

Company No. 10978271

FRANKLIN 1886 LIMITED
("the Company")

COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION

Circulated pursuant to section 288 of the Companies Act 2006

Circulation Date 2 March **2018**

Set out below is a resolution which the directors are proposing as a Special Resolution (the "Resolution").

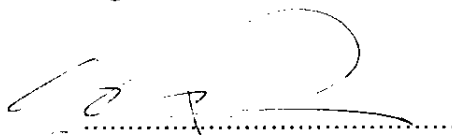
SPECIAL RESOLUTION

THAT the Articles of Association attached for the purposes of identification to this Resolution be adopted as the Articles of Association of the Company in substitution for the existing Articles of Association.

Shareholders who wish to agree to the above Resolution should signify their agreement by signing and returning this document to the Company.

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

If sufficient agreement is not received by 31 March 2018 then the Resolution will lapse and the shareholders will not be able to indicate agreement after that date. A member who signs this written resolution and returns it to the Company after the expiry of that period will not be regarded as signifying his agreement to the Resolution.

Name of Shareholder(s)	No. and class of Shares	Signature	Date of Signature
Steven James	100 Ordinary		<u>02/03/2018</u>
Garcia Perez	Shares of £0.01 each		

Date of Passing of the Resolution ..2 March.....2018

Notes

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it the Company using one of the following methods: **By Hand:** delivering the signed copy to the director at CASA 5th Floor Lockford Lane Chesterfield S41 7JB. **By Post:** returning the signed copy by post to the director at CASA 5th Floor Lockford Lane Chesterfield S41 7JB. If you do not agree to the Resolution, 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 Resolution, you may not revoke your agreement.
3. If sufficient agreement is not received within 28 days of the Circulation Date, the Resolution will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.
4. In the case of joint holders of shares, only vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
5. If you are signing the document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.



Company Number: 10978271

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
FRANKLIN 1886 LIMITED**

(Adopted by special resolution passed on 2 day of March 2018)

BRM Solicitors
Gray Court
99 Saltergate
Chesterfield
Derbyshire
S40 1LD

Tel: 01246 555111
Fax: 01246 554411
Email: info@brmlaw.co.uk
Web: www.brmlaw.co.uk

DX 12358 Chesterfield

TABLE OF CONTENTS

1.	Interpretation	1
2.	Adoption of the Model Articles	6
3.	Number of Directors	7
4.	Proceedings of Directors	7
5.	Appointment and Removal of Directors	8
6.	Chairman	8
7.	Transactions or Other Arrangements With the Company	8
8.	Directors' Conflicts	9
9.	Secretary	10
10.	Share Capital	10
11.	Dividends	11
12.	Liquidation Preference	11
13.	Exit Provisions	12
14.	Voting	12
15.	Variation of Class Rights	13
16.	Pre-emption Rights on the Issue of Further Shares	13
17.	Transfers of Shares: General	15
18.	Permitted Transfers of Shares	17
19.	Pre-emption Rights on the Transfer of Shares	17
20.	Valuation	22
21.	Compulsory Transfers	23
22.	Mandatory Offer on Change of Control	23
23.	Drag Along	24
24.	Transfer of Shares	26
25.	General Meetings	27
26.	Purchase of Own Shares	27
27.	Company's Lien Over Shares	28
28.	Enforcement of the Company's Lien	28
29.	Means of Communication to be Used	29
30.	Indemnity and Insurance	30

Company Number: 10978271

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
FRANKLIN 1886 LIMITED

(Adopted by special resolution passed on 2 day of March 2018)

Introduction

1. Interpretation

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

"Act"	means the Companies Act 2006.
"acting in concert"	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).
"Adoption Date"	means the date of adoption of these Articles.
"Alphabet Shares"	means the Ordinary A Shares, the Ordinary C Shares and the Hurdle Shares.
"Articles"	means the Company's articles of association for the time being in force.
"Available Profits"	means profits available for distribution within the meaning of part 23 of the Act.
"Bad Leaver"	means a Worker who becomes a Departing Shareholder in circumstances where he is neither a Good Leaver nor an Early Leaver.
"Business Day"	means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
"Chairman"	has the meaning given to it in <i>article 6</i> ;
"Company"	means Franklin 1886 Limited (Company number 10978271).
"Company's Lien"	has the meaning given to it in <i>article 27.1</i> .
"connected"	has the meaning given in section 252 of the Act.
"Controlling Interest"	means an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
"Deemed Transfer Notice"	means a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.
"Departing"	means a Worker holding Hurdle Shares, other than any Worker

Shareholder"	who also holds Ordinary Shares or Ordinary A Shares, who ceases to be a director or employee of, consultant to, providing services (whether directly or indirectly through their employment with any company providing services to any Group Company) to or sub-contracted to, any Group Company and who does not continue as, or become, a director or employee of or consultant, service provider or sub-contractor to, any Group Company.
"Directors"	means the directors of the Company from time to time.
"Disposal"	means the disposal by the Company of all, or a substantial part of, its business and assets.
"Early Leaver"	means a Worker who becomes a Departing Shareholder for any reason within 24 months of (but excluding) the Adoption Date.
"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"	means an individual who is, or has been, an employee of any Group Company.
"Equity Shares"	means the Ordinary Shares, the Ordinary A Shares and the Ordinary C Shares.
"Exit"	means a Share Sale, a Disposal or a Listing.
"Fair Value"	has the meaning given in <i>article 20.2</i> .
"Financial Year"	means an accounting reference period (as defined in section 391 of the Act) of the Company.
"First Offer Shareholders"	means the holders of Ordinary Shares.
"Good Leaver"	means a Worker who becomes a Departing Shareholder (other than an Early Leaver) by reason of: <ul style="list-style-type: none"> (a) death; (b) permanent disability or permanent incapacity through ill-health; (c) retirement at normal retirement age; or (d) ceasing to be employed by, director or, service provider to, any Group Company as a result of a Group Company ceasing to be a Group Company.
"Group"	means the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and "Group Company" shall be construed accordingly.
"holding company"	has the meaning given in <i>article 1.10</i> .
"Hurdle Shares"	means the ordinary B shares of £0.01 each in the capital of the Company.

"Independent Expert"	means an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the Company or the Seller 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).
"Issue Price"	means in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.
"Lien Enforcement Notice"	means a notice in writing which complies with the requirements of <i>article 28.2</i> .
"Listing"	means the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).
"Member of the Same Group"	means as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.
"Model Articles"	means the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>), as amended prior to the Adoption Date.
"Ordinary Shares"	means the ordinary shares of £0.01 each in the capital of the Company.
"Ordinary A Shares"	means the ordinary A shares of £0.01 each in the capital of the Company.
"Ordinary C Shares"	means the ordinary C shares of £0.01 each in the capital of the Company.
"Relevant Securities"	means any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than: (a) the grant of any options under a Share Option Scheme (and the issue of Shares on the exercise of any such options);

		(b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles; and
		(c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business.
"Relevant Shares"		means in relation to a Worker means all Shares held by the Worker in question and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice.
"Restricted Shares"		has the meaning given in <i>article 21.5</i> .
"Sale Proceeds"		means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale).
"Sale Shares"		has the meaning given in <i>article 19.2.1</i> .
"Second Offer Shareholders"		means the holders of Ordinary A Shares and the holder of the Ordinary C Shares (as if they both constituted shares of the same class).
"Seller"		has the meaning given in <i>article 19.2</i> .
"Shareholder"		means a holder for the time being of any Share or Shares.
"Shareholders Agreement"		means the shareholders agreement dated on or around the Adoption Date between, amongst others, the Company and the Shareholders (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms (or these Articles) for the time being).
"Share Option Scheme"		means any share option scheme of the Company which the Directors identify in writing as being a Share Option Scheme for the purposes of these Articles.
"Shares"		means shares (of any class) in the capital of the Company and "Share" shall be construed accordingly.
"Share Sale"		means the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and

- their respective shareholdings in the Company immediately before the sale.
- "subsidiary"** has the meaning given in *article 1.10*.
- "Termination Date"** means (a) where employment or service provision ceases by virtue of notice given by the Group Company to the Worker, the date on which such notice expires;
(b) where a contract of employment or service agreement is terminated by the Group Company and a payment is made in lieu of notice, the date on which notice of termination was served;
(c) where a Worker dies, the date of his death;
(d) where the Worker concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated; or
(e) in any other case, the date on which the employment, holding of office or contract for services is terminated.
- "Third Offer Shareholders "** means the holders of Alphabet Shares.
- "Transfer Notice"** has the meaning given in *article 19.2*.
- "Transfer Price"** has the meaning given in *article 20*.
- "Worker"** means an Employee or an individual who is a director of, or who provides services (whether directly or indirectly through their employment with any company providing services to any Group Company) to or sub-contracted to, any Group Company.
- "2018 Base Value"** means the amount in the sum of £30,000,000.
- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
- 1.6.1 an **Article** is a reference to the relevant numbered article of these Articles; and
- 1.6.2 a **model article** is a reference to the relevant article, unless expressly provided otherwise.

- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

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

1.10.2 its nominee.

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

2. Adoption of the Model Articles

- 2.1 The Model Articles (together with those provisions of Schedule 3 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) 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. A copy is set out in the schedule to these Articles.
- 2.2 Model articles 7, 8, 9(1) and (3), 11(3), 12, 14(1) to (4) (inclusive), 17, 18(e), 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 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".
- 2.4 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

Directors

3. Number of Directors

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two.

4. Proceedings of Directors

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 4.2* (subject to *article 4.3* and *article 4.4*). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with *article 4.2* may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with *article 4.2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 4.6* and *article 4.7*.
- 4.5 Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 7 Business Days' advance notice of each such meeting shall be given to each Director (except with the prior consent in writing of all the Directors, when meetings of the Directors may take place less frequently or on shorter notice).
- 4.6 Subject to *article 4.7*, the quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.
- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to *article 8* to authorise a Conflict (as defined in *article 8.1*), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.8 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote.

- 4.9 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.
- 4.10 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

5. Appointment and Removal of Directors

- 5.1 The Company shall have the power at any time and from time to time by ordinary resolution or by such other method as the holders of the Equity Shares shall from time to time in writing agree, to appoint any person to be a director either to fill a casual vacancy or as an addition to the existing Directors or to remove any Director from office howsoever appointed. Any Director so appointed shall (subject to *article 5.4* and to the provisions of the Act) hold office until he is removed pursuant to the Articles.
- 5.2 Without prejudice and in addition to the provisions of *article 5.1*, the shareholders holding Equity Shares from time to time shall be entitled to confer amongst themselves such right or rights to appoint and/or remove as directors of the Company and upon such terms as they may in writing so agree.
- 5.3 No Director shall be required to retire or vacate his office or be ineligible for reappointment as a Director, nor shall any person be ineligible for appointment as a Director by reason of his having attained any particular age.
- 5.4 In addition to the provisions of Model article 18, the office of a Director shall be vacated if:
- 5.4.1 the Company so resolves by Ordinary Resolution in accordance with *article 5.1*; or
- 5.4.2 he is requested in writing to resign by all, but not some only, of his co-Directors.

6. Chairman

The Directors may appoint any person as chairman of the board of Directors ("**Chairman**") and may remove and replace any such Chairman. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

7. 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:

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

- 7.2 Shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.3 Shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.4 May act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- 7.5 May be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 7.6 Shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

8. Directors' Conflicts

- 8.1 The Directors may, in accordance with the requirements set out in this *article 8*, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest ("**Conflict**").
- 8.2 Any authorisation under this *article 8* will be effective only if the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine.
- 8.3 Any authorisation of a Conflict under this *article 8* may (whether at the time of giving the authorisation or subsequently):
 - 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.3.2 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 8.3.3 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 8.3.4 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

8.3.5 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.

8.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.

8.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

8.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under *article 8.1* shall be necessary in respect of any such interest.

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

9. 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 the Directors.

Shares and Distributions

10. Share Capital

10.1 The authorised share capital of the Company at the Adoption Date is £11 divided into:

10.1.1 80 Ordinary Shares;

10.1.2 10 Ordinary A Shares;

10.1.3 10 Ordinary C Shares; and

10.1.4 1,000 Hurdle Shares.

10.2 Unless the context requires otherwise, references in the Articles to shares of a particular class shall include shares created and/or issued after the Adoption Date and rank in pari passu in all respects (or in respect except only as to the date from which those shares ranked the dividend, if any) with the shares of the relevant class then in issue.

10.3 Except as provided in these Articles, the Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

11. Dividends

11.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this *article 11*.

11.2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Shares as separate classes of shares in the amounts as the Directors may determine and recommend payment of and so that a dividend may be declared on one class of Shares but not any other class of Shares (and specifically the Equity Shares to the exclusion of the Hurdle Shares) and in different amounts for each class of Shares.

11.3 Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.

11.4 Each dividend on each class of Shares receiving a dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares of that class held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.

12. Liquidation Preference

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:

12.1 First, in paying to the holders of the Equity Shares, the 2018 Base Value together with a sum equal to any arrears and accruals of dividend in respect of the Equity Shares and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Equity Shares pro rata to the aggregate amounts due under this *article 12.1* to each such Equity Share; and

12.2 Thereafter, in distributing the balance among the holders of the Shares pro rata to the number of Shares held, as if they all constituted shares of the same class, any excess over and above the 2018 Base Value.

13. Exit Provisions

13.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in *article 12*. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

13.1.1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in *article 12*; and

13.1.2 each Shareholder shall take any action (to the extent lawful) required by the Directors to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in *article 12*.

13.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in *article 12*, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful) take any action required by the Directors (including, but without prejudice to the generality of this *article 13.2*, such action as may be necessary to put the Company into voluntary liquidation so that *article 12* applies).

13.3 In the event of an Exit approved by the Directors ("**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are required by the Directors to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this *article 13.3*:

13.3.1 the Company shall be constituted the agent and attorney of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit;

13.3.2 the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents; and

13.3.3 the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest).

14. Voting

14.1 The Equity Shares shall confer on each holder of Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company. The Hurdle Shares shall not confer on each holder of Shares any right to receive notice of and to attend, speak or vote at all general meetings of the Company.

14.2 Where the Shares confer a sole vote, on a show of hands each holder of such Shares who (being an individual) is present in person or by proxy or (being a company) is present by a

duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held.

14.3 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

14.4 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.

14.5 Model article 45(1) shall be amended by:

14.5.1 the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and

14.5.2 the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting as a new paragraph at the end of that model article.

15. Variation of Class Rights

15.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class (excluding any holder(s) of Restricted Shares).

15.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.

16. Pre-emption Rights on the Issue of Further Shares

16.1 Subject to the remaining provisions of this *article 16*, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

16.1.1 offer or allot;

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

16.1.3 otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

16.2 The authority referred to in *article 16.1*:

16.2.1 shall be limited to a maximum nominal amount of £10 of Shares;

- 16.2.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- 16.2.3 may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).
- 16.3 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 (as defined in section 560(1) of the Act) made by the Company.
- 16.4 Unless otherwise agreed by special resolution of the holders of the Equity Shares, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of such class of Shares to be allotted (each an "**Offeree**") on a pari passu basis and in the respective proportions that the number of each class of Shares held by each such holder bears to the total number of each class of Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 16.5 An offer made under *article 16.4* shall:
- 16.5.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- 16.5.2 remain open for a period of at least 20 Business Days from the date of service of the offer; and
- 16.5.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *article 16.4* shall, in his acceptance, state the number of excess Relevant Securities ("**Excess Securities**") for which he wishes to subscribe.
- 16.6 If, on the expiry of an offer made in accordance with *article 16.4*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 16.7 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *article 16.4* shall be used to satisfy any requests for Excess Securities made pursuant to *article 16.5.3*. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by it or him).

- 16.8 If, after completion of the allotments referred to in *article 16.6* and *article 16.7*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to the holders (on the date of this offer) of the Equity Shares on a pari passu basis and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person. Such offer shall be made in accordance with *article 16.5* and the provisions of *article 16.6* and *article 16.7* shall, with necessary modifications, apply to such offer.
- 16.9 If, after completion of the allotments referred to in *article 16.6*, *article 16.7* and *article 16.8*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall, subject to *article 16.10* be offered to any other person(s) as the Directors may, determine, at the same price and on the same terms as the offer to the Shareholders.
- 16.10 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 17. Transfers of Shares: General**
- 17.1 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.
- 17.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to *article 17.5*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 17.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with the consent of the Directors to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 17.4 Any transfer of a Share by way of sale which is required to be made under *article 21*, *article 22* or *article 23* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 17.5 The Directors may as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of the Shareholders Agreement, 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). If any condition is imposed in accordance with this *article 17.5*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.

- 17.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, require:
- 17.6.1 any holder (or the legal representatives of a deceased holder); or
 - 17.6.2 any person named as a transferee in a transfer lodged for registration; or
 - 17.6.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 17.7 If any such information or evidence referred to in *article 17.6* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then, unless otherwise directed in writing by the Directors:
- 17.7.1 the relevant Shares shall cease to confer on the holder of them any rights:
 - 17.7.1.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - 17.7.1.2 to receive dividends or other distributions otherwise attaching to those Shares; or
 - 17.7.1.3 to participate in any future issue of Shares issued in respect of those Shares; and
 - 17.7.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).
- The Directors may reinstate the rights referred to in *article 17.7.1* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 17.7.2* on completion of such transfer.
- 17.8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:
- 17.8.1 it does not contain a Minimum Transfer Condition; and
 - 17.8.2 the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).
- 17.9 Any Transfer Notice (but not an Offer Notice (as defined in *article 22*) or a Drag Along Notice (as defined in *article 23*)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall, unless the

Directors determine otherwise, automatically be revoked by the service of a Deemed Transfer Notice.

18. Permitted Transfers of Shares

- 18.1 A Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee.
- 18.2 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 20 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:
- 18.2.1 the Original Shareholder; or
- 18.2.2 a Member of the Same Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this *article 18.2*, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 18.2*.
- 18.3 Notwithstanding any other provision of this *article 18*, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

19. Pre-emption Rights on the Transfer of Shares

- 19.1 Except where the provisions of *article 18*, *article 22* or *article 23* apply, any transfer of Shares by a Shareholder holding Alphabet Shares shall be subject to the pre-emption rights in this *article 19*.
- 19.2 A Shareholder holding Alphabet Shares who wishes to transfer Alphabet Shares (a "**Seller**") shall, before transferring or agreeing to transfer any Alphabet Shares, give notice in writing (a "**Transfer Notice**") to the Company specifying:
- 19.2.1 subject to *article 17.8.2*, the number of Alphabet Shares he wishes to transfer (the "**Sale Shares**");
- 19.2.2 the name of the proposed transferee, if any;
- 19.2.3 subject to *article 21.3*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the "**Proposed Sale Price**"); and
- 19.2.4 subject to *article 17.8.1*, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a "**Minimum Transfer Condition**").
- 19.3 Once given, a Transfer Notice may only be withdrawn with the consent of the Directors.
- 19.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 19.5 As soon as practicable following the later of:
- 19.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and

- 19.5.2 the determination of the Transfer Price,
the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 19.3*) offer the Sale Shares for sale in the manner set out in the remaining provisions of this *article 19* at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.
- 19.6 The Company shall offer the Sale Shares in the following order of priority:
- 19.6.1 first, to the holders of Ordinary Shares;
- 19.6.2 second, to the holders of Ordinary A Shares and the holders of Ordinary C Shares (as if they both constituted shares of the same class); and
- 19.6.3 third, to the holders of the Hurdle Shares;
- in each case on the basis set out in *article 19.8* to *article 19.18* (inclusive).
- 19.7 An offer of Sale Shares made in accordance with *article 19.6* shall remain open for acceptance for a period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with *article 19.8* and *article 19.9*.
- 19.8 Subject to *article 19.7*, the Directors shall offer the Sale Shares in the order of priority referred to in *article 19.6* to the First Offer Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy.
- 19.9 If:
- 19.9.1 at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each First Offer Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all First Offer Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- 19.9.2 not all Sale Shares are allocated following allocations in accordance with *article 19.9.1*, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *article 19.9.1*. The procedure set out in this *article 19.9.1* shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- 19.9.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares

to the First Offer Shareholders in accordance with their applications. The balance (the "**Initial Surplus Shares**") shall be dealt with in accordance with *article 19.10*.

19.10 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the "**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy.

19.11 If:

19.11.1 at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares of the class held by Second Offer Shareholders bears to the total number of Shares of the class held by all Second Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;

19.11.2 not all Initial Surplus Shares are allocated following allocations in accordance with *article 19.11.1*, but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in *article 19.11.1*. The procedure set out in this *article 19.11.2* shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and

19.11.3 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance (the "**Second Surplus Shares**") shall be dealt with in accordance with *article 19.12*.

19.12 At the end of the Second Offer Period, the Directors shall offer the Second Surplus Shares (if any) to the Third Offer Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the "**Third Offer Period**") for the maximum number of Second Surplus Shares they wish to buy.

19.13 If:

19.13.1 at the end of the Third Offer Period, the number of Second Surplus Shares applied for is equal to or exceeds the number of Second Surplus Shares, the Directors

shall allocate the Second Surplus Shares to each Third Offer Shareholder who has applied for Second Surplus Shares in the proportion which his existing holding of Shares of the class held by Third Offer Shareholders bears to the total number of Shares of the class held by all Third Offer Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Second Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Second Surplus Shares which he has stated he is willing to buy;

19.13.2 not all Second Surplus Shares are allocated following allocations in accordance with *article 19.13.1*, but there are applications for Second Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Second Surplus Shares to such applicants in accordance with the procedure set out in *article 19.13.1*. The procedure set out in this *article 19.13.2* shall apply on any number of consecutive occasions until either all Second Surplus Shares have been allocated or all applications for Second Surplus Shares have been satisfied; and

19.13.3 at the end of the Third Offer Period, the total number of Second Surplus Shares applied for is less than the number of Second Surplus Shares, the Directors shall allocate the Second Surplus Shares to the Third Offer Shareholders in accordance with their applications. The balance (the "**Third Surplus Shares**") shall, subject to *article 19.14*, be offered to any other person in accordance with *article 19.18*.

19.14 Where the Transfer Notice contains a Minimum Transfer Condition:

19.14.1 any allocation made under *article 19.7* to *article 19.13* (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and

19.14.2 if the total number of Sale Shares applied for under *article 19.7* to *article 19.13* (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

19.15 Where either:

19.15.1 the Transfer Notice does not contain a Minimum Transfer Condition; or

19.15.2 allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under *article 19.7* to *article 19.13* (inclusive), give notice in writing of the allocations of Sale Shares (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (each an "**Applicant**"). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 15 Business Days, but not more than 25 Business Days, after the date of the Allocation Notice).

- 19.16 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 19.17 If the Seller fails to comply with *article 19.16*:
- 19.17.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:
- 19.17.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- 19.17.1.2 receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- 19.17.1.3 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- 19.17.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.
- 19.18 Where a Transfer Notice lapses pursuant to *article 19.12.2* or an Allocation Notice does not relate to all the Sale Shares, then, subject to *article 19.19*, the Seller may, at any time during the 20 Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Third Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this *article 19.18* shall continue to be subject to any Minimum Transfer Condition.
- 19.19 The Seller's right to transfer Shares under *article 19.18* does not apply if the Directors reasonably consider that:
- 19.19.1 the transferee is a person (or a nominee for a person) whom the Directors determine to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
- 19.19.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- 19.19.3 the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable them to form the opinion referred to in *article 19.19.2*.

20. Valuation

- 20.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), and the Seller or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.
- 20.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 20.2.1 valuing the Sale Shares to take into account the provisions of *article 12*;
 - 20.2.2 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 20.2.3 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 20.2.4 that the Sale Shares are capable of being transferred without restriction;
 - 20.2.5 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - 20.2.6 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 20.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 20.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 20.5 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 20.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 20.7 The Independent Expert shall be requested to determine the Fair Value within 15 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 20.8 The cost of obtaining the Independent Expert's certificate shall be borne by the Seller.

21. Compulsory Transfers

- 21.1 A person entitled to a Share in consequence of the death or bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 21.2 If a Worker becomes a Departing Shareholder, a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 20 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a "**Compulsory Worker Transfer**") and any Transfer Notice served in respect of any of such Relevant Shares before the date such Worker becomes a Departing Shareholder shall automatically lapse.
- 21.3 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Worker Transfer shall, where the Departing Shareholder is:
- 21.3.1 a Bad Leaver or an Early Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares; and
- 21.3.2 a Good Leaver, be the aggregate Fair Value of such Sale Shares.
- 21.4 Notwithstanding the provisions of *article 21.3*, the Directors may by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to *article 21.3*.
- 21.5 Forthwith upon a Transfer Notice being deemed to be served under *article 21* the Relevant Shares ("**Restricted Shares**") shall cease to confer on the holder of them any rights:
- 21.5.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- 21.5.2 to receive dividends or other distributions otherwise attaching to those Shares; or
- 21.5.3 to participate in any future issue of Shares issued in respect of those Shares.
- The Directors may reinstate the rights referred to in *article 21.5* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 21* on completion of a transfer made pursuant to *article 21*.

22. Mandatory Offer on Change of Control

- 22.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to *article 18* or *article 26.2*, whether made as one or as a series of transactions (a "**Proposed Transfer**") would, if completed, result in any person other than an existing Shareholder (the "**Buyer**"), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this *article 22* shall apply.
- 22.2 The Company shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the "**Offer**") to each Shareholder holding Alphabet Shares (each an **Offeree**) on the date of the Offer.

- 22.3 The consideration (in cash or otherwise) for which the Offeree shall be entitled to for each of the Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Buyer were distributed to the holders of the Shares in accordance with the provisions of *article 12*.
- 22.4 The Offer shall be made by notice in writing (an "**Offer Notice**") addressed to each Offeree on the date of the Offer at least 10 Business Days (the "**Offer Period**") before the date fixed for completion of the Proposed Transfer (the "**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall specify:
- 22.4.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);
 - 22.4.2 the Offer Price and any other terms and conditions of the Offer;
 - 22.4.3 the Sale Date; and
 - 22.4.4 the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 22.5 The completion of the Proposed Transfer shall be conditional in all respects on:
- 22.5.1 the making of an Offer in accordance with this *article 22*; and
 - 22.5.2 the completion of the transfer of any Shares by any Offeree (each an "**Accepting Offeree**") who accepts the Offer within the Offer Period, and the Directors shall refuse to register any Proposed Transfer made in breach of this *article 22.5*.
- 22.6 The purchase of Shares from Accepting Offerees pursuant to an Offer made under this *article 22* shall not be, subject to the pre-emption provisions of *article 19*.
- 23. Drag Along**
- 23.1 If the holders of 51% by nominal value of the Ordinary Shares in issue for the time being (the "**Selling Ordinary Shareholders**") wish to transfer all of their interest in Ordinary Shares (the "**Sellers' Ordinary Shares**") to a bona fide purchaser on arm's-length terms (the "**Proposed Buyer**"), the Selling Ordinary Shareholders shall have the option (a "**Drag Along Option**") to require all the other holders of Shares on the date of the request, (the "**Called Shareholders**") to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this *article 23*.
- 23.2 The Selling Ordinary Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a "**Drag Along Notice**"), at any time before the completion of the transfer of the Sellers' Ordinary Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
- 23.2.1 that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") pursuant to this *article 23*;
 - 23.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

- 23.2.3 the consideration payable for the Called Shares calculated in accordance with *article 23.4*;
- 23.2.4 the proposed date of completion of transfer of the Called Shares.
- 23.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Ordinary Shareholders have not completed the transfer of all the Sellers' Ordinary Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 20 Business Days of serving the Drag Along Notice. The Selling Ordinary Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 23.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Ordinary Shares in accordance with the provisions of *article 12*.
- 23.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *article 23*.
- 23.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Ordinary Shares unless:
- 23.6.1 all of the Called Shareholders and the Selling Ordinary Shareholders otherwise agree; or
- 23.6.2 that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 20 Business Days after the date of service of the Drag Along Notice.
- 23.7 Within 15 Business Days of the Selling Ordinary Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 15 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to *article 23.4* to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to *article 23.4* shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *article 23.4* in trust for the Called Shareholders without any obligation to pay interest.
- 23.8 To the extent that the Proposed Buyer has not, on the expiration of the 20 Business Day period, put the Company in funds to pay the amounts due pursuant to *article 23.4*, the Called Shareholders shall be entitled to the return of the stock transfer forms and share

certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this *article 23* in respect of their Shares.

23.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this *article 23*.

23.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder holding Alphabet Shares (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Alphabet Shares, whether or not pursuant to a Share Option Scheme (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Alphabet Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this *article 23* shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Alphabet Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.

23.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of *article 19*.

23.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

24. Transfer of Shares to a Secured Institution

Notwithstanding anything contained in these Articles, the Directors shall not decline to register any transfer of Shares, nor may they suspend or delay registration thereof where such transfer:

24.1 is to any bank or institution to which such shares have been charged by way of security, or to any nominee, successor, permitted assign or transferees of such a bank or institution (a "**Secured Institution**") and any security documentation provides that such Shares are to be transferred to a Secured Institution in accordance with such security documentation; or

- 24.2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the Shares in accordance with any security documentation; or
- 24.3 is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security in accordance with any security documentation, and furthermore, notwithstanding anything to the contrary contained in these Articles, no transferor or proposed transferor (including a Secured Institution), of any Shares to a Secured Institution shall be required to provide any prior written notice of the transfer to the Company or to offer the Shares which are, or are to be the subject of any such transfer, to the existing Shareholders at the time of the proposed transfer, and no such Shareholder shall have any right under the Articles or otherwise to require such Shares to be transferred to them whether for consideration or not. The Company shall have no lien on any Shares which have been charged by way of security to a Secured Institution.

Decision-making By Shareholders

25. General Meetings

- 25.1 No business other than, subject to *article 25.2*, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 25.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

26. Purchase of Own Shares

- 26.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:
- 26.1.1 £15,000; and
 - 26.1.2 the value of 5% of the Company's share capital.
- 26.2 Subject to the remaining provisions of this *article 26*, on a purchase or redemption of Shares under Part 18 of the Act, the Company may:
- 26.2.1 hold the Shares (or any of them) in treasury;
 - 26.2.2 deal with any of the Shares, at any time, in accordance with section 727; or
 - 26.2.3 cancel any of the Shares, at any time, in accordance with section 729 of the Act.
- 26.3 The provisions of *articles 16.3 to 16.10* (inclusive) shall apply to a sale or transfer of Shares held in treasury pursuant to *article 26.2.2* save that, for the purposes of this *article 26.3*

26.3.1 reference in *article 16* to an allotment shall include the sale or transfer of Shares; and

26.3.2 reference in the definition of "Relevant Securities" to Shares "issued after the Adoption Date" shall include Shares to be sold or transferred by the Company, that immediately before the sale or transfer were, in each case, held by the Company as treasury shares.

27. Company's Lien Over Shares

27.1 The Company has a lien (the "**Company's Lien**") over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

27.2 The Company's Lien over a share:

27.2.1 takes priority over any third party's interest in that Share; and

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

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

28. Enforcement of the Company's Lien

28.1 Subject to the provisions of this *article 28*, if:

28.1.1 a Lien Enforcement Notice has been given in respect of a Share; and

28.1.2 the person to whom the notice was given has failed to comply with it, the Company may sell that Share in such manner as the Directors decide.

28.2 A Lien Enforcement Notice:

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

28.2.2 must specify the Share concerned;

28.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

28.2.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and

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

28.3 Where Shares are sold under this *article 28*:

- 28.3.1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
- 28.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 28.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:
 - 28.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
 - 28.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice.
- 28.5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
 - 28.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - 28.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

Administrative Arrangements

29. Means of Communication to be Used

- 29.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
 - 29.1.1 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
 - 29.1.2 if sent by fax, at the time of transmission; or
 - 29.1.3 if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - 29.1.4 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
 - 29.1.5 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or

- 29.1.6 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
- 29.1.7 if deemed receipt under the previous paragraphs of this *article 29.1* would occur outside business hours (meaning 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 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.
- 29.2 To prove service, it is sufficient to prove that:
 - 29.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 29.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 29.2.3 if sent by post the envelope containing the notice was properly addressed, paid for and posted; or
 - 29.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 29.3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

30. Indemnity and Insurance

- 30.1 Subject to *article 30.2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
 - 30.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer:
 - 30.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation thereto; and
 - 30.1.1.2 in relation to the Company's (or other Group 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 other Group Company's) affairs; and

- 30.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in *article 30.1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.
- 30.2 This *article 30* 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.
- 30.3 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.
- 30.4 In this *article 30*:
- 30.4.1 "**Relevant Loss**" means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
- 30.4.2 "**Relevant Officer**" means any director or other officer or former director or other officer of any Group Company.