

**Written Resolutions under the Companies Act 2006**

**Company number 10210431**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

**of**

**BRIGHTON & LEEDS UTILITY HOLDINGS LIMITED (the Company)**

**27<sup>th</sup> September 2018 (the Circulation Date)**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (**CA 2006**), the directors of the Company propose that the following resolutions 1 and 2 be passed as ordinary resolutions and resolutions 3 and 4 to be passed as a special resolution (the **Resolutions**).

**ORDINARY RESOLUTIONS**

1. **THAT** pursuant to and in accordance with section 551 of the CA 2006, the directors be generally and unconditionally authorised to issue and allot C2 ordinary shares of £0.01 each (the **C2 Shares**) in the capital of the Company up to an aggregate nominal value of £6.39.
2. **THAT** the 1,100 A ordinary shares of £0.01 each in the capital of the Company held by Forward Utility Holdings Limited be re-designated as C1 ordinary shares of £0.01 each in the capital of the Company with such rights and restrictions as set out in the New Articles (as defined below).

**SPECIAL RESOLUTION**

3. **THAT** subject to the passing of resolution 1, the directors be and are hereby empowered both pursuant to section 571 of the CA 2006 and for the purposes of the articles of association of the Company, to issue and allot the C2 Shares pursuant to the authority granted to the directors by resolution 1 above, as if the pre-emption provisions contained in section 561 (1) of the CA 2006 did not apply to any such allotment.
4. **THAT** the new articles of association appended to these resolutions (the **New Articles**) be adopted as the articles of association of the Company in substitution for and the exclusion of the existing articles of association of the Company.

**AGREEMENT**

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

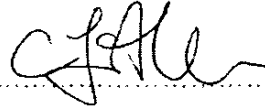


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The undersigned, being the shareholders entitled to vote on the above Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions:

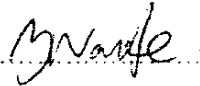
SIGNED for and on behalf of FORWARD )  
UTILITY HOLDING COMPANY LIMITED: )



(Signature of Director)

Director

SIGNED for and on behalf of IPI )  
INVESTMENTS LIMITED: )



(Signature of Director)

Director

SIGNED by CHRIS ALLEN:



(Signature of Chris Allen)

## NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

By Hand: delivering the signed copy to Nicola Baird at 5 Fleet Place, London, England, EC4M 7RD.

Post: returning the signed copy by post to Nicola Baird at 5 Fleet Place, London, England, EC4M 7RD.

E-mail: by attaching a scanned copy of the signed document to an e-mail and sending it to Nicola Baird at [nicola.baird@crsblaw.com](mailto:nicola.baird@crsblaw.com).

If you do not agree to the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
3. Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.

C&A

C&A

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**BRIGHTON & LEEDS UTILITY HOLDINGS LIMITED**  
**ADOPTED BY SPECIAL RESOLUTION ON THE**  
**27<sup>th</sup> DAY of September 2018**

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## INTRODUCTION

### 1. INTERPRETATION

#### 1.1 In these Articles, the following words have the following meanings:

**A Share(s):** means an A ordinary share of £0.01 each in the capital of the Company;

**Adoption Date:** means the date on which these Articles are adopted as the articles of association of the Company;

**Appointor:** has the meaning given in article 12.1;

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

**B1 Ordinary Share:** means a B1 ordinary share of £0.01 each in the capital of the Company;

**B2 Ordinary Share:** means a B2 ordinary share of £0.01 each in the capital of the Company;

**B Share(s):** means the B1 Ordinary Share's and the B2 Ordinary Share's.

**Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

**C Percentage:** has the meaning set out in article 30.5;

**C1 Ordinary Share:** means a C1 ordinary share of £0.01 each in the capital of the Company;

**C1 Proportion:** 100 per cent, less an amount equal to the C2 Proportion of the C Percentage;

**C2 Ordinary Share:** means a C2 ordinary share of £0.01 each in the capital of the Company;

**C2 Proportion:** means the percentage calculated pursuant to Article 30.4;

**C Share(s):** means the C1 Ordinary Share's and the C2 Ordinary Share's.

**C Shareholders:** means the holders of C shares from time to time;

**CA 2006:** the Companies Act 2006;

**Capital Event:** means a Share Sale, a Listing or a winding up or other return of capital;

**Capital Event Proceeds:** has the meaning set out in clause 30.1;

**Cessation Date:** means the date on which an Employee becomes a Leaver provided always that where an Employee ceases to be an employee, consultant and/or director in circumstances where he has served notice on a Group Company or a Group Company has served notice on him terminating his employment, engagement or office, the relevant Cessation Date shall be deemed to be the date of service of such notice and the Employee shall be deemed to be a Leaver with effect from such deemed Cessation Date;

**Conflict:** a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;

**Connected Person:** means a person connected with another within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010;

**Continuing Shareholder:** has the meaning given in article 15.1;

**Director:** any director appointed to the Company by holders of the majority of the Equity Shares;

**Deemed Transfer Notice:** a Transfer Notice that is deemed to have been served under any provisions of these Articles;

**Deferred Shareholders:** the holders for the time being of the Deferred Shares;

**Deferred Shares:** deferred shares of £0.01 pence each in the capital of the Company;

**Eligible Director:** any eligible 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:** means a director, officer or employee of, or a consultant to, the Company and/or any member of the Group;

**Equity Shares:** shall mean the A Shares, B Shares and C1 Ordinary Shares;

**Equity Shareholder:** means the holders of Equity Shares from time to time;

**Expiration Date:** means 24 June 2021;

**Fair Value:** in relation to shares, as determined in accordance with article 19;

**First B Share Allocation:** shall be calculated by reference to the formula set out in clause 30.2;

**Founder:** Chris Allen;

**Founder Director:** Chris Allen;

**Further C2 Shares:** means the unallocated 27 C2 Shares available for allocation to Employees at the election of the board (with the consent of the Founder);

**holding company:** has the meaning given in article 1.5;

**Interested Director:** has the meaning given in article 9.1;

**IPI Director:** each and any of: Ian Doyle, Paul Fitzgerald and Zoe Norcliffe;

**IPI Investments:** company number 10176385 with registered office Unit C Nepshaw Lane South, Gildersome, Morley, Leeds, LS27 7JQ;

**Investor:** means Crius Energy Holdings LLC, a company incorporated in Ontario, Canada, incorporation number 002347144, whose registered office is at 3400, 1 First Canadian Place, Toronto, ON, Canada M4T1A4;

**Investor Warrant Instrument:** means the warrant instrument constituted by each of the Company and Magnum, dated 26 June 2018 and granted in favour of the Investor;

**Leaver:** means an Employee and/or a director who ceases to be an Employee, (and does not continue as an Employee of any other Group Company), unless determined otherwise for the purposes of these Articles by the board (with the consent of the Founder);

**Listing:** means:

- (a) the admission of all or any of the Company's (or any member of the Group's) equity shares to trading on the London Stock Exchange plc's markets for listed securities becoming effective; or
- (b) the admission of all or any of the Company's (or any member of the Group's) equity shares to trading on any other public securities market (including the Alternative Investment Market of the London Stock Exchange plc or any successor market) approved by the Investor, becoming effective;

and Listed will be construed accordingly;

**Model Articles:** the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that article of the Model Articles;

**Magnum:** means Magnum Utility Holdings Limited, a company incorporated in England and Wales with company number 11158154;

**New Shares:** means Shares or rights to subscribe for or to convert into Shares which, in either case, the Company proposes to allot or grant (as the case may be) after the Adoption Date;

**Ordinary Shares:** means the A Shares, the B Shares and the C Shares issued by the Company from time to time;

**Participation Event:** means the issue of B1 Ordinary Shares in the capitals of each of the Company and Magnum to the Investor pursuant to the terms of the Investor Warrant Instrument;

**Permitted Group:** in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Permitted Group is a **member of the Permitted Group**. Unless the context otherwise requires, the application of the definition of Permitted Group to a company at any time will apply to the company as it is at that time;

**Permitted Transfer:** a transfer of shares made in accordance with article 16;

**Permitted Transferee:** in relation to a shareholder, any member of the same Permitted Group as that shareholder;

**Price Notice:** has the meaning given in article 15.2;

**Proposed Sale Price:** has the meaning given in article 15.1;

**Purchase Notice:** has the meaning given in article 15.2;

**Sale Shares:** has the meaning given in article 15.1;

**Shares:** means all shares issued in the capital of the Company from time to time.

**Shareholder:** means the holders of any shares in the Company;

**Shareholder Lenders:** means each of Burgess Allen Limited (company number 09395519), Ian Pinkus, Paul Fitzgerald and Walk Investments Limited (company number 05804929);



**Shareholder Lender Warrant Shares:** means the 1,500 B2 Ordinary Shares issued to the Shareholder Lenders pursuant to the terms of the Shareholder Warrant Instrument;

**Shareholder Warrant Instrument:** means the warrant instrument constituted by each of the Company and Magnum dated 26 June 2018 and granted in favour of the Shareholder Lenders;

**Share Sale:** means the sale of the entire issued share capital of the Company;

**Seller:** has the meaning given in article 15.1;

**subsidiary:** has the meaning given in article 1.5;

**Transfer Notice:** an irrevocable notice in writing given by any shareholder to the other shareholder where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares;

**Valuers:** the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the shareholders or, in the absence of agreement between the shareholders on the identity of the expert within 15 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); and

**Writing or written:** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 15, article 16 and article 17, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the CA 2006 shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an article is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the CA 2006 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:
  - (a) another person or its nominee, by way of security or in connection with the taking of security; or
  - (b) its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the CA 2006 shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

- 1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

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

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22(2), 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

## **DIRECTORS**

### **3. DIRECTORS' MEETINGS**

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and ~~otherwise regulate~~ their meetings as they think fit. The directors will try to meet at least quarterly.
- 3.3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless:
- (a) more votes are cast for it than against it; and
  - (b) at least one Eligible Founder Director and one Eligible IPI Director who is participating in the meeting of the directors or of the committee of the directors have voted in favour of it.
- 3.4 Except as provided by article 3.6, each director has one vote at a meeting of directors.
- 3.5 If at any time before or at any meeting of the directors or of any committee of the directors the Founder Directors participating or the IPI Directors participating should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.6 If each of the Founder and IPI Investments are not represented at any meeting of the directors or of any committee of the directors by an equal number of the Founder Director and IPI Directors (whether participating in person or by an alternate), then one of the Directors so nominated by the shareholder who is represented by fewer Directors shall be entitled at that meeting to such additional vote or votes as shall result in the Directors so participating representing each shareholder having in aggregate an equal number of votes.
- 3.7 A committee of the directors must include at least the Founder Directors and one IPI Director. The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

### **4. UNANIMOUS DECISIONS OF DIRECTORS**

- 4.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.

4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

## **5. NUMBER OF DIRECTORS**

The number of directors shall not be less than two made up of the Founder Director and at least one IPI Director. No shareholding qualification for directors shall be required.

## **6. CALLING A DIRECTORS' MEETING**

6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least the Founder Director and one IPI Director) to each director or by authorising the Company secretary (if any) to give such notice.

6.2 Notice of any directors' meeting must be accompanied by:

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
- (b) copies of any papers to be discussed at the meeting.

6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

## **7. QUORUM FOR DIRECTORS' MEETINGS**

7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors, of whom one shall be the Eligible Founder Director (or his alternate) and one at least an Eligible IPI Director (or his alternate).

7.2 No business shall be conducted at any meeting of directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.

7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for 5 Business Days at the same time and place

## **8. CHAIRING OF DIRECTORS' MEETINGS**

The post of chairman of the directors will be held by a Director. The chairman shall have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.

## **9. DIRECTORS' INTERESTS**

- 9.1 For the purposes of section 175 of the CA 2006, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the CA 2006 to avoid conflicts of interest.
- 9.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.
- 9.3 Any authorisation by the shareholders 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 of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
  - (c) provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
  - (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the shareholders think fit;
  - (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 9.4 Where the shareholders authorise a Conflict:
- (a) the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict; and
  - (b) the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the CA 2006, provided he acts in accordance with such terms and conditions (if any) as the shareholders impose in respect of their authorisation.
- 9.5 The shareholders may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.

- 9.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any other member of such shareholder's Permitted Group, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 Any Director shall be entitled from time to time to disclose to the holders of the Ordinary Shares such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one Ordinary shareholder, the director concerned shall ensure that each of the shareholders receive the same information on an equal footing.
- 9.8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the shareholders in accordance with these Articles (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.
- 9.9 Subject to sections 177(5) and 177(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the CA 2006.
- 9.10 Subject to sections 182(5) and 182(6) of the CA 2006, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the CA 2006, unless the interest has already been declared under article 9.9.
- 9.11 Subject, where applicable, to any terms, limits or conditions imposed by the shareholders in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the CA 2006, 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 such 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 transaction or arrangement or proposed transaction or arrangement in which he is interested;
  - (c) shall be entitled to vote at a meeting of directors (or of a committee of directors) or to participate in any unanimous decision in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;

- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the CA 2006)) 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 duty under section 176 of the CA 2006.

#### **10. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

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

- 11.1 The holder of a majority of the Equity Shares for the time being shall be entitled to appoint three persons to be Directors of the Company.
- 11.2 With the exception of the Founder Director, any Director may at any time be removed from office by the holder of a majority of the Equity Shares. Any director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.
- 11.3 If any Director shall die or be removed from or vacate office for any cause, the holder of a majority of the Equity Shares shall appoint in his place another person to be a Director.
- 11.4 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holder of a majority of the Equity Shares and served on each of the other shareholders and the Company at its registered office or delivered to a duly constituted meeting of the directors of the Company and on the director, in the case of his removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.
- 11.5 No Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law.

## **12. ALTERNATE DIRECTORS**

- 12.1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director) other than an existing director representing the other class of shares, to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 12.3 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 he is willing to act as the alternate of the director giving the notice.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 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.
- 12.6 A person who is an alternate director but not a director may, subject to him being an Eligible Director:
- (a) Be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an Eligible Director and is not participating); and
  - (b) Participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate).
- 12.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the



Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

- 12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- (a) when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
  - (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; or
  - (c) when the alternate director's Appointor ceases to be a director for whatever reason.

### **13. SHARE CAPITAL**

- 13.1 Except as otherwise provided in these Articles, the Ordinary Shares shall rank *pari passu* in all respects.
- 13.2 No share of any class nor any right to subscribe for or to convert any security into a share of any class shall be allotted or granted otherwise than to the holder of a share of that same class.
- 13.3 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 13.4 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:
- (a) any alteration in the Articles;
  - (b) any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital; and
  - (c) any resolution to put the Company into liquidation.
- 13.5 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the CA 2006.

**14. SHARE TRANSFERS: GENERAL**

- 14.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 14.2 Unless in accordance with the provisions of articles 17 and 18 or as agreed by the board (with the consent of the Founder), no holder of C2 Ordinary Shares shall be permitted in any circumstances to transfer any C2 Ordinary Shares held by him to any other person under these articles.
- 14.3 No Equity Shareholder shall transfer any share except:
- (a) with the prior written consent of the Founder Director and any IPI Director for the time being; or
  - (b) a shareholder may transfer all (but not some only) of its shares in the Company to any person for cash in accordance with the procedure set out in article 15; or
  - (c) in accordance with article 16; or
  - (d) in accordance with article 17.
- 14.4 Subject to article 14.5, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 14.5 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to provide the Company with the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006 and to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 14.5, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee and the Company has received all of the required particulars under section 790K of the CA 2006 if the transferee is a registrable person or relevant legal entity within the meaning of section 790C of the CA 2006.
- 14.6 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that shareholder be entitled to

be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. Such directors may reinstate these rights at any time.

- 14.7 Any transfer of shares by way of a sale that is required to be made under article 16 or article 17 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

**15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 15.1 Except where the provisions of article 16 or article 17 apply, an Equity Shareholder (**Seller**) wishing to transfer its or his Equity Shares (**Sale Shares**) must give a Transfer Notice to the other Shareholders (**Continuing Shareholder**) giving details of the proposed transfer including:

- (a) if it wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
- (b) the price (in cash) at which it wishes to sell the Sale Shares (**Proposed Sale Price**) (which in the case of any Deferred Shares shall be nil).

- 15.2 Within 20 Business Days of receipt (or deemed receipt) of a Transfer Notice, the Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller stating either:

- (a) that it wishes to purchase the Sale Shares at the Proposed Sale Price (**Purchase Notice**), in which case the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the Proposed Sale Price; or
- (b) that the Proposed Sale Price is too high (**Price Notice**).

- 15.3 If, at the expiry of the period specified in article 15.2, the Continuing Shareholder has given neither a Purchase Notice nor a Price Notice, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (if any) at a price not less than the Proposed Sale Price provided that it does so within 3 months of the expiry of the period specified in article 15.2.

- 15.4 Following service of a Price Notice under article 15.2(b), the Seller and the Continuing Shareholder shall endeavour to agree a price for each of the Sale Shares. If they have not agreed such a price within 15 Business Days of the Seller's receipt of a Price Notice, either the Seller or the Continuing Shareholder shall immediately instruct the Valuers to determine the Fair Value of each Sale Share in accordance with article 19. If the Seller and Continuing Shareholder agree a price within the period specified in this article 15.4, the Continuing Shareholder is bound to buy all of the Seller's Sale Shares at the price agreed.

- 15.5 Within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Continuing Shareholder shall be entitled (but not obliged) to give notice in writing to the Seller stating that the Continuing Shareholder wishes to purchase the Sale Shares at their Fair Value as determined by the Valuers. If, at the expiry of the period

specified in this article 15.5, the Continuing Shareholder has not notified the Seller that it wants to buy the Sale Shares, the Seller may transfer all its Sale Shares to the buyer identified in the Transfer Notice (if any) at a price not less than the Fair Value for all of the Sale Shares as determined by the Valuers provided that it does so within 3 months of the expiry of the period specified in this article 15.5.

## **16. PERMITTED TRANSFERS**

16.1 A Shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee without being required to follow the steps set out in article 15.

16.2 A shareholder holding shares in the Company as a result of a Permitted Transfer made after the date of adoption of these Articles by a Shareholder under the provisions of this article 16 may at any time transfer all (but not some only) of its shares back to the Shareholder from whom it received those shares or to another Permitted Transferee of such Shareholder, without being required to follow the steps set out in article 15.

16.3 If a Permitted Transfer has been made to a Permitted Transferee, that Permitted Transferee shall within 5 Business Days of ceasing to be a member of the Permitted Group transfer all of the shares in the Company held by it to:

- (a) the Shareholder from whom it received those shares; or
- (b) another Permitted Transferee of that Shareholder,

(which in either case is not in liquidation). If the Permitted Transferee fails to make a transfer in accordance with this article 16.3, the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the Shareholder as the holder of such shares.

## **17. COMPULSORY TRANSFERS**

17.1 A shareholder is deemed to have served a Transfer Notice under article 15.1 immediately before any of the following events:

- (a) the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group (the structure of which has been previously approved by the other shareholder in the Company in writing) in which a new company assumes (and is capable of assuming) all the obligations of the shareholder or other company in the shareholder's Group; or
- (b) the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation; or
- (c) a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the shareholder, although in the case of a Permitted Transferee that ceases to be a member of the Permitted Group, it shall transfer the shares back to the original Shareholder from whom it received those shares or to another Permitted Transferee of such original Shareholder in accordance

with article 16.3 rather than being deemed to have served a Transfer Notice under this article; or

- (d) the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
- (e) any step being taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
- (f) the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986; or
- (g) the shareholder entering into a composition or arrangement with any of its creditors; or
- (h) any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager); or
- (i) a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors; or
- (j) the shareholder ceasing to carry on its business or substantially all of its business; or
- (k) in the case of the events set out in paragraphs (a), (b), (d) or (e) above, any competent person taking any analogous step in any jurisdiction in which the shareholder carries on business.

17.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that:

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and the price for the Sale Shares shall be the aggregate Fair Value of those shares, determined by the Valuers in accordance with article 19;
- (b) the Seller does not have the right to withdraw the Deemed Transfer Notice following a valuation;
- (c) if the Continuing Shareholder does not accept the offer of shares comprised in the Deemed Transfer Notice within 20 Business Days of receipt of the Valuers' determination of the Fair Value, the Seller does not have the right to sell the Sale Shares to a third party and the Company shall be wound up immediately upon the Continuing Shareholder giving notice in writing to the Company to that effect within such 20 Business Day period.

17.3 If the Seller fails to complete a transfer of Sale Shares as required under this article 17, the Continuing Shareholder is irrevocably authorised to appoint any person it nominates for the purpose as agent to transfer the Sale Shares on the Seller's behalf and to do anything else that the Continuing Shareholder may reasonably require to complete the sale, and the Company may receive the purchase price in trust for the

Seller (without any obligation to pay interest), giving a receipt that shall discharge the Continuing Shareholder.

**18. DRAG ALONG**

- 18.1 If the holders of 75% or more of the Equity Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).
- 18.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (Drag Along Notice) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article 18;
  - (b) the person to whom the Called Shares are to be transferred;
  - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
  - (d) the proposed date of the transfer.
- 18.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 18.
- 18.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders; or
  - (b) that date is less than 5 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be 5 Business Day after service of the Drag Along Notice.
- 18.6 The sale of the Called Shares by the Called Shareholders shall not be subject to the pre-emption provisions contained in Article 15.

- 18.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 18.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 18.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 18 in respect of their Shares.
- 18.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 18.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this article 18.
- 18.10 Following the issue of a Drag Along Notice, upon any person exercising a pre-existing option to acquire shares in the Company or exercising a conversion right in respect of any convertible security of the Company (a New Shareholder), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 18 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company, if later.
- 19. VALUATION**
- 19.1 As soon as practicable after deemed service of a Transfer Notice under article 17, the shareholders shall appoint the Valuers to determine the Fair Value of the Sale Shares. The Fair Value of the Deferred Shares shall be deemed to be nil.
- 19.2 The Valuers shall be requested to determine the Fair Value within 15 Business Days of their appointment and to notify the shareholders in writing of their determination.

- 19.3 The Fair Value for any Sale Share shall be the price per share determined by the Valuers on the following bases and assumptions:
- (a) valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) the sale is to be on arms' length terms between a willing seller and a willing buyer;
  - (d) the Sale Shares are sold free of all encumbrances;
  - (e) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
  - (f) to take account of any other factors that the Valuers reasonably believe should be taken into account.
- 19.4 The shareholders are entitled to make submissions to the Valuers including oral submissions and will provide (or procure that the Company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 19.5 To the extent not provided for by this article 19, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 19.6 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 19.7 Each shareholder shall bear its own costs in relation to the reference to the Valuers. The Valuers' fees and costs properly incurred by them in arriving at their valuation (including any fees and costs of any advisers appointed by the Valuers) shall be borne by the shareholders equally or in such other proportions as the Valuers shall direct.

#### **DECISION MAKING BY SHAREHOLDERS**

#### **20. QUORUM FOR GENERAL MEETINGS**

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy, of whom both shall be a holder of Equity Shares or a duly authorised representative of such holder.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.



## **21. CHAIRING GENERAL MEETINGS**

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

## **22. VOTING**

- 22.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, Shares will carry votes in accordance with this Article 22.
- 22.2 Each A Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to any resolution proposed as a written resolution as if each A Share carried one vote per share.
- 22.3 Each B1 Ordinary Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to any resolution proposed as a written resolution as if each B1 Ordinary Share carried one vote per share.
- 22.4 Prior to the Participation Event having occurred, each B2 Ordinary Share will entitle its holder to receive notice of and attend any general meeting of the Company, and to receive a copy of any resolutions proposed as written resolutions, but shall not be entitled to vote at such meetings and shall not constitute an eligible member in relation to any proposed written resolution.
- 22.5 Following Completion of the Participation Event, each B2 Ordinary Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to any resolution proposed as a written resolution as if each B2 Ordinary Share carried one vote per share.
- 22.6 Each C1 Ordinary Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to any resolution proposed as a written resolution as if each C1 Ordinary Share carried one vote per share.
- 22.7 The C2 Ordinary Shares shall have no rights to vote on any resolution of the Company (or of any class of members of the Company) nor to receive notice of, or attend at, any general meeting of the Company in respect of the C2 Ordinary Shares held by him.
- 22.8 The Deferred Shareholders shall have no rights to vote on any resolution of the Company (or of any class of members of the Company) nor to receive notice of, or attend at, any general meeting of the Company in respect of the Deferred Shares held by such Deferred Shareholders

- 22.9 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder except that:
- (a) no shares of one class shall confer any right to vote upon a resolution for the removal from office of a director appointed by holders of shares of the other class under a right to appoint which is a class right; and
  - (b) subject to article (a) of this exception, in the case of any resolution proposed, the Founder Director or any IPI Director voting against such resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat the resolution.

## **23. POLL VOTES**

- 23.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the CA 2006) present and entitled to vote at the meeting.
- 23.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

## **24. PROXIES**

- 24.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".
- 24.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

## **ADMINISTRATIVE ARRANGEMENTS**

### **25. MEANS OF COMMUNICATION TO BE USED**

- 25.1 Subject to article 25.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
  - (b) if sent by fax, at the time of transmission; or
  - (c) if sent by pre-paid United Kingdom first class post or another next working day delivery service providing proof of postage to an address in the United Kingdom, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service; or

- (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
- (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (f) if sent or supplied by email, at the time of transmission; or
- (g) 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; and
- (h) if deemed receipt under the previous paragraphs of this article 25.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

25.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

25.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 15, article 16 article 17 or article 18 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website.

25.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the CA 2006.

## **26. INDEMNITY AND INSURANCE**

26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer of the Company 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 activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),

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

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.

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

26.4 In this article:

- (a) a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and
- (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 or any pension fund or employees' share scheme of the Company.

## **27. TRANSFER OF SHARES**

27.1 Notwithstanding anything contained in these articles, the directors may not decline to register any transfer of shares and may not suspend any registration thereof, where that transfer is:

- (a) to a Secured Party;
- (b) is delivered for registration by a Secured Party in order to perfect its security over the shares; or
- (c) is executed by a Secured Party pursuant to the power of sale or otherwise under such security,

and, furthermore, notwithstanding anything to the contrary contained in these articles no transferor of any shares (or proposed transferor of those shares) and no Secured Party shall be required to offer the shares which are or are to be the subject of any such transfer to the members for the time being or any of them, and no such member shall have any right under these articles or otherwise to require such shares to be transferred to them

whether for consideration or not. Furthermore, notwithstanding anything contained in these articles, the directors shall not be entitled to exercise any lien in respect of those shares.

- (d) For the purposes of this Article, "Secured Party" means a bank, financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets to which a security interest (including by way of mortgage or charge) has been granted over shares and any affiliate of any such person, an agent or trustee acting for any such person or such affiliate or nominee of any of the foregoing.

## **28. DEFERRED SHARES**

- 28.1 If on the Expiration Date the Participation Event has not occurred, then each of the B2 Ordinary Shares in the capital of the Company shall automatically convert into Deferred Shares, such Deferred Shares having the rights and restrictions as set out in these Articles.
- 28.2 In the event an Employee becomes a Leaver, then each of the C2 Ordinary Shares held by him shall, on the Cessation Date, automatically convert into Deferred Shares, such Deferred Shares having the rights and restrictions as set out in these Articles.

## **29. INCOME**

- 29.1 Prior to the completion of the Participation Event:
  - (a) amounts distributed (in cash or in specie) by the Company in or in respect of any financial year shall be apportioned amongst the holders of the A Shares and / or the C1 Ordinary Shares in proportion to the numbers of A Shares and / or C1 Ordinary Shares held by them respectively immediately prior to the time of the relevant distribution; and
  - (b) the holder of B Shares and / or C2 Ordinary Shares shall not be entitled to receive payment of any dividend in respect of the B Shares and / or C2 Ordinary Shares of which he is the registered holder.
- 29.2 Following completion of the Participation Event, amounts distributed (in cash or in specie) by the Company in or in respect of any financial year shall be apportioned amongst the holders of the Equity Shares in proportion to the numbers of Equity Shares held by them respectively immediately prior to the time of the relevant distribution.
- 29.3 The C2 Ordinary Shares and the Deferred Shareholders shall have no rights to receive sums distributed by the Company in or in respect of any financial year in respect of the C2 Ordinary Shares and / or Deferred Shares held by such shareholders.
- 29.4 Notwithstanding any of the other provisions of this Article 29, the C2 Shares shall be entitled to participate in any amounts to be distributed by the Company where the profits available for distribution have been realised as a result of a sale, or listing on a recognised stock exchange, by the Company (either in whole or part) of the shares it

holds in, or the assets of, any subsidiary undertaking of the Company from time to time. Any such distribution shall be apportioned amongst the holders of the Equity Shares and C2 Shares in accordance with Article 30 below.

### **30. RETURN OF CAPITAL**

30.1 On any Capital Event, the total of all and any form of consideration received or receivable by the Shareholders at any time in respect of the Shares held by them, or which, in the case of a Share Sale, are the subject of a Share Sale (the **Capital Event Proceeds**), shall be allocated between them so as to ensure the total of all or any Capital Event Proceeds received or receivable by them will be applied in the following manner:

- (a) prior to the Participation Event having occurred:
  - (i) first, in paying to the holders of the C Shares an amount equal to the C Percentage, in the following proportions:
    - (A) the C1 Proportion to the holders of the C1 Ordinary Shares;  
and
    - (B) the C2 Proportion to the holders of the C2 Ordinary Shares,  
pro rata to the number of such shares respectively held by them; and
  - (ii) second, in paying to the holders of the A Shares pro rata to the number of such shares respectively held by them, an amount equal to the surplus of the Capital Event Proceeds, pro rata to the number of A Shares held by the Shareholder, provided that Deferred Shares (if any) shall be entitled to receive £1 in aggregate in respect of all Deferred Shares held by the Shareholders,  
  
the holders of B Shares shall not be entitled to share or participate in such surplus Capital Events Proceeds prior to the Participation Event having occurred,

- (b) following completion of the Participation Event:
  - (i) first, in paying to the:
    - (A) Investor, an amount equal to 50 per cent of the Capital Event Proceeds payable in respect of the First B Share Allocation;  
and
    - (B) Shareholder Lenders, an amount equal to 50 per cent of Capital Event Proceeds payable in respect of the First B Share Allocation, provided always that any amount payable under this clause 30.1(b)(i)(B) shall be allocated amongst the Shareholder Lenders as follows:
      - 1. 1.25% to each of Burgess Allen Limited and Paul Fitzgerald; and
      - 2. 2.50% to each of Ian Pinkus and Walk Investments Limited,

the Capital Events Proceeds payable in respect of the First B Share Allocation shall be calculated by reference to clause 30.3 below,

- (ii) second, in paying to the holders of the C Shares an amount equal to the C Percentage, in the following proportions:

(A) the C1 Proportion to the holders of the C1 Ordinary Shares;  
and

(B) the C2 Proportion to the holders of the C2 Ordinary Shares,  
pro rata to the number of such shares respectively held by them.

- (iii) third, in paying to the holders of the:

(A) A Shares; and

(B) B1 Ordinary Shares in excess of the number of B1 Ordinary Shares issued to the Investor upon completion of the Participation Event;

(C) B2 Ordinary Shares in excess of the Shareholder Lender Warrant Shares,

pro rata to the number of such shares respectively held by them (as if they constituted one class of share), the surplus assets and retained profits or proceeds of a Capital Event, provided that the Deferred Shares (if any) shall be entitled to receive £1 in aggregate in respect of all Deferred Shares held by the Shareholders.

- 30.2 The First B Share Allocation shall be an amount equal to 'A' (rounded down to the nearest whole number), where 'A' is calculated as follows:

$$A = N \times 2$$

N = the number of B1 Ordinary Shares issued to the Investor upon completion of the Participation Event.

- 30.3 The aggregate amount of Capital Event Proceeds payable to the Investor and the Shareholder Lenders in respect of the First B Shares Allocation shall be an amount equal to 'Z', where 'Z' is calculated as follows:

$$Z = \frac{Y}{100} \times P$$

WHERE: Y = the surplus assets and retained profits or proceeds of a Capital Event.

$$\text{Where: } P = \frac{A}{F} \times 100$$

WHERE: A = an amount equal to the First B Share Allocation.

WHERE: F = the entire issued share capital of the Company as at the date of completion of the Capital Event.

30.4 The C2 Proportion shall be an amount equal to 'R' where 'R' is calculated as follows:

$$R = \frac{C}{B} \times 100$$

**WHERE:** C = an amount equal to the number of C2 Ordinary Shares in issue as at the date of completion of the Capital Event.

**WHERE:** B = 1,167 or, in the event all of the Further C2 Shares have been issued as at the date of the Capital Event, 1,170.

as at the Adoption Date, the C2 Proportion shall be 52.27 per cent. of the C Percentage.

30.5 Subject to Article 30.6, the holders of the C Shares shall be entitled to receive in aggregate, eleven per cent. of the proceeds available for distribution on a Capital Event (the **C Percentage**).

30.6 The C Percentage shall automatically be deemed to be adjusted up or down as appropriate following:

- (a) any issue of New Shares to the extent that the C Shareholders do not take up any pro rata entitlement to subscribe for any such proposed issue of New Shares, or
- (b) any repurchase, redemption and / or cancellation of any Shares by the Company.

30.7 The holders of Deferred Shares shall not, save as mentioned above, be entitled to share or participate further or otherwise in such surplus assets.

30.8 If a Listing occurs, the provisions of Article 30.1 shall apply mutatis mutandis to the value attributable to the Shares for the purpose of any reorganisation of the Company's share capital for the purpose of the Listing.