

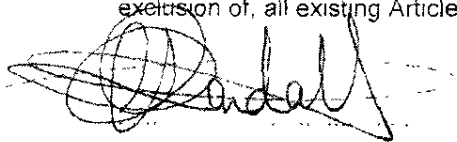
**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**SPECIAL RESOLUTION OF**

**HIVE LEISURE LIMITED (11145587) (THE "COMPANY")**

On 13<sup>th</sup> June 2018 the following written resolution was duly passed as a special resolution of the Company pursuant to section 288 of the Companies Act 2006

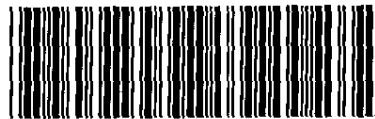
**SPECIAL RESOLUTION**

THAT the Articles of Association set out in the document attached to this resolution and signed the purpose of identification by the Chairperson of the board meeting be, and hereby are, approved and adopted as the Company's Articles of Association in substitution for, and to the exclusion of, all existing Articles of Association of the Company.



Director

TUESDAY



\*L78XRX9T\*

LD2

26/06/2018

#23

COMPANIES HOUSE

**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
HIVE LEISURE LIMITED  
No 11145587  
(Adopted by special resolution passed on 13<sup>th</sup> June  
2018)**

## CONTENTS

---

### CLAUSE

1.	Interpretation .....	1
2.	Adoption of the Model Articles.....	5
3.	Number of directors .....	5
4.	Proceedings of directors.....	5
5.	Appointment and removal of directors .....	6
6.	Transactions or other arrangements with the Company .....	6
7.	Directors' conflicts .....	7
8.	Secretary .....	8
9.	Dividends .....	8
10.	Liquidation .....	8
11.	Pre-emption rights on the issue of further Shares.....	9
12.	Transfers of shares: general.....	10
13.	Permitted transfers of shares .....	11
14.	Pre-emption rights on the transfer of shares.....	12
15.	Valuation .....	15
16.	Compulsory transfers.....	16
17.	Tagalong.....	17
18.	Drag along.....	18
19.	General meetings .....	20
20.	Voting .....	20
21.	Notices .....	20
22.	Indemnity and insurance .....	21
23.	Data protection .....	22

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HIVE LEISURE LIMITED**  
**Company No 11145587**  
**(Adopted by special resolution passed on 13<sup>th</sup> June**  
**2018)**

**INTRODUCTION**

**1. INTERPRETATION**

- 1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings:

**Act:** 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:** the date of adoption of these Articles;

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

**Bad Leaver:** a Departing Employee who becomes a Departing Employee in circumstances where he is not a Good Leaver;

**Available Profits:** profits available for distribution within the meaning of part 23 of the Act;

**Board:** the board of Directors of the Company as from time to time constituted;

**Business Day:** any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

**Chairman:** has the meaning given to it in Article 5.2;

**Companies Acts:** has the meaning given to it in the Act;

**Company:** means Hive Leisure Limited (Company number 11145587);

**connected:** has the meaning given in section 252 of the Act;

**Controlling Interest:** an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 995 of the Income Tax Act 2007;

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

**Departing Employee:** an Employee Shareholder who ceases to be an Employee of any Group Company and who does not continue as, or immediately become, an Employee of any other Group Company;

**Directors:** the directors of the Company from time to time;

**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:** shall mean a person who is an employee of or consultant (or provided services under a consultancy agreement) to any Group Company;

**Employee Shareholder:** a Shareholder who is, or after the Adoption Date becomes, an Employee;

**Expert:** 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 or its terms of appointment within 5 Business Days of the expiry of the 10 Business Day period referred to in Article 15.1, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator);

**Executive:** either of Charles Randall or Edward Burrows;

**Extension Notice:** a notice in writing given by the Chairman (following a resolution of the Directors (acting by a majority but excluding the vote (if a director) of the relevant Executive to whom the aforementioned notice is addressed) to give such notice) to an Executive who is an Employee Shareholder requesting:

(i) an amendment to such Executive's terms of employment with the Company whereby the Executive shall as from a date specified in such Extension Notice (which shall not be a period of less than 6 months from the date of such Extension Notice) be required to devote 100% of his time to the Company and extend his employment to a full time role with the Company; and

(ii) that the Executive shall as from a date specified in such Extension Notice (which shall not be a period of less than 6 months from the date of such Extension Notice) terminate any consultancy or employment arrangements which he may have (whether directly or indirectly) with any other third party (save for (i) any company which is a member of the same group as the Company (ii) any non-executive directorships with Barnsdale Lodge Holdings Limited (CRN 07112011) or Barnsdale Lodge Limited (CRN 02214361); (iii) any directorships of a private company in which the Executive and/or a member or members of his immediate family are together the controlling shareholders and (iv) any trusteeships with any third party)("Third-Party Arrangements");

**Fair Value:** has the meaning given in Article 15.2;

**Family Trust:** as regards any particular individual Shareholder (or deceased or former individual Shareholder) trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons);

**Financial Year:** an accounting reference period (as defined in section 391 of the Act) of the Company;

**Good Leaver:** an Employee Shareholder who becomes a Departing Employee (i) by reason of:

- (a) death;
- (b) permanent disability or permanent incapacity through ill-health;
- (c) retirement at normal retirement age;
- (d) ceasing to be employed or engaged as a consultant by any Group Company as a result of a Group Company ceasing to be a Group Company; or
- (e) dismissal or termination by the Company (or other Group Company) which is determined, by an employment tribunal or a court of competent jurisdiction from which there is no right to appeal, to be unfair or constructive or in breach of any written consultancy agreement;

or (ii) in respect of whom the Board (acting by a majority but excluding the vote (if a director) of the relevant Employee Shareholder) has determined in writing shall be deemed to be a Good Leaver;

**Group:** the Company and its subsidiaries (if any) from time to time and **Group Company** shall be construed accordingly;

**holding company:** has the meaning given in section 1159 of the Act;

**Issue Price:** in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;

**Member of the Same Group:** 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:** the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date;

**Ordinary Shares:** the ordinary shares of £1 each in the capital of the Company;

**Original Shareholder:** has the meaning given in Article 13.1;

**Permitted Transfer:** a transfer of Shares made in accordance with Article 13;

**Permitted Transferee:** in relation to:

- (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust; and
- (b) a Shareholder which is a company, a Member of the Same Group as that company;

**Privileged Relation:** in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue);

**Relevant Securities:** 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 Plan (and the issue of Shares on the exercise of any such options); and
- (b) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business;

**Relevant Shares:** in relation to an Employee Shareholder means all Shares held by:

- (a) the Employee Shareholder in question; and
- (b) any Permitted Transferee of that Employee Shareholder;

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 Article 16.3;

**Sale Shares:** has the meaning given in Article 14.2(a);

**Seller:** has the meaning given in Article 14.2;

**Shareholder:** a holder for the time being of Shares;

**Share Option Scheme:** any share option scheme of the Company which the Board identifies in writing as being a Share Option Scheme for the purposes of these Articles;

**Shares:** shares (of any class) in the capital of the Company, including (without limitation) the Ordinary Shares;

**subsidiary:** in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

**Termination Date:**

- (c) where the employment or consultancy ceases by virtue of notice given by the employer to the employee or consultant, the date on which such notice expires;
- (d) where a contract of employment or a consultancy agreement is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (e) where an Employee Shareholder dies, the date of his death; or
- (f) in any other case, the date on which the employment or consultancy is terminated;

**Transfer Notice:** has the meaning given in Article 14.2;

**Transfer Price:** has the meaning given in Article 15.1; and

**Third-Party Arrangements:** has the meaning given in the definition of Extension Notice.

1.2 A reference in these Articles to:

- (a) an **Article** is a reference to the relevant numbered article of these Articles; and
- (b) a **model article** is a reference to the relevant article of the Model Articles;

unless expressly provided otherwise.

1.3 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).

- 1.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
  - 1.5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.
  - 1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
    - (a) any subordinate legislation from time to time made under it; and
    - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 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 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 22, 26(5), 38, 39, 44(2), and 51 to 53 (inclusive) shall not apply to the Company.
  - 2.3 Model article 20 shall be amended by the insertion of the words "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 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 Articles 4.3 and 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 Articles 4.5 and 4.7.



- 4.5 Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice.
- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, provided one of such Eligible Directors shall not be an Executive. 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 7 to authorise a Conflict (as defined in Article 7.1), 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 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
- (a) appoint further Directors; or
  - (b) call a general meeting so as to enable the Shareholders to appoint a further Director.
- 4.9 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 unless, in respect of a particular meeting (or part of a meeting), in accordance with these Articles, the Chairman (or other chairman of the meeting) is not an Eligible Director for the purposes of that meeting (or part of a meeting).
- 4.10 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.
- 4.11 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 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
- (a) he is convicted of a criminal offence (other than a motoring offence for which a custodial sentence is not available) and a majority of the other Directors resolve that he cease to be a Director; and
  - (b) a majority of the other Directors resolve that he cease to be a Director; and
  - (c) in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.
- 5.2 The Directors may appoint any one of their number 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 may appoint another Director present at the meeting to chair the meeting.

## **6. 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 Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing 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 the Directors) or participate in any unanimous decision, in respect of such existing 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) 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.

## **7. DIRECTORS' CONFLICTS**

7.1 The Directors may, in accordance with the requirements set out in this Article 7, 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**).

7.2 Any authorisation under this Article 7 will be effective only if:

- (a) to the extent permitted by the Act, 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; and
- (b) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

7.3 Any authorisation of a Conflict under this Article 7 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 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;

- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors 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.
- 7.4 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.
- 7.5 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.
- 7.6 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 7.1 shall be necessary in respect of any such interest.
- 7.7 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.

## **8. 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**

### **9. DIVIDENDS**

- 9.1 In respect of any Financial Year, the Available Profits of the Company may be used to pay dividends as set out in this Article 9.
- 9.2 Subject to the Companies Acts, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- 9.3 Each dividend shall be distributed to the Shareholders pro rata according to the number of Shares 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.

### **10. LIQUIDATION**

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 (to the extent that the Company is lawfully able to do so)

be distributed among the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held.

**11. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES**

11.1 Subject to the remaining provisions of this Article 11 the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; and
- (c) 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.

11.2 The authority referred to in Article 11.1:

- (a) shall be limited to a maximum nominal amount of £100 of Shares;
- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and
- (c) 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).

11.3 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.

11.4 Unless otherwise agreed by special resolution, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Shares (each an **Offeree**) on a pari passu basis and in the respective proportions that the number of Shares held by each such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

11.5 An offer made under Article 11.4 shall:

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- (b) remain open for a period of at least 10 Business Days from the date of service of the offer; and
- (c) 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 11.4 shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.

11.6 If, on the expiry of an offer made in accordance with Article 11.4, 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.

- 11.7 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with Article 11.4 shall be used to satisfy any requests for Excess Securities made pursuant to Article 11.5(c). If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to Article 11.8, 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.
- 11.8 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.
- 12. TRANSFERS OF SHARES: GENERAL**
- 12.1 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.
- 12.2 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 12.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 12.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 12.4 Any transfer of a Share by way of sale which is required to be made under Article 16, 17 or 18 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 12.5 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 and the Shareholders agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, 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 12.5, 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.
- 12.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- (a) any holder (or the legal representatives of a deceased holder); or
  - (b) any person named as a transferee in a transfer lodged for registration; or
  - (c) 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.

12.7 If any such information or evidence referred to in Article 12.6 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 5 Business Days of receipt of such written notice, then:

- (a) the relevant Shares shall cease to confer on the holder of them any rights:
  - (i) 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;
  - (ii) to receive dividends or other distributions otherwise attaching to those Shares; or
  - (iii) to participate in any future issue of Shares issued in respect of those Shares; and
- (b) 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 12.7(a) at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 12.7(b) on completion of such transfer.

12.8 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:

- (a) it does not contain a Minimum Transfer Condition; and
- (b) 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).

12.9 Any Transfer Notice or a Drag Along Notice (as defined in Article 18) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

### 13. PERMITTED TRANSFERS OF SHARES

13.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

13.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

- (a) the Original Shareholder;
- (b) any Privileged Relation(s) of the Original Shareholder;
- (c) subject to Article 13.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
- (d) subject to Article 13.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

- 13.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Board is satisfied:
- (a) that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - (b) that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 13.4 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:
- (a) the Original Shareholder; or
  - (b) 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 13.4, 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 13.4.
- 13.5 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 20 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:
- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - (b) give a Transfer Notice to the Company in accordance with Article 14,
- failing which 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 13.5.
- 14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**
- 14.1 Except where the provisions of Articles 13 or 18 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 14.
- 14.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
- (a) subject to Article 12.8(b), the number of Shares he wishes to transfer (**Sale Shares**);
  - (b) the name of the proposed transferee, if any;
  - (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
  - (d) subject to Article 12.8(a), whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).
- 14.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the

Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with the consent of the Directors.

14.4 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.

14.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with Article 14.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 14 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

14.6 The Directors shall offer the Sale Shares to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date which is at least 10 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.

14.7 If:

- (a) at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by all such 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;
- (b) not all Sale Shares are allocated following allocations in accordance with Article 14.7(a), 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 14.7(a). The procedure set out in this Article 14.7(b) 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
- (c) at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Shareholders in accordance with their applications. The balance (the **Surplus Shares**) shall, subject to Article 14.8, be offered to any other person in accordance with Article 14.12.

14.8 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made under the preceding Articles shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for under the preceding Articles 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.

14.9 Where either:



- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
  - (b) 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 the preceding Articles, 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 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).
- 14.10 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.
- 14.11 If the Seller fails to comply with Article 14.10:
- (a) 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):
    - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (ii) 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
    - (iii) (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
  - (b) 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.
- 14.12 Where an Allocation Notice does not relate to all the Sale Shares or the Transfer Notice lapses pursuant to Article 14.8(b) then, subject to Article 14.13, the Seller may, at any time during the 15 Business Days following the date of service of the Allocation Notice, transfer the Sale Shares (in the case of a lapsed offer) or the 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 14.12 shall continue to be subject to any Minimum Transfer Condition.
- 14.13 The Seller's right to transfer Shares under Article 14.12 does not apply if the Directors reasonably consider that:
- (a) the transferee is a person (or a nominee for a person) who the Directors determine to be a material competitor (or a Member of the Same Group as a material competitor) of the business of any Group Company;
  - (b) 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
  - (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in Article 14.13(b).

**15. VALUATION**

- 15.1 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 10 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.
- 15.2 The Fair Value shall be the price per Sale Share determined by the Expert on the following bases and assumptions:
- (a) 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);
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) 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
  - (e) reflecting any other factors which the Expert reasonably believes should be taken into account.
- 15.3 If any difficulty arises in applying any of these assumptions or bases then the Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 15.4 The Directors will give the Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 15.5 The parties are entitled to make written submissions to the Expert and shall provide (or procure that others provide) the Expert with such assistance and documents as the Expert may reasonably require for the purpose of reaching a decision.
- 15.6 The 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).
- 15.7 The 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.
- 15.8 The cost of obtaining the Expert's certificate shall be borne by the Seller and the Company equally or in such other proportions as the Expert directs unless:
- (a) the Seller withdraws the relevant Transfer Notice in accordance with Article 14.3; or
  - (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Expert,
- in which case the Seller shall bear the cost.

**16. COMPULSORY TRANSFERS**

- 16.1 A person entitled to a Share in consequence of the death of a Shareholder and who would not have been a Permitted Transferee of that Shareholder before his death, shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.
- 16.2 A person entitled to a Share in consequence of the 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.
- 16.3 If an Employee Shareholder becomes a Departing Employee a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 15 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of:
- (i) if he is a Good Leaver, such percentage of his Relevant Shares as is specified in the following table (a **Compulsory Employee Transfer**) (and in the event that this results in a fractional number of Relevant Shares, rounded up to the nearest whole share) and any Transfer Notice voluntarily served by such Employee Shareholder in respect of any of such Relevant Shares before the date he becomes a Departing Employee shall automatically lapse.

Termination Date	Percentage of Relevant Shares
Termination Date at any time up to 12 months after the Adoption Date	80%
Termination Date occurs more than 12 months after, but no more than 24 months after, the Adoption Date	60%
Termination Date occurs more than 24 months after, but no more than 36 months after, the Adoption Date	40%
Termination Date occurs more than 36 months but no more than 48 months after, the Adoption Date	20%
Termination Date occurs more than 48 months after the Adoption Date	0%

- (ii) if he is a Bad Leaver, all (100%) of his Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice voluntarily served by such Employee Shareholder in respect of any of such Relevant Shares before the date he becomes a Departing Employee shall automatically lapse.

For the purposes of this Article 16.3, **Relevant Date** shall mean the date upon which the Employee Shareholder first acquired shares in the Company.

- 16.4 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee is:
- (a) a Bad Leaver, be restricted to a maximum equal to the lower of:
- (A) the aggregate Issue Price of such Sale Shares; and
- (B) the aggregate Fair Value of such Sale Shares; and
- (b) a Good Leaver, be the aggregate Fair Value of such Sale Shares.

16.5 Forthwith upon a Transfer Notice being deemed to be served under this Article 16 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights:

- (a) 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;
- (b) to receive dividends or other distributions otherwise attaching to those Shares; or
- (c) to participate in any future issue of Shares issued in respect of those Shares.

The Directors may reinstate such rights at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to this Article 16 on completion of such transfer.

16.6 If an Executive, following the giving of an Extension Notice, fails to:

- (i) agree the amendments to his terms of employment as set out in the Extension Notice (in accordance with the requirements of the Extension Notice); and
- (ii) sign any agreement giving effect to such amendments referred to in 16.6 (i) above; and
- (iii) terminate, to the reasonable satisfaction of the Chairman, any Third-Party Arrangements

within 3 months of the date of an Extension Notice (or such longer period as may be agreed between the Executive with the Chairman) such Executive (as an Employee Shareholder) shall be (notwithstanding any other provisions of these Articles) automatically deemed to be a Bad Leaver as from the date of the Extension Notice (and when he becomes a Departing Employee he shall be treated for all purposes, including this Article 16, as a Bad Leaver).

## 17. TAGALONG

17.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to Article 13 or 16, but after the operation of the pre-emption procedure set out in Article 14), 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 17 shall apply.

17.2 The Seller(s) shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder on the date of the Offer other than any holder(s) of Restricted Shares, to buy all of the Shares held by such Shareholders on the date of the Offer for a consideration in cash per Share (the **Offer Price**) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Shares in connection with the Proposed Transfer or any transaction in the 12 months preceding the date of completion of the Proposed Transfer.

17.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Shareholder 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:

- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
- (b) the Offer Price and any other terms and conditions of the Offer;

- (c) the Sale Date; and
  - (d) 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.
- 17.4 The completion of the Proposed Transfer shall be conditional in all respects on:
  - (a) the making of an Offer in accordance with this Article 17; and
  - (b) the completion of the transfer of any Shares by any Shareholder (each an **Accepting Shareholder**) who accepts the Offer within the Offer Period, and the Directors shall refuse to register any Proposed Transfer made in breach of this Article 17.4.
- 17.5 The Proposed Transfer is, but the purchase of Shares from Accepting Shareholders pursuant to an Offer made under this Article 17 shall not be, subject to the pre-emption provisions of Article 14.
- 18. **DRAG ALONG**
- 18.1 If the holders of at least 50% of the Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide arm's-length purchaser (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**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 18.
- 18.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:
  - (a) that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 18;
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
  - (c) the consideration payable for the Called Shares calculated in accordance with Article 18.4;
  - (d) the proposed date of completion of transfer of the Called Shares.
- 18.3 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 Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 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 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the same as that proposed to be paid by the Proposed Buyer in respect of each of the Sellers' Shares.
- 18.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 18.
- 18.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditionally upon the completion of, the sale and purchase of the Sellers' Shares unless:

- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
  - (b) 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 10 Business Days after the date of service of the Drag Along Notice.
- 18.7 Within 10 Business Days of the Proposed Buyer 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 10 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 18.4 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 18.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 18.4 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 expiration of the 30 Business Day period, put the Company in funds to pay the amounts due pursuant to Article 18.4, 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 18 in respect of their Shares.
- 18.9 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 18.
- 18.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, 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 Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 18 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such 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.
- 18.11 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 14.

- 18.12 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.

## **DECISION-MAKING BY SHAREHOLDERS**

### **19. GENERAL MEETINGS**

- 19.1 No business other than, subject to Article 19.3, 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.
- 19.2 For the avoidance of doubt, a quorum at any general meeting shall be two Shareholders, present in person or by proxy.
- 19.3 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.

### **20. VOTING**

- 20.1 *Subject to any other provisions in these Articles concerning voting rights, each Share shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.*
- 20.2 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.
- 20.3 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.
- 20.4 Model article 45(1) shall be amended by:
- (a) 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
  - (b) 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.

## **ADMINISTRATIVE ARRANGEMENTS**

### **21. NOTICES**

- 21.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five

Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article 21.1, no account shall be taken of any part of a day that is not a Business Day.

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

## 22. INDEMNITY AND INSURANCE

- 22.1 Subject to Article 22.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including 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
- (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 22.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

- 22.2 This Article 22 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

- 22.3 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.

- 22.4 In this Article 22:

- (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 other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
- (b) **Relevant Officer** means any director or other officer or, if the Directors so resolve, any former director or other former officer of any Group Company.



**23. DATA PROTECTION**

- 23.1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a **Recipient**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 23.2 The personal data that may be processed for such purposes under this Article 23 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
- (a) a Member of the Same Group as the Recipient (each a **Recipient Group Company**);
  - (b) employees, directors and professional advisers of that Recipient or any Recipient Group Company; and
  - (c) funds managed by any of the Recipient Group Companies.
- 23.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.