which he or she wishes to sell or transfer (the "**Sale Shares**");
- (ii) the name of any third party to whom he or she proposes to sell or transfer the Sale Shares (if any);
- (iii) the price per Share at which he or she wishes to sell or transfer the Sale Shares;
- (iv) any other terms relating to the transfer of the Sale Shares which are not prohibited by these Articles including the date from which dividends on the Sale Shares shall accrue to the purchaser of such Sale Shares; and
- (v) whether or not it is conditional upon all and not part only of the Sale Shares comprised in the Transfer Notice being sold or offered (a "**Total Transfer Condition**") and in the absence of such stipulation it shall be deemed not to be so conditional.

(b) Each Transfer Notice shall:

- (i) relate to one class of Shares only (but not C Ordinary Shares);
- (ii) constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 35;
- (iii) save with the consent of the Board be irrevocable; and
- (iv) be deemed not to contain a Total Transfer Condition unless the Transfer Notice expressly states otherwise.

35.2 Sale Price

- (a) The price per share ("**Sale Price**") at which the Sale Shares shall be offered for purchase in accordance with this Article 35 shall be:
 - (i) the price stated in the Transfer Notice; or
 - (ii) such other price as may be agreed between the Board and the Vendor; or
 - (iii) in the absence of such agreement, the lower of the sale price specified in the Transfer Notice (if any) and the Market Value as determined in accordance with Article 35.5.

35.3 Offer Notice

- (a) Not later than 10 Business Days after the last to occur of:
 - (i) the receipt (or deemed receipt in accordance with Article 36) by the Company of a Transfer Notice; and
 - (ii) the determination of the Sale Price,

the Company shall give notice (an "**Offer Notice**") in writing to each of the holders of A Ordinary Share and B Ordinary Shares at the date that the Transfer Notice is received by the Company (other than the Vendor or any other Shareholder who has served or who is deemed to have served a Transfer Notice which is still outstanding) (a "**Relevant Shareholder**") informing them that the Sale Shares are available and of the Sale Price and shall invite such Shareholder to state in writing within 20 Business Days from the date of the said notice (which date shall be specified therein) whether he or she is willing to purchase any and, if so, how many of the Sale Shares.

- (b) Sale Shares shall be treated as offered:

- (i) in the first instance to the Founders; and
 - (ii) to the extent not accepted by the Founders, to any holder of A Ordinary Share and B Ordinary Shares who is not a Founder, provided that such holder or Founder is a Relevant Shareholder.
- (c) After the expiry date of the Offer Notice, the Board shall, in the priorities set out in Article 35.3(b) above, allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these Articles, save that:
 - (i) if there are applications from any holders of A Ordinary Share and B Ordinary Shares for more than the total number of Sale Shares available, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Shareholder more Sale Shares than the maximum number applied for by him) to the number of A Ordinary Shares and B Ordinary Shares then held by them respectively;
 - (ii) if it is not possible to allocate Sale Shares without involving fractions, those fractions shall be aggregated and allocated amongst the applicants in such manner as the Board thinks fit; and
 - (iii) if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.

35.4 Transfer of Sale Shares

- (a) The Board shall, within 10 Business Days after the expiry date of the Offer Notice, give notice in writing (a "**Sale Notice**") to the Vendor and to each person to whom Sale Shares have been allocated (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares allocated to him, the aggregate price payable for them, and the time for completion of each sale and purchase.
- (b) Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than 5 Business Days nor more than 20 Business Days after the expiry date of the Offer Notice, unless agreed otherwise in relation to any sale and purchase by both the Vendor and the Purchaser concerned) when the Vendor shall, upon payment to him or her by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser.
- (c) The Vendor may, provided that in the event the Vendor is any member of the Investor's Group, it has also complied with Article 37, during the period of 90 days after the expiry date of the Offer Notice, sell any Sale Shares for which a Sale Notice has not been given by way of bona fide sale to a third party at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee and otherwise on terms that are no more favourable than those set out in the Transfer Notice, provided that if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled to sell only some of the Sale Shares under this Article 35.
- (d) If a Vendor fails to transfer any Sale Shares when required pursuant to this Article 35, the Board may authorise any person (who shall be deemed to be the attorney of the Vendor for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for the Sale Shares from the Purchaser and shall, upon receipt of the duly stamped transfer, register the Purchaser as the holder of those Sale Shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for the purchase money shall be a good discharge to the Purchaser (who shall not be concerned to see to the application of it). After the name of the Purchaser has been entered in

the register of members in purported exercise of the power conferred by this Article 35, the validity of that exercise shall not be questioned by any person.

35.5 Market Value

(a) In the event that it is necessary to establish the Market Value of Shares, the following provisions shall apply:

(i) the Market Value shall be determined on the application of the Board by the Valuers acting as experts and not as arbitrators and their determination shall be final and binding (save in the case of manifest error). The costs of the Valuers shall be payable by the Company unless the Board has offered a price for the Shares which has not been accepted by the Vendor and the Market Value is determined to be equal to or less than that price, in which case, the costs of the Valuers shall be borne by the Vendor.

(ii) The Market Value shall be determined by the Valuers first valuing the share capital of the Company as a whole:

(Not Defined) assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;

(Not Defined) assuming that the entire issued share capital of the Company is being sold as between willing buyer and willing seller by arm's length private treaty for cash payable in full on completion;

(Not Defined) taking account of the amounts outstanding under the indebtedness of the Company and the priority payments due to the holders of the Preference Shares under these Articles;

(Not Defined) taking account of any bona fide offer for the Company received from an unconnected third party within six months of the Transfer Notice being served or deemed to have been served; and

(Not Defined) recognising that in any other circumstances the Shares are not freely marketable.

(iii) Having valued the share capital of the Company as a whole, the Valuers shall determine the Market Value of the Shares concerned taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding.

(b) The Market Value of Preference Shares shall be the aggregate of the following amounts:

(i) 100% of the Issue Price thereof; and

(ii) all accruals and/or unpaid amounts of Preference Dividend in respect thereof, calculated down to and including the date of completion of the sale of the Preference Shares pursuant to these Articles;

or, if less, the value of the entire issued share capital of the Company divided by the number of Preference Shares.

36. COMPULSORY TRANSFER OF SHARES

This Article 36 shall apply unless stated otherwise in any agreement entered into between the Company and a Shareholder in relation to Ordinary Shares held by that Shareholder.

36.1 Upon a person becoming a Leaver:

- (a) unless the Board otherwise resolves, any Transfer Notice previously issued or deemed issued in relation to the Leaver's Shares shall immediately be cancelled (unless all the Shares subject to it have already been sold) and no further Transfer Notice shall be issued or deemed to be issued in respect of the Leaver's Shares (except under Article 36.1(b) below); and
- (b) unless the Board otherwise resolves, the Leaver shall be deemed to issue a Transfer Notice in respect of such number of the Leaver's Shares as is determined by the table in Article 36.2 on the day of the Leaving Date, and in which case the provisions of Article 35 will apply save as provided in this Article.

36.2 In respect of a deemed Transfer Notice being given under Article 36.1 above, the Sale Price and the number of Leaver's Shares subject to a deemed Transfer Notice shall be determined as follows:

Year following the Investment Date	Leaver Status	% of Leaver Shares deemed subject to a compulsory Transfer Notice	Sale Price per Leaver Share
0 to 3	Good Leaver	100%	Market Value
0 to 3	Bad Leaver or Very Bad Leaver	100%	Lesser of Market Value and £0.001
3 onwards	Good Leaver	100%	Market Value
3 onwards	Bad Leaver	100%	50% of A Ordinary Shares and B Ordinary Shares are deemed to be offered at the lesser of Market Value and £0.001, and the remaining 50% of A Ordinary Shares and B Ordinary Shares are deemed to be offered at Market Value
3 onwards	Very Bad Leaver	100%	Lesser of Market Value and £0.001

36.3 For the purposes of this Article 36, the Market Value shall be calculated as at the Leaving Date unless otherwise agreed by the Board. In any particular case, the Board may agree with the Leaver some other price other than the Market Value.

36.4 In the event that following a deemed Transfer Notice being given under Article 36.1 above, and following the application of the provisions of Article 35 to such deemed Transfer Notice, some or all of the Leaver's Shares are not bought by the other Shareholders of the Company then the Leaver may retain such unacquired Shares, save that:

- (a) the Leaver shall never receive any greater value for such Shares retained as that determined as the price per Leaver Share pursuant to the table in Article 36.2 at the time of becoming a Leaver; and
- (b) from such point onwards, such retained Shares shall cease to confer any right to vote on any written resolution of the Company or of any class of Share, or attend, speak or vote at any general or class meeting of the Company.

36.5 For the purposes of this Article 36:

- (a) a **"Good Leaver"** is a Leaver who:
 - (i) during the first three years after the Investment Date either becomes a Leaver as a result of death or becomes a Leaver by virtue of mental or terminal ill health as determined by at least two medical reports from independent medical specialists and as such is unable to perform all or substantially all of his duties as an employee or officer of the Company for a period of at least 12 months and ceases to be an employee or officer of the Company as a result thereof; or;
 - (ii) following the third anniversary of the Investment Date, is a Leaver as a result of the matters set out in Article 36.5(a)(i) or is a Leaver due to having attained the statutory retirement age from time to time or is otherwise deemed by the Board to be a Good Leaver.
- (b) a **"Bad Leaver"** is a Leaver who is not a Good Leaver or a Very Bad Leaver.
- (c) a **"Very Bad Leaver"** is a Leaver who:
 - (i) is guilty of any gross misconduct, fraud or dishonesty in connection with or affecting the business or affairs of the Company; or
 - (ii) is guilty of conduct which in the reasonable opinion of the Directors brings or is likely to bring the Leaver or the Company into disrepute; or
 - (iii) is convicted of an arrestable offence other than a road traffic offence for which a non-custodial penalty is imposed.

37. **TAG ALONG**

37.1 With the exception of transfers of Shares pursuant to Article 34 (*Permitted Transfers*), Article 36 (*Compulsory Transfers*) or following the service of a notice in accordance with Article 38.2 no transfer of Shares by any member of the Investor's Group ("**Proposed Transfer**") will be made or registered unless:

- (a) the transferor is permitted pursuant to Article 35.4(c) to sell to a bona fide third party ("**Buyer**");
- (b) a Tag Along Approved Offer is made by the Buyer; and the Buyer complies in all respects with the terms of the Tag Along Approved Offer at the time of completion of the sale and purchase of Shares pursuant to it.

37.2 For the purposes of this Article 37:

- (a) **"Tag Along Approved Offer"** means an offer in writing served on all Shareholders holding Ordinary Shares (including the proposing transferor), offering to purchase the same proportion of Ordinary Shares held by such Shareholders (including any Ordinary Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Ordinary Shares in existence at the date of such offer) as the proportion of the Relevant Investor Shares bears to the total number of the Ordinary Shares held by the Investor's Group immediately prior to the Proposed Transfer taking place which:
 - (i) is stipulated to be open for acceptance for at least 15 Business Days;
 - (ii) offers the same or equivalent consideration for each Ordinary Share of the same class (whether in cash, securities or otherwise in any combination) and ensures that all proceeds will be distributed between the Shareholders in the manner and order of priority set out in Article 5.3;

- (iii) includes an undertaking by or on behalf of the Buyer that, no other consideration, (whether in cash or otherwise) is to be received or receivable by any Shareholder which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Ordinary Shares to be sold by such Shareholder, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other Shareholder for the purchase of Ordinary Shares; and
- (iv) is on terms that the sale and purchase of all Shares in respect of which the offer is accepted will be completed at the same time.

(b) **"Relevant Investor Shares"** means all Ordinary Shares to be transferred by any member of the Investor's Group pursuant to the Proposed Transfer.

38. **DRAG ALONG**

38.1 Whenever a Drag Along Approved Offer is made, the holders of more than 80 per cent of the A Ordinary Shares and B Ordinary Shares shall have the right ("**Drag Along Right**") to require (in the manner set out in Article 38.2) all of the other holders of Ordinary Shares ("**Other Shareholders**") to accept the Drag Along Approved Offer in full.

38.2 The Drag Along Right may be exercised by the service of notice to that effect on the Other Shareholders at the same time as, or within 5 Business Days following the making of the Drag Along Approved Offer. Such notice will be accompanied by all documents required to be executed by the Other Shareholders to give effect to the relevant transfer.

38.3 On the exercise of the Drag Along Right, each of the Other Shareholders will be bound to accept the Drag Along Approved Offer in respect of its entire holding of Ordinary Shares and to comply with the obligations assumed by virtue of such acceptance.

38.4 If any of the Other Shareholders fails to accept the Drag Along Approved Offer or, having accepted such offer, fails to complete the sale of any of its Ordinary Shares pursuant to the Drag Along Approved Offer, or otherwise fails to take any action required of it under the terms of the Drag Along Approved Offer, any holder of Ordinary Shares or any persons so authorised by the Board may accept the offer on behalf of the Other Shareholders in question, or undertake any action required under the terms of the Drag Along Approved Offer on the part of the Other Shareholders in question. In particular, such person may execute the necessary transfer(s) on that Other Shareholder's behalf; and against:

- (a) receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the relevant Ordinary Shares (the receipt being a good discharge to the Buyer, who will not be bound to see to the application of it); and
- (b) compliance by the Buyer and, where relevant, the Company with all other terms of the Drag Along Approved Offer;

deliver such transfer(s) to the Buyer (or its nominee). The Board will then authorise registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the Ordinary Shares so transferred. After registration, the title to the Buyer (or its nominee) as registered holder of such Ordinary Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person. The Other Shareholder will in such a case be bound to deliver up its certificate for its Ordinary Shares to the Company, or a statutory declaration of loss (as appropriate) whereupon the Other Shareholder will be entitled to receive the purchase price for such Ordinary Shares.

38.5 For the purposes of this Article 38, "**Drag Along Approved Offer**" means an offer in writing served on all Shareholders (including the proposing transferor), offering to purchase all the Ordinary Shares held by such Shareholders (including any Ordinary Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Ordinary Shares in existence at the date of such offer) which:

- (a) is stipulated to be open for acceptance for at least 15 Business Days;

- (b) offers the same or equivalent consideration for each Ordinary Share of the same class (whether in cash, securities or otherwise in any combination) and ensures that all proceeds will be distributed between the Shareholders in the manner and order of priority set out in Article 5.3;
- (c) includes an undertaking by or on behalf of the Buyer that no other consideration, (whether in cash or otherwise) is to be received or receivable by any Shareholder which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Ordinary Shares to be sold by such Shareholder, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other Shareholder for the purchase of Ordinary Shares; and
- (d) is on terms that the sale and purchase of Ordinary Shares in respect of which the offer is accepted will be completed at the same time.

PART 3

DIRECTORS

39. DIRECTORS' GENERAL AUTHORITY

Subject to the terms of any agreement entered into from time to time by the Founders and the Investor, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

40. SHAREHOLDERS' RESERVE POWER

40.1 The Shareholders may by resolution in accordance with the provisions of any agreement entered into from time to time by the Founders and the Investor or by the Company and the Investor, direct the directors to take, or refrain from taking, specified action.

40.2 No such resolution invalidates anything which the directors have done before the passing of the resolution.

41. DIRECTORS MAY DELEGATE

41.1 Subject to the Articles or the provisions of any agreement entered into from time to time by the Founders and the Investor or by the Company and the Investor, the directors may delegate any of the powers which are conferred on them under the Articles:

- (a) to such person or committee;
- (b) by such means (including by power of attorney);
- (c) to such an extent;
- (d) in relation to such matters or territories; and
- (e) on such terms and conditions,

subject to approval by the Board.

41.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

41.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

42. COMMITTEES

42.1 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.

- 42.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

43. DIRECTORS TO TAKE DECISIONS

- 43.1 Subject to the provisions of any agreement entered into from time to time by the Founders and the Investor or by the Company and the Investor, the general rule about decision-making by directors is that any decision of the directors must be a Board Majority decision at a meeting.

- 43.2 If:

- (a) the Company only has one director for the time being; and
- (b) no provision of the Articles requires it to have more than one director,

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

44. WRITTEN RESOLUTIONS OF THE DIRECTORS

- 44.1 A resolution in writing signed by all eligible directors shall be as valid and effectual as if it had been passed at a directors' meeting duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

- 44.2 In order to be valid, a copy of any written resolution under Article 44.1 must, before it is signed, first be circulated to each director (including to any director who is not an eligible director).

45. CALLING A DIRECTORS' MEETING

- 45.1 Any director may call a directors' meeting by giving at least 5 Business Days' notice of the meeting (or such lesser notice as all the directors entitled to attend such meeting may agree) to the directors or by authorising the company secretary (if any) to give such notice. The notice shall be accompanied by an agenda of all business to be transacted at such meeting. Any matter not on the agenda may not be raised at such meeting unless all of the directors entitled to attend such meeting agree.

- 45.2 Notice of any directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- 45.3 Notice of a directors' meeting must be given to each director in writing.

- 45.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting by giving written notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

46. PARTICIPATION IN DIRECTORS' MEETINGS

- 46.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- (a) *the meeting has been called and takes place in accordance with the Articles; and*
- (b) *they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.*

- 46.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 46.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them are.

47. QUORUM FOR DIRECTORS' MEETINGS

- 47.1 Subject to Article 47.3, the quorum of directors required for the transaction of business at meetings of the Board shall be three directors.
- 47.2 If a quorum required in accordance with Article 47.1 is not present within half an hour of the appointed time for the meeting, the meeting shall be adjourned and may be reconvened to a date which is at least 5 Business Days after the date of the adjourned meeting.
- 47.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 51 to authorise a director's conflict, if there are insufficient eligible directors to make the meeting quorate pursuant to Article 47.1, the quorum for such meeting (or part of a meeting) shall be the number of eligible directors in office (excluding the conflicted director(s)).
- 47.4 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 47.5 If the total number of directors in office is less than the quorum required, the directors must not take any decision other than a decision, taken in accordance with the terms of any agreement entered into from time to time by the Founders and the Investor or by the Company and the Investor:
- (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the Shareholders to appoint further directors.

48. CHAIRING OF DIRECTORS' MEETINGS

- 48.1 Subject to any agreement entered into from time to time between the Company and its Shareholders, the directors may appoint a director to chair their meetings.
- 48.2 The person so appointed for the time being is known as the chairman.
- 48.3 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

49. DIRECTORS' DECISIONS

Any decision of the directors must be taken either by a decision of a Board Majority (with each director having one vote) in a meeting of the Board or by written resolution pursuant to Article 44.

50. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

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

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

- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he or she is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he or she is interested;
- (d) may act by himself/herself or his/her firm in a professional capacity for the Company (otherwise than as auditor) and he/she or his/her firm shall be entitled to remuneration for professional services as if he/she were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he or she may otherwise agree, be accountable to the Company for any benefit which he or she (or a person connected with him or her (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his or her duty under section 176 of the Act.

51. DIRECTORS' CONFLICTS OF INTEREST AND OUTSIDE INTERESTS

51.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**").

51.2 Any authorisation under this Article will be effective only if:

- (a) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
- (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and
- (c) the matter was agreed to without his or her voting or would have been agreed to if his or her vote had not been counted.

51.3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently)·

- (a) extend to any actual or potential Conflict which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and
- (c) be terminated or varied by the directors at any time.

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

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

(a) disclose such information to the directors or to any director or other officer or employee of the Company; or

(b) use or apply any such information in performing his duties as a director,

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

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

(a) *is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;*

(b) is not given any documents or other information relating to the Conflict; and

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

51.6 Where the directors authorise a Conflict:

(a) the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict; and

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

51.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

51.8 All directors who are not Investor Directors must provide on an annual basis a list of all their outside interests (whether they are conflicts or not). These should include remunerated and non-remunerated roles, and interests in any company where they hold 5% or greater of the equity.

51.9 The Board must approve the list, with the first approval being at the first board meeting after the Commencement Date. All directors not appointed by the Investor must then obtain subsequent Board approval for any additional commitments (being remunerated or non-remunerated).

52. **RECORDS OF DECISIONS TO BE KEPT**

52.1 The directors must ensure that the Company keeps a record, in writing as Board minutes for every Board meeting held, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

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

53. **DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to the Articles and any agreement entered into from time to time between the Company, the Founders and the Investor or by the Company and the Investor, 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.

54. **NUMBER OF DIRECTORS**

The minimum number of directors shall be three.

55. APPOINTMENT OF DIRECTORS

- 55.1 Subject to Article 55.3, for so long as the Investor, together with any member of the Investor's Group, holds Shares carrying not less than 50.1% of all of the votes which are capable of being cast at general meetings of the Company, it may at any time and on more than one occasion appoint and maintain in office up to two (2) persons to be Investor Directors (including to fill a vacancy in relation to an Investor Director) and at any time and on more than one occasion remove any Investor Director from office.
- 55.2 Any appointment or removal of an Investor Director shall be in writing served on the Company signed by the Investor and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier. Any such appointment or removal by the Investor may be signed on its behalf by its duly authorised representative.
- 55.3 The appointment of any person as a director under Article 55.1 above shall be subject to:
- 55.3.1 approval by the committee of the Board responsible for nominations to the Board or, if there is no such committee, by the Board (such approval not to be unreasonably withheld or delayed); and
- 55.3.2 approval by the Prudential Regulation Authority and/or the Financial Conduct Authority or such other authority as may be required by applicable law and regulation from time to time.

56. REMOVAL OF DIRECTORS

- 56.1 The office of a director shall be vacated if:
- (a) he dies;
- (b) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- (c) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (d) he is, or may be, suffering from mental disorder and either:
- (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
- (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (e) he becomes otherwise incapable by reason of illness or injury of managing and administering his property and affairs;
- (f) he is convicted of an indictable offence (other than a road traffic offence) or is found guilty of committing fraud unless the Board otherwise determine;
- (g) he resigns his office by notice to the Company;
- (h) the Shareholder(s) appointing him are no longer a Shareholder or are no longer entitled to appoint him in accordance with the provisions of any agreement entered into from time to time by the Founders and the Investor or by the Company and the Investor;

- (i) he is removed by the Board acting in accordance with any agreement entered into from time to time by the Founders and the Investor or by the Company and the Investor;
- (j) he is otherwise removed pursuant to the provisions of any agreement entered into from time to time by the Founders and the Investor or by the Company and the Investor;
- (k) he is duly removed from office under section 168 of the Act.

57. DIRECTORS' REMUNERATION

57.1 Directors may undertake any services for the Company that the directors decide.

57.2 Directors are entitled to such remuneration as the directors determine:

- (a) for their services to the Company as directors; and
- (b) for any other service which they undertake for the Company.

57.3 Subject to the Articles, a director's remuneration may:

- (a) take any form; and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

57.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

57.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's Subsidiaries or of any other body corporate in which the Company is interested.

58. DIRECTORS' EXPENSES

The Company may pay (if so authorised by the Board) any reasonable expenses which the directors (including alternate directors) and the secretary (if any) properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors;
- (b) general meetings; or
- (c) separate meetings of the holders of any class of Shares or of debentures of the Company,

or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

59. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

59.1 Any director may appoint as an alternate any other director, or any other person (such appointing director being the "**appointor**"), to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

59.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

59.3 The notice must:

- (a) identify the proposed alternate; and
- (b) 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.

60. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

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

60.2 Except as the Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their appointors; and
- (d) are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

60.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and
- (b) may participate in a decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate).

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

60.5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

61. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates.

62. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of a Board Majority.

PART 4

ADMINISTRATIVE ARRANGEMENTS

63. MEANS OF COMMUNICATION TO BE USED

- 63.1 Subject to anything contrary in these Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the Company.
- 63.2 Subject to anything contrary in these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- 63.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than provided for in the Articles.
- 63.4 Any notice, document or other information shall, subject to Article 63.5, be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article, no account shall be taken of any part of a day that is not a Business Day.

- 63.5 If, but for this Article 63.5, service of any notice, document or other information would be deemed to take place:
- (a) before 9.00am on a Business Day, service shall instead be deemed to take place at 9.00am on such Business Day; or
 - (b) after 5.00pm on a Business Day, service shall instead be deemed to take place at 9.00am on the next Business Day.

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

64. COMPANY SEALS

- 64.1 Any common seal may only be used by the authority of the directors.
- 64.2 The directors may decide by what means and in what form any common seal is to be used.

64.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

64.4 For the purposes of this Article, an authorised person is:

- (a) any director of the Company;
- (b) the company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

65. **INDEMNITY**

65.1 Subject to Article 65.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 65.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

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

65.3 In this Article:

- (a) companies are associated if one is a Subsidiary of the other or both are Subsidiaries of the same body corporate; and
- (b) a **"relevant officer"** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

66. **INSURANCE**

66.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

66.2 In this Article:

- (a) a **"relevant officer"** has the meaning given to it in Article 65.3(b);

- (b) a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- (c) companies are associated if one is a Subsidiary of the other or both are Subsidiaries of the same body corporate.