

COMPANY NUMBER: SC486006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

SEANAMIC GROUP LIMITED (the Company)

The following resolution was passed as a special resolution on 25 June 2018 by way of a written resolution under Chapter 2 of Part 13 of the Companies Act 2006.

Special resolution

"That the articles of association annexed to this written resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association."



Director/Company Secretary

WEDNESDAY



SCT *S7BWEU2Y* #130
08/08/2018
COMPANIES HOUSE

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
SEANAMIC GROUP LIMITED
(Adopted by special resolution passed on 25 June 2018)

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SEANAMIC GROUP LIMITED

(Adopted by special resolution passed on May 2018)

INTRODUCTION

1 INTERPRETATION

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

“A Shares”: the A ordinary shares of £0.01 each in the capital of the Company.

“Act”: the Companies Act 2006.

“Accepting Offeree”: has the meaning given to it in article 21.4.2

“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.

“Allocation Notice”: has the meaning given to it in article 17.9.

“Articles”: the Company’s articles of association for the time being in force.

“Available Profits”: profits available for distribution within the meaning of Part 23 of the Act.

“B Shares”: the B ordinary shares of £0.01 each in the capital of the Company.

“Bad Leaver”: an Employee who becomes a Leaver in circumstances where he is not a Good Leaver (but who is not or does not become a Defaulting Good Leaver).

“Board”: the board of directors of the Company (or a duly authorised committee thereof) from time to time.

“Business Day”: a day other than a Saturday or Sunday on which banks are open for the transaction of normal banking business in Edinburgh.

“Buyer”: has the meaning given to it in article 21.1.

“C Shares”: the C ordinary shares of £0.01 each in the capital of the Company.

“C1 Shares”: the C1 ordinary shares of £0.01 each in the capital of the Company.

“Called Shares”: has the meaning given to it in article 22.2.1.

“Called Shareholders”: has the meaning given to it in article 22.1.

“Called Shares Completion Date”: has the meaning given to it in article 22.6.

“Chairman”: has the meaning given to it in article 6.6.

“Co-Investment Scheme”: any co-investment scheme, being a scheme under which certain officers, employees, members or partners of an Investor or the investment adviser, general partner, manager, operator, nominee or any member of its Investor Group are entitled or required (as individuals or through a Fund or any other vehicle) to acquire Shares and/or any other security issued by any member of the Group.

“Company”: means Seanamic Group Limited (Company number SC486006).

“Company’s Lien”: has the meaning given to it in article 26.1.

“Conflict”: has the meaning given to it in article 8.1.

“connected”: has the meaning given to it 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 1124 of the Corporation Tax Act 2010.

“D Preferred Shares” the D preferred ordinary shares of £1.00 each in the capital of the Company.

“Deed of Adherence”: a deed of adherence to the Investment Agreement in a form approved by the Lead Investor.

“Deemed Transfer Notice”: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

“Defaulting Good Leaver”: a Good Leaver who breaches the restrictive covenants applicable to him in clause 11 of the Investment Agreement and which breach is not remedied to the satisfaction of the Lead Investor (acting reasonably) within 10 Business Days following the notification of such breach being served on the Good Leaver by the Board and / or the Lead Investor.

“Directors”: the directors of the Company from time to time.

“Disposal”: the disposal by the Company of all, or a substantial part of, its business and assets.

“Drag Along Notice”: has the meaning given to it in article 22.2.

“Drag Along Option”: has the meaning given to it in article 22.1

“E Preferred Shares” the E preferred ordinary shares of £1.00 each in the capital of the Company.

“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”: *an individual who is, or has been, a director and/or an employee of, or who provides or has provided consultancy services to, any Group Company.*

“Employee Share Scheme”: any share option or incentive scheme of the Company which an Investor Majority identifies in writing as being an Employee Share Scheme for the purposes of these Articles.

“Employee Trust”: a trust, the terms of which are approved by an Investor Majority, whose beneficiaries are the bona fide employees of the Group.

“Excess Securities”: has the meaning given to it in article 14.6.3

“Existing Manager Director”: has the meaning given to it in article 6.7.1.

“Existing Manager Representative”: has the meaning given to it in article 6.7.2.

“Existing Managers”: David Cooper and James Gregor McPherson.

“Exit”: a Share Sale, a Disposal or a Listing.

“Extra Shares”: has the meaning given to it in article 17.7.2.

“F Preferred Shares” the F preferred ordinary shares of £1.00 each in the capital of the Company.

“Fair Value”: has the meaning given to it in article 18.2.

“Family Trust”: as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (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.

“Follow-on Warrants”: has the meaning given to it in the Investment Agreement.

“FSMA”: the Financial Services and Markets Act 2000.

“Fully Diluted”: in relation to the share capital of the Company on the date in question includes all Shares in issue together with all options, warrants and securities convertible into Shares as if such options, warrants and securities had been exercised or converted (as the case may be).

“Fund”: any bank, company, unit trust, investment trust, investment company, limited, general or other partnership, industrial provident or friendly society, any collective investment scheme (as defined by the FSMA), any investment professional (as defined in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 (the “FPO”)), any high net worth company, unincorporated association or partnership (as defined in article 49(2) of the FPO), or any high value trust (as defined in article 49(6) of the FPO), any pension fund or insurance company or any person who is an authorised person under the FSMA.

“G Preferred Shares” the G preferred ordinary shares of £1.00 each in the capital of the Company.

“Garden Leave”: any period during which the Company or other Group Company shall, in respect of an Employee and pursuant to the service contract between the Company or relevant Group Company and that Employee, cease or have ceased to provide that employee with work and withdraw or have withdrawn his right of access to any premises of the Company or any Group Company.

“Good Leaver”: means:

(a) an Employee who becomes a Leaver by reason of:

- i. death;
- ii. *permanent disability or permanent incapacity through ill-health*;
- iii. ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company;
- iv. being wrongfully dismissed by the Company (or other Group Company);
or
- v. redundancy;

(b) or:

- i. is designated a Good Leaver by the Remuneration Committee of the Board; or
- ii. in the case of David Cooper, one of the Existing Managers, resigns following the third anniversary of 19 September 2014 other than in circumstances where the Company (or other Group Company) would have been entitled to summarily dismiss him pursuant to the terms of his service agreement.

“Group”: 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.

“H Preferred Shares”: the H preferred ordinary shares of £1.00 each in the capital of the Company

“HLT Managers” Colin Zak and Brian Hardy.

“HLT Manager Director”: has the meaning given to it in article 6.8.1.

“holding company”: has the meaning given to it in article 1.10.

“H Preferred Shares” the H preferred ordinary shares of £1.00 each in the capital of the Company.

“Independent Expert”: the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller on the identity of the expert within 15 Business Days of the

expiry of the 20 Business Day period referred to in article 18.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of Scotland (in each case acting as an expert and not as an arbiter).

“Interested Director”: has the meaning given to it in article 8.1.

“Investment Agreement”: the investment agreement dated 19 and 26 September 2014 between, amongst others, the Company and the Lead Investor (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being).

“Investor”:

- (a) the Lead Investor for so long as it (or any person who holds the legal title to shares as nominee, custodian or trustee on its behalf) holds any Share;
- (b) any Investor Associate for so long as it holds any Share; and
- (c) any other person who undertakes to perform the obligations of an Investor under a Deed of Adherence for so long as it holds any Share.

“Investor Associate”: in relation to an Investor:

- (a) each member of that Investor's Investor Group (other than the Investor itself);
- (b) any general partner, limited partner or other partner in, or trustee, nominee, custodian, operator or manager of, that Investor or any member of its Investor Group;
- (c) any group undertaking of any general partner, trustee, nominee, custodian, operator or manager of, that Investor or any member of its Investor Group (excluding any portfolio company thereof); and
- (d) any Fund which has the same general partner, trustee, nominee, operator or manager as that Investor or any member of its Investor Group.

“Investor Consent” or “Investor Direction”: the giving of a written consent or written direction by an Investor Majority.

“Investor Director”: has the meaning given to it in article 6.1.

“Investor Group”: in relation to an Investor, that Investor and its subsidiary undertakings or, as the case may be, that Investor, any parent undertaking, whether direct or indirect, of that Investor and any other subsidiary undertaking of any such

parent undertaking from time to time and references to “**member**” or “**members**” of the or an “**Investor Group**” shall be construed accordingly.

“**Investor Majority**”: the holder(s) for the time being of over 50% of the aggregate of the nominal value of the C Shares and the C1 shares then in issue.

“**Investor Proportions**”: has the meaning given to it in article 14.10.

“**Investor Representative**”: has the meaning given to it in article 6.4.

“**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.

“**Lead Investor**”: Simmons Private Equity II, L.P., a limited partnership established in the Island of Guernsey with registered number 1928, whose registered office is at 3rd Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 3PP, Channel Islands.

“**Leaver**”: any Shareholder who ceases, or has ceased, to be an Employee, and for these purposes, a Member shall be deemed to cease, or have ceased, to be an Employee upon the commencement of any period during which the relevant individual is placed on Garden Leave, notwithstanding that the relevant individual remains an employee of the Company or any other Group Company provided that such Shareholder ceases, or has ceased to be a Director or a director of any other Group Company.

“**Leaver Sale Price**”: has the meaning given to it in article 20.4.

“**Lien Enforcement Notice**”: means a notice in writing which complies with the requirements of article 27.2.

“**Listing**”: the admission of any class of the issued share capital of the Company to the Official List of the Financial Conduct Authority, and to trading on the London Stock Exchange’s market for listed securities, or to trading on the Alternative Investment Market of the London Stock Exchange PLC or any equivalent admission to or permission to deal or trade on, any other Recognised Stock Exchange approved by the Lead Investor.

“**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.

“**Minimum Transfer Condition**”: has the meaning given to it in article 17.2.

“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.

“New Holding Company”: any new holding company of the Company, formed for the purpose of facilitating a Refinancing, Solvent Reorganisation or a Listing.

“New Shareholder”: has the meaning given to it in article 22.10.

“Non-Investors’ Pre-emption shares”: has the meaning given to it in article 14.10.

“Non-Investor Shareholders”: has the meaning given to it in article 14.10.

“Offer”: has the meaning given to it in article 21.2.

“Offer Notice”: has the meaning given to it in article 21.3.

“Offer Price”: has the meaning given to it in article 21.2.

“Offer Period”: has the meaning given to it in article 21.3.

“Offeree”: an offeree of shares in terms of article 14 or article 21.

“Ordinary Shares”: the A Shares, the B Shares, the C Shares and the C1 Shares.

“Original Shareholder”: has the meaning given to it in article 16.1.

“Permitted Transfer”: a transfer of Shares made in accordance with article 16.

“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;
- (b) a Shareholder which is a company, a Member of the Same Group as that company; and
- (c) an Investor, an Investor Associate.

“Preferred Shares” the D Preferred Shares, the E Preferred Shares, F Preferred Shares, the G Preferred Shares and the H Preferred Shares.

“Privileged Relation”: in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) 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).

“Proportionate Allocation”: has the meaning given to it in article 17.6.

“Proposed Buyer”: has the meaning given to it in article 22.1.

“Proposed Transfer”: has the meaning given to it in article 21.1.

“Proposed Transferee”: has the meaning given to it in article 17.1.3.

“Recipient”: has the meaning given to it in article 30.1.

“Recipient Group Company”: has the meaning given to it in article 30.2.1.

“Recognised Stock Exchange”: a recognised investment exchange, recognised overseas investment exchange, a designated investment exchange or designated overseas investment exchange, in each case for the purposes of FSMA.

“Refinancing”: a refinancing or re-capitalisation of the Company and/or any Group Company.

“Relevant Loss”: has the meaning given to it in article 29.4.1.

“Relevant Officer”: has the meaning given to it in article 29.4.2.

“Relevant Securities”: any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after 19 September 2014, other than:

- (a) the grant of any options under an Employee Share 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/or the Investment Agreement;
- (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Investor Consent;
- (d) any issue of Shares pursuant to the exercise of a Follow-on Warrant; and
- (e) any issue of Shares pursuant to a Repair Issue.

“Relevant Shares”: in relation to a Leaver means all Shares held by:

- (a) the Leaver in question; and

- (b) any Permitted Transferee of that Leaver (other than those Shares held by those persons that an Investor Majority declares itself satisfied were not acquired directly or indirectly from the Leaver or by reason of his/her relationship with the Leaver),

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.

“Repair Issue” has the meaning given to it in the Investment Agreement.

“Restricted Shares”: has the meaning given to it in article 20.5.

“Sale Notice”: has the meaning given to it in article 20.2.

“Sale Price”: has the meaning given to it in article 17.1.4.

“Sale Shares”: has the meaning given to it in article 17.1.2.

“Seller”: has the meaning given to it in article 17.1.

“Sellers’ Shares”: has the meaning given to it in article 22.1.

“Selling Shareholders”: has the meaning given to it in article 22.1.

“Shareholder”: a holder for the time being of any Share or Shares.

“Shares”: shares (of any class) in the capital of the Company and **“Share”** shall be construed accordingly.

“Share Sale”: the making of one or more agreements for (i) the disposal of any shares in the Company or any subsidiary of the Company which directly or indirectly owns all or substantially all of the business and assets of the Group or (ii) any consolidation or merger of the Company with or into any other company or other entity or person or (iii) any share exchange, recapitalisation or similar transaction or (iv) any other corporate transaction, which results in a person (and any person who in relation to him is a Connected Person or is a person with whom he is acting in concert) obtaining a Controlling Interest in the Company or such subsidiary of the Company (as the case may be); and for the purposes of this definition **disposal** shall mean sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the share in question or voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement; (other than as part of a Solvent Reorganisation or a sale to one or more Permitted Transferees).

“Share Sale Date”: has the meaning given to it in article 21.3.

“Share 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).

“Solvent Rcororganisation”: a solvent reorganisation of the Group by any means, including the acquisition of the Company by a New Holding Company or any other reorganisation of the Group involving the Company's share or debt capital (including the conversion, consolidation, subdivision, reclassification or redesignation (as appropriate) of Shares into a single class of ordinary shares) in preparation for an Exit.

“Stapling Condition”: has the meaning given to it in article 17.3.

“subsidiary”: has the meaning given to it in article 1.10.

“Termination Date”:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee dies, the date of his death;
- (d) where the Employee 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 or holding of office is terminated.

“Transfer Notice”: has the meaning given to it in article 17.1.

“Transfer Price”: has the meaning given to it in article 18.

“Writing” or “written”: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 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 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), 16, 18(e), 22, 26(5), 38, 39, 44(2), 49 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

- 3.1 Unless otherwise determined by ordinary resolution, the number of Directors shall not exceed seven and 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 4.7 and article 4.8.
- 4.5 Model articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Investor Consent)" following each reference to "the directors" in such model articles.
- 4.6 Meetings of the Directors shall take place at least six times in each year, with a period of not more than twelve weeks between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 10 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent in writing of an Investor Director, when meetings of the Directors may take place less frequently or on shorter notice).
- 4.7 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be three Eligible Directors, which must include at least one Investor Director and the Existing Manager Director in office for the time being and the HLT Manager Director in office for the time being, unless:
 - 4.7.1 there is no Investor Director or Existing Manager Director or HLT Manager Director (as appropriate) in office for the time being; or
 - 4.7.2 such Investor Director or Existing Manager Director or HLT Director (as appropriate) has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting; or
 - 4.7.3 such Investor Director or Existing Manager Director or HLT Manager Director (as appropriate) is not, in respect of any particular meeting (or part of a meeting), an Eligible Director.

in which case, subject to article 4.8, the quorum for such meeting (or part of the meeting, as the case may be) shall be any three 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 Chairman determines. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed provided there is an Investor Director present.

- 4.8 For the purposes of any meeting (or part of a meeting) held pursuant to article 8 to authorise a Conflict, 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*.
- 4.9 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:
- 4.9.1 appoint further Directors; or
 - 4.9.2 call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.10 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) provided he is an Investor Director shall have a second or casting vote. At any meeting of the Directors where the Investor Directors are fewer in number than, or the same in number as, the remaining directors, those Investor Directors present shall have such number of votes to ensure that they have a majority of the votes present at such meeting.
- 4.11 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.

5 APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words “provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 3.1 of these Articles”.
- 5.2 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:
- 5.2.1 he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;
 - 5.2.2 save in the case of an Investor Director, a majority of the other Directors resolve that he cease to be a Director; and

5.2.3 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.

5.3 Where an Existing Manager Director ceases to be a Director by operation of Article 5.2.3, the other Existing Manager shall be automatically appointed as the Existing Manager Director.

6 CONSTITUTION OF BOARD

6.1 An Investor Majority shall from time to time have the right for so long as the Investors hold Ordinary Shares to appoint, by notice in writing addressed to the Company, and to maintain in office, not more than three persons as Directors (each an **“Investor Director”**) and to remove any such Investor Director and to appoint a replacement.

6.2 Any appointment or removal of an Investor Director made in accordance with article 6.1 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Board or, if later, the date (if any) specified in such notice.

6.3 An Investor Director shall be entitled to be appointed to any committee of the Board established from time to time. On the receipt of the request in writing of his appointor(s), the Company shall procure that an Investor Director shall be appointed as a director of any other Group Company, to the extent specified in such request (but such Investor Director shall not be entitled to any additional fee).

6.4 An Investor Majority shall from time to time have the right to nominate one person to be an observer (**“Investor Representative”**), who shall be entitled to receive notice of all meetings of directors (and committees of the directors) of each Group Company and copies of all board papers as if he were a director of each such Group Company and to attend and speak at, but not vote at, any meeting of the directors (and committees of the directors) of each Group Company.

6.5 The reasonable expenses of each Investor Director and the Investor Representative shall be payable by the Company but no other fees shall be payable to an Investor Director or Investor Representative by the Company.

6.6 Upon receipt of an Investor Direction, the Directors shall procure that an Investor Director is appointed and acts as chairman of the Board (**“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 Investor Director present at the meeting to chair the meeting, and if no other Investor Director is present any other Director, and the appointment of the chairman of the meeting must be the first business of the meeting.

- 6.7 The Existing Managers shall, provided that and for so long as they hold in aggregate not less than 10% of the Fully Diluted share capital of the Company (provided that such nominee holds any B Shares and has not become a Leaver) have the right to nominate, appoint and remove:

6.7.1 one of themselves to the Board ("**Existing Manager Director**"); and

6.7.2 the other to attend and speak at, but not vote at, any meetings of the Board ("**Existing Manager Representative**"),

in each case by written notice to the Company. Upon receipt of any such notice, each of the parties shall procure that the Existing Manager nominated or appointed as Existing Manager Director or Existing Manager Representative (as the case may be) shall be appointed or removed in accordance with the terms of the notice, provided that there shall never be more than one Existing Manager Director in office at any one time.

- 6.8 The HLT Managers shall, provided that and for so long as they hold in aggregate not less than 10% of the Fully Diluted share capital of the Company (provided that such nominee holds any B Shares and has not become a Leaver) have the right to nominate, appoint and remove:

6.8.1 one of themselves to the Board ("**HLT Manager Director**"); and

6.8.2 one other to attend and speak at, but not vote at, any meetings of the Board ("**HLT Manager Representative**"),

- 6.9 in each case by written notice to the Company. Upon receipt of any such notice, each of the parties shall procure that the HLT Manager nominated or appointed as HLT Manager Director or HLT Manager Representative (as the case may be) shall be appointed or removed in accordance with the terms of the notice, provided that there shall never be more than one HLT Manager Director in office at any one time.

- 6.10 The Group Chief Executive Officer and the Group Finance Director (in each case, from time to time) shall be appointed to the Board.

7 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 7.1 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:

7.1.1 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;

- 7.1.2 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;
- 7.1.3 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;
- 7.1.4 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;
- 7.1.5 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
- 7.1.6 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:
 - 8.2.1 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;
 - 8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 8.2.3 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.

- 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 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;
 - 8.3.3 subject to Investor Consent, 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;
 - 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 8.3.5 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
 - 8.3.6 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 An Investor Director shall be entitled from time to time to disclose to any Investor (and to any Permitted Transferee of an Investor) such information concerning the business and affairs of the Company as he shall at his discretion see fit.

- 8.8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the 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 DIVIDENDS

- 10.1 The rights as regards income attaching to each class of Shares shall be as set out in this article.
- 10.2 Subject to (i) the Board recommending payment of same and (ii) obtaining Investor Consent, any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Ordinary Shares (pari passu as if they constituted shares of the same class) pro rata to their respective holdings of Ordinary Shares.
- 10.3 Subject to the Act, the Directors may pay interim dividends provided that:
- 10.3.1 the Available Profits of the Company justify the payment; and
 - 10.3.2 the Company obtains Investor Consent to any such interim dividend.
- 10.4 The holders of the Preferred Shares shall not be entitled to receive payment of any dividends.

11 LIQUIDATION PREFERENCE

- 11.1 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 (including the payment of any sums due by the Company under or in respect of any loan notes or similar arrangement) shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:

- 11.1.1 first, in paying to the holders of the H Preferred Shares in respect of each of the H Preferred Shares held the Issue price multiplied by 7.5 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 H Preferred Shares pro rata to the aggregate amounts due under this article 11.1.1 to each such H Preferred Share held;
- 11.1.2 second, in paying to the holders of the G Preferred Shares in respect of each of the G Preferred Shares held the Issue price multiplied by 4.5 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 G Preferred Shares pro rata to the aggregate amounts due under this article 11.1.2 to each such G Preferred Share held;
- 11.1.3 third, in paying to the holders of the E Preferred Shares in respect of each of the E Preferred Share held the Issue Price of that E Preferred Share 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 E Preferred Shares pro rata to the aggregate amounts due under this article 11.1.3 to each such E Preferred Share held;
- 11.1.4 fourth, in paying to the holders of the D Preferred Shares in respect of each of the D Preferred Share held the Issue Price of that D Preferred Share 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 D Preferred Shares pro rata to the aggregate amounts due under this article 11.1.4 to each such D Preferred Share held;
- 11.1.5 fifth, in paying to the holders of the F Preferred Shares in respect of each of the F Preferred Share held the Issue Price of that F Preferred Share 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 F Preferred Shares pro rata to the aggregate amounts due under this article 11.1.5 to each such F Preferred Share held;
- 11.1.6 sixth, paying to the holders of the C Shares in respect of each of the C Share held the Issue Price of that C Share 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 C Shares pro rata to the aggregate amounts due under this article 11.1.6 to each such C Share held;
- 11.1.7 thereafter, in distributing the balance among the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held, as if they all constituted shares of the same class.

12 EXIT PROVISIONS

12.1 On a Share Sale, the Share Sale Proceeds shall be distributed in the order of priority set out in article 11. The Directors shall not register any transfer of Shares if the Share 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 Share Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

12.1.1 the Directors may register the transfer of the relevant Shares, provided that the Share Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in article 11; and

12.1.2 each Shareholder shall take any action (to the extent lawful and within its control) required by an Investor Majority to ensure that the balance of the Share Sale Proceeds are distributed in the order of priority set out in article 11.

12.2 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 11, 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 and within its control) take any action required by an Investor Majority (including, but without prejudice to the generality of this article 12.2, such action as may be necessary to put the Company into voluntary liquidation so that article 11 applies).

12.3 Immediately before a Listing, the Company shall issue to each holder for the time being of Preferred Shares and Ordinary Shares, by way of automatic capitalisation of reserves, such number of ordinary shares which shall result in that holder holding, when aggregated with its existing shareholding (and following every issue of ordinary shares to Shareholders pursuant to this article 12.3), the same proportion of the total number of ordinary shares in issue as the proportion that its entitlement to the surplus assets of the Company under article 11 bears to the total of the surplus assets available for distribution to the Shareholders under article 11.

12.4 All ordinary shares to be issued in accordance with article 12.3 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and shall be credited as fully paid at par. Such a capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the ordinary shares arising on the capitalisation to the Shareholders entitled to them in accordance with article 12.3. If and to the extent that the Company is not lawfully permitted to carry out the capitalisation required by article 12.3 in full (whether by virtue of the Act or otherwise), each such holder shall be entitled to subscribe in cash at par for the balance of that number of additional ordinary shares as would otherwise have been issued pursuant to article 12.3. The Shareholders shall

procure (so far as they are lawfully able) that the Directors shall have sufficient authorisations required to issue the ordinary shares which may fall to be issued under article 12.3 or this article 12.4.

13 VARIATION OF CLASS RIGHTS

13.1 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).

13.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall constitute a variation of the rights of those existing classes of Shares.

14 PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

14.1 Save to the extent authorised by these Articles, the Directors shall not, save with Investor Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

14.2 Subject to the remaining provisions of this article 14, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

14.2.1 offer or allot;

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

14.2.3 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.

14.3 The authority referred to in article 14.2:

14.3.1 shall be limited to a maximum nominal amount of:

(a) £18,666.67 of C1 Shares;

(b) £933,333 H Preferred Shares;

14.3.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

- 14.3.3 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).
- 14.4 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.
- 14.5 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 Ordinary Shares on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary 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.
- 14.6 An offer made under article 14.5 shall:
- 14.6.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered but shall not stipulate or require a minimum number or proportion of those Relevant Securities that must be applied for by an Offeree;
- 14.6.2 remain open for a period of at least 15 Business Days from the date of service of the offer; and
- 14.6.3 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 14.5 shall, in his acceptance, state the number of excess Relevant Securities ("**Excess Securities**") for which he wishes to subscribe.
- 14.7 If, on the expiry of an offer made in accordance with article 14.5, 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.
- 14.8 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with article 14.5 shall be used to satisfy any requests for Excess Securities made pursuant to article 14.6.3. 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 Ordinary Shares held by each such applicant bears to the total number of such Ordinary 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 14.9, be offered to any other person(s) as the Directors may, with Investor Consent, determine, at the same price and on the same terms as the offer to the Shareholders.

- 14.9 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.
- 14.10 Notwithstanding the provisions of articles 14.5 to 14.8, if the Board reasonably considers that complying with the requirements set out in articles 14.5 to 14.8 would be detrimental to the financial position of the Company, upon an Investor Direction the Company shall issue all the Relevant Securities at the price set out in article 14.5 to the Investors (pro rata to their existing holdings of Ordinary Shares (**“Investor Proportions”**) and the rights of pre-emption of the remaining Shareholders (the **“Non-Investor Shareholders”**) shall be deemed to be waived. In such circumstances, as soon as reasonably practicable following the issue of the Relevant Securities to the Investors, and in any event, no later than 15 Business Days after subscription of the Relevant Securities by the Investors, the Investors shall in their Investor Proportions offer such proportion of such Relevant Securities to the Non-Investor Shareholders as they would have been entitled to had articles 14.5 to 14.8 applied (the **“Non-Investors’ Pre-emption Shares”**). Any such offer shall remain open for three months after subscription for the Relevant Securities by the Investors and be on terms substantially the same as the terms that would have applied under articles 14.5 to 14.8 had the issue of the Non-Investors’ Pre-emption Shares taken place and each Investor shall transfer the relevant number of Relevant Securities to the Non-Investor Shareholders who accept such offer (provided that such offer shall automatically lapse should an Exit occur prior to the date of acceptance of the offer). Any stamp duty charges shall be borne equally by the parties.
- 14.11 For the purposes of article 14.5, when determining the number of Relevant Securities to be offered to all holders of Shares, there shall be disregarded any Shares held by an Employee Trust.

15 **TRANSFERS OF SHARES: GENERAL**

- 15.1 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.
- 15.2 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 15.5,

the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

15.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall, save with Investor Consent to the contrary, be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

15.4 The Directors may (and shall, if requested by an Investor Majority), 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 Investors agreeing to be bound by the terms of the Investment Agreement, in such form as the Directors (acting with Investor Consent) 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 15.5, 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.

15.5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by an Investor Director, require:

15.5.1 any holder (or the legal representatives of a deceased holder); or

15.5.2 any person named as a transferee in a transfer lodged for registration; or

15.5.3 such other person as the Directors or an Investor Director may reasonably believe has 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.

15.6 If any such information or evidence referred to in article 15.5 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 (including an Investor Director) within 10 Business Days of receipt of such written notice, then, unless otherwise directed in writing by an Investor Majority:

15.6.1 the relevant 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 otherwise attaching to those Shares; or
- (c) to participate in any future issue of Shares issued in respect of those Shares; and

15.6.2 the Directors may (with Investor Consent), 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 (with Investor Consent) reinstate the rights referred to in article 15.6.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 15.6.2 on completion of such transfer.

15.7 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:

15.7.1 it does not contain a Minimum Transfer Condition; and

15.7.2 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).

15.8 Any Transfer Notice (but not an Offer Notice or a Drag Along Notice) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall (save with Investor Consent to the contrary) automatically be revoked by the service of a Deemed Transfer Notice.

16 PERMITTED TRANSFERS OF SHARES

16.1 A Shareholder (the “**Original Shareholder**”) who is an individual may transfer any Share held by him to a Permitted Transferee provided that:

16.1.1 the right to attend and vote on such Shares shall be retained by the Original Shareholder notwithstanding such transfer; and

16.1.2 not more than 50% of Shares in aggregate originally held by the Original Shareholder shall be held by Permitted Transferees at any time without Investor Consent (such consent not to be unreasonably withheld or delayed).

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

- 16.2.1 the Original Shareholder;
 - 16.2.2 any Privileged Relation(s) of the Original Shareholder;
 - 16.2.3 subject to article 16.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
 - 16.2.4 subject to article 16.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction.
- 16.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if an Investor Majority is satisfied:
- 16.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
 - 16.3.2 with the identity of the proposed trustee(s);
 - 16.3.3 that the proposed transfer will not result in 20% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - 16.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 16.4 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:
- 16.4.1 the Original Shareholder; or
 - 16.4.2 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 16.4, 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 16.4.
- 16.5 If the Original Shareholder is an Investor and a Permitted Transfer has been made, the Permitted Transferee shall, within 20 Business Days of ceasing to be an Investor Associate of the Original Shareholder, transfer the Shares held by it to:
- 16.5.1 the Original Shareholder; or

16.5.2 another Investor Associate of the Original Shareholder,

without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this article 16.5, 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 16.5.

16.6 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:

16.6.1 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

16.6.2 give a Transfer Notice to the Company in accordance with article 17,

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 16.6. This article 16.6 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

17 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

17.1 Except in the case of a transfer pursuant to article 16 (Permitted Transfers), article 19 (Compulsory Transfers), article 20 (Leavers), article 22 (Drag Along Rights) or article 21 (Mandatory Offer on Change of Control), a Shareholder (who is not a Leaver) who wishes to transfer any Shares ("**Seller**") shall give notice in writing of such wish to the Company ("**Transfer Notice**") copied to the Lead Investor. Each Transfer Notice shall:

17.1.1 relate to one class of Shares only;

17.1.2 specify the number and class of Shares which the Seller wishes to transfer ("**Sale Shares**");

17.1.3 specify the identity of any person to whom the Seller wishes to transfer the Sale Shares ("**Proposed Transferee**");

17.1.4 specify the price per Share ("**Sale Price**") at which the Seller wishes to transfer the Sale Shares;

- 17.1.5 be deemed to constitute the Company as the Seller's agent for the sale of the Sale Shares at the Sale Price in the manner prescribed by these Articles; and
- 17.1.6 not be varied or cancelled (without Investor Consent).
- 17.2 The Seller may provide in the Transfer Notice that unless buyers are found for all or not less than a specified number of the Sale Shares, he shall not be bound to transfer any of such Shares ("**Minimum Transfer Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of this article 17, if the Transfer Notice contains a Minimum Transfer Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers for the minimum number specified in the Minimum Transfer Condition.
- 17.3 The Seller may (if he holds Shares of more than one class) provide in the Transfer Notice that he shall not be bound to transfer the Sale Shares except to the extent that buyers are found for a proportionate number of Shares of all other classes held by the Seller ("**Stapling Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of this article 17, if the Transfer Notice contains a Stapling Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers for a proportionate number of Shares of all other classes held by the Seller.
- 17.4 The provisions of this article 17.4 shall apply to any transfer of any Shares by any Shareholder other than an Investor. The Lead Investor may, within ten Business Days of receipt of the Transfer Notice, direct the Company by Investor Direction immediately to offer at the Sale Price such number of Sale Shares to such person as may be specified in the Investor Direction (including, for the avoidance of doubt, the Company and/or any Employee Trust). If the offeree of the Sale Shares applies for any of them within five Business Days of the date of such offer, the Company shall (with Investor Consent) allocate to the offeree the number of Sale Shares applied for on the tenth Business Day following receipt of the Transfer Notice. If all of the Sale Shares are so allocated, the provisions of articles 17.5 to 17.8 (inclusive) shall not apply. If none or some only of the Sale Shares are so allocated, the remaining provisions of this article 17 shall have effect as if references to Sale Shares shall mean those not allocated in accordance with this article 17.4.
- 17.5 The Company shall on the twentieth Business Day following receipt of the Transfer Notice give notice in writing to each of the Shareholders (other than the Seller) offering for sale the Sale Shares at the Sale Price. The notice shall specify that the Shareholders shall have a period of 15 Business Days from the date of such notice within which to apply for same or all of the Sale Shares. It shall be a term of the offer that if Shareholders of more than one class apply and there is competition for the Sale Shares between Shareholders the Sale Shares shall be treated as having been offered to all of the Shareholders holding the class of Shares shown in the line relevant to the class of Sale Shares in columns (2) and (3) of the table below in that order of priority:

Column (1) Sale Shares	Column (2) Offered first to:	Column (3) Offered second to:
Ordinary Shares	C Shares and C1 Shares pari passu	A Shares and B Shares pari passu
Preferred Shares	C Shares and C1 Shares pari passu	A Shares and B Shares pari passu

- 17.6 It shall be a further term of that offer that, if there is competition within any class of Shareholder for the Sale Shares treated as having been offered to that class, such Sale Shares shall be treated as having been offered among such class of Shareholder in proportion (as nearly as may be) to their existing holdings of Shares of the class to which the offer is treated as having been made ("**Proportionate Allocation**").
- 17.7 The Company shall allocate the Sale Shares as follows:
- 17.7.1 if the total number of Sale Shares of a particular class applied for is equal to or less than the available number of Sale Shares of that class, each Shareholder shall be allocated the number applied for in accordance with his application; or
- 17.7.2 if the total number of Sale Shares of a particular class applied for is greater than the available number of Sale Shares of that class, each Member shall be allocated his Proportionate Allocation or such lesser number of Sale Shares of that class for which he has applied (in either case, "**Extra Shares**") and applications for Extra Shares shall be allocated in accordance with such applications or, in the event of competition, among those Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the proportions of all the Shares of the same class held by such Shareholders.
- 17.8 Allocations of Sale Shares made by the Company pursuant to this Article shall constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person shall be obliged to take more than the maximum number of Sale Shares of any class that he has indicated to the Company he is willing to purchase.
- 17.9 The Company shall forthwith upon allocating any Sale Shares give notice in writing ("**Allocation Notice**") to the Seller and to each person to whom Sale Shares have been so allocated of the number of Sale Shares so allocated and the aggregate price payable therefor. Completion of the sale and purchase of those Sale Shares in accordance with the Allocation Notice shall take place within ten Business Days of the date of service of the Allocation Notice whereupon the Seller shall, upon payment of the price due in respect thereof, transfer those Sale Shares specified in the Allocation Notice to the persons to whom they have been allocated and deliver the relevant Share Certificates.

- 17.10 Save in the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to article 17.9, the Company may receive such purchase money and may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause the name of the proposed transferee to be entered in the Company's register of members as the holder of such Sale Shares and shall hold the purchase money on trust (without interest) for the Seller. The receipt of the Company for the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the Company's register of members, the validity of the proceedings shall not be questioned by any person. In the case of an acquisition of Sale Shares by the Company, if the Seller defaults in transferring any Sale Shares pursuant to Article 17.9, the Company may nominate some person to execute an instrument of transfer of such Sale Shares in the name and on behalf of the Seller and thereafter, when such instrument has been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the law and shall hold the purchase money on trust (without interest) for the Seller.
- 17.11 If all the Sale Shares are not sold under the pre-emption provisions contained in Articles 17.1 to 17.10 (inclusive), the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller and the Seller may at any time, within three calendar months after receiving such notification, transfer to the Proposed Transferee any unsold Sale Shares at any price not less than the Sale Price, provided that:
- 17.11.1 the Lead Investor may (by Investor Direction) require the Company to refuse registration of any Proposed Transferee if the Lead Investor reasonably believes the Proposed Transferee to be a competitor of the Group or a person connected with such a competitor (or a nominee of either);
 - 17.11.2 if the Seller stipulated in the Transfer Notice a Minimum Transfer Condition or Stapling Condition which has not been satisfied, the Seller shall not be entitled to sell any Sale Shares unless he complies with such Minimum Transfer Condition or Stapling Condition; and
 - 17.11.3 any such sale shall be a sale in good faith and the Lead Investor may require to be satisfied (in such manner as they may reasonably think fit) that the Sale Shares are being sold for not less than the Sale Price without any deduction, rebate or allowance whatsoever and if not so satisfied may (by Investor Direction) require the Company to refuse to register the transfer.

18 VALUATION

- 18.1 The Transfer Price for each Share 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 Share Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting), acting with Investor Consent,

and the Seller or, in default of agreement within 20 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 Share Sale Share.

- 18.2 The Fair Value shall be the price per Share Sale Share determined by the Independent Expert on the following bases and assumptions:
- 18.2.1 valuing the Sale Shares as on an arm's-length Share Sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 18.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 18.2.3 that the Sale Shares are capable of being transferred without restriction;
 - 18.2.4 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
 - 18.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 18.3 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.
- 18.4 The Directors will give the Independent 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.
- 18.5 The parties are entitled to make written submissions to the Independent Expert 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.
- 18.6 The Independent Expert shall act as expert and not as arbiter and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 18.7 The Independent Expert shall be requested to determine the Fair Value within 30 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.

18.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:

18.8.1 the Seller withdraws the relevant Transfer Notice in accordance with article 19.3; or

18.8.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Share Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

19 **COMPULSORY TRANSFERS**

19.1 A person entitled to any Shares in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside Scotland) shall be deemed to have given a Transfer Notice in respect of those Shares at such time as the Directors (acting with Investor Consent) may determine.

19.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside Scotland, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors (acting with Investor Consent) may determine.

19.3 If there is a change in control (as "control" is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice. This article 19.3 shall not apply to a Shareholder that is an Investor.

20 **LEAVERS**

20.1 The provisions of this article shall apply to any Leaver and to any Relevant Shares.

20.2 Within the period commencing on the relevant Termination Date and expiring at midnight on the first anniversary of such date, the Company shall immediately following an Investor Direction, serve a notice on the Leaver (a "Sale Notice"). The Sale Notice shall notify him that he is, with immediate effect, deemed to have offered

all of his Relevant Shares to such person(s) (including the Company and/or any Employee Trust) as may be specified in the Sale Notice. On receipt of such Sale Notice, the Leaver shall be obliged to transfer (or procure the transfer), at the Leaver Sale Price all of his Relevant Shares to the person(s) specified in the Sale Notice. Completion of the sale and purchase of the Relevant Shares in accordance with the Sale Notice shall take place on a date as notified to the Leaver by the Board or on an Exit whereupon the Leaver shall transfer (or procure the transfer of) the Relevant Shares to the person(s) specified in the Sale Notice and deliver the relevant share certificates against payment of the Leaver Sale Price for such Shares.

20.3 On the acquisition of Relevant Shares:

20.3.1 other than by the Company, if the Leaver defaults in transferring any Relevant Shares pursuant to article 20.2, the Company may receive the relevant purchase money and may nominate some person to execute an instrument of transfer of such Relevant Shares in the name and on behalf of the Leaver. Thereafter, when such instrument has been duly stamped, the Company shall cause the name of the proposed transferee to be entered in the Company's register of members as the holder of such Relevant Shares and shall hold the purchase money on trust (without interest) for the Leaver. The receipt of the Company for the purchase money shall be a good discharge to the proposed transferee (who shall not be bound to see to the application thereof) and, after his name has been so entered in the Company's register of members, the validity of the proceedings shall not be questioned by any person; or

20.3.2 by the Company, if the Leaver defaults in transferring any Relevant Shares pursuant to article 20.2, the Company may nominate some person to execute an instrument of transfer of such Relevant Shares in the name and on behalf of the Leaver and thereafter, when such instrument has been duly stamped, the Company shall cause such share capital to be cancelled in accordance with the Act and shall hold the purchase money on trust (without interest) for the Leaver.

20.4 In these Articles the **"Leaver Sale Price"** shall be:

20.4.1 in the case of a Good Leaver the aggregate Fair Value of such Relevant Shares;

20.4.2 in the case of a Bad Leaver or a Defaulting Good Leaver the lower of the aggregate Issue Price of such Relevant Shares and the aggregate Fair Value of such Relevant Shares and a Good Leaver who has been paid the Leaver Sale Price in accordance with article 20.4.1 subsequently becomes a Defaulting Good Leaver, he shall be bound to repay on demand by the Company the difference between the aggregate Fair Value of the Relevant Shares and (if lower) the aggregate Issue Price of the Relevant Shares.

20.5 If the relevant Investor Direction so directs upon a Sale Notice being served under article 18.2 the Relevant Shares (**“Restricted Shares”**) shall cease to confer on the holder of them any rights:

20.5.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person or by proxy or otherwise), including in respect of any resolution of any class of Shares;

20.5.2 to receive dividends or other distributions otherwise attaching to those Shares; or

20.5.3 to participate in any future issue of Shares issued in respect of those Shares.

The Directors may (with Investor Consent) reinstate the rights referred to in this Article 18.5 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to article 20.2.

21 **MANDATORY OFFER ON CHANGE OF CONTROL**

21.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to article 16 (Permitted Transfers), article 19 (Compulsory Transfers) or article 25.2 (Purchase of Own Shares), but after the operation of the pre-emption procedure set out in article 17), 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 21 shall apply.

21.2 The Seller 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 Ordinary Shares held by such Offerees on the date of the Offer for a consideration in cash per Ordinary Share (the **“Offer Price”**) which is equal to the highest price per Ordinary Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Ordinary Shares in connection with the Proposed Transfer.

21.3 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 **“Share Sale Date”**). The Offer Notice shall specify:

21.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);

21.3.2 the Offer Price and any other terms and conditions of the Offer;

- 21.3.3 the Share Sale Date; and
- 21.3.4 the number of Ordinary Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 21.4 The completion of the Proposed Transfer shall be conditional in all respects on:
 - 21.4.1 the making of an Offer in accordance with this article 21; and
 - 21.4.2 the completion of the transfer of any Ordinary 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 21.4.
- 21.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this article 21 shall not be, subject to the pre-emption provisions of article 17.
- 22 **DRAG ALONG**
 - 22.1 If an Investor Majority (the **“Selling Shareholders”**) wish to transfer all of their interest in Ordinary Shares (**“Sellers’ Shares”**) to a bona fide purchaser on arm's-length terms (**“Proposed Buyer”**), the Selling Shareholders shall have the option (**“Drag Along Option”**) to require all the other holders of Ordinary Shares on the date of the request, (**“Called Shareholders”**) to sell and transfer all their interest in Ordinary Shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 22.
 - 22.2 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:
 - 22.2.1 that the Called Shareholders are required to transfer all their Ordinary Shares (**“Called Shares”**) pursuant to this article 22;
 - 22.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
 - 22.2.3 the consideration payable for the Called Shares calculated in accordance with article 22.4;
 - 22.2.4 the proposed date of completion of transfer of the Called Shares.

- 22.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors, acting with Investor Consent. 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 60 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.
- 22.4 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 Seller' Shares in accordance with the provisions of article 11.
- 22.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 22.
- 22.6 Completion of the Share Sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the Share Sale and purchase of the Sellers' Shares unless:
- 22.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree;
or
- 22.6.2 that date is less than 15 Business Days after the date of service of the Drag Along Notice, in which case completion of the Share Sale and purchase of the Called Shares shall take place 15 Business Days after the date of service of the Drag Along Notice,
- (any such date being the **"Called Shares Completion Date"**).
- 22.7 Not later than the Called Shares Completion Date the Called Shareholders shall deliver stock transfer forms for their Called Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof) to the Company. *On the Called Shares Completion Date the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to article 22.4 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 22.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 22.4 in trust for the Called Shareholders without any obligation to pay interest.*
- 22.8 To the extent that the Proposed Buyer has not, on the Called Shares Completion Date, put the Company in funds to pay the amounts due pursuant to article 22.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share

certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 22 in respect of their Called Shares.

- 22.9 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 22.
- 22.10 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, Ordinary 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 Ordinary Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 22 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Ordinary 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. References in this Article 22.11 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Ordinary Shares.
- 22.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a Share Sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of article 17.
- 22.12 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

23 GENERAL MEETINGS

23.1 No business other than, subject to article 23.2, 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.

23.2 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.

24 VOTING

24.1 Subject to any other provisions in these Articles concerning voting rights, each Ordinary Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

24.2 The Preferred Shares will entitle the holders thereof to receive notice of all general meetings but will not entitle the holders to attend or vote at any general meeting.

24.3 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.

24.4 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.

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

24.5.1 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

24.5.2 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.

25 PURCHASE OF OWN SHARES

25.1 Subject to the Act but without prejudice to any other provision of these Articles (including, without limitation, article 13.2.5), 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:

25.1.1 £15,000; and

25.1.2 the value of 5% of the Company's share capital.

25.2 Subject to the remaining provisions of this article 25, on a purchase or redemption of Shares under Part 18 of the Act, the Company may:

25.2.1 hold the Shares (or any of them) in treasury;

25.2.2 deal with any of the Shares, at any time, in accordance with section 727; or

25.2.3 cancel any of the Shares, at any time, in accordance with section 729 of the Act.

25.3 The provisions of articles 17.4 to 17.11 (inclusive) shall apply to a Share Sale or transfer of Shares held in treasury pursuant to article 25.2(b) save that, for the purposes of this article 25.4:

25.3.1 reference in article 17 to an allotment shall include the Share Sale or transfer of Shares; and

25.3.2 reference in the definition of "Relevant Securities" to Shares "issued after the 19 September 2014" shall include Shares to be sold or transferred by the Company,

that immediately before the Share Sale or transfer were, in each case, held by the Company as treasury shares.

26 **COMPANY'S LIEN OVER SHARES**

26.1 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.

26.2 The Company's Lien over a share:

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

26.2.2 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 Share Sale of that Share.

- 26.3 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.

27 ENFORCEMENT OF THE COMPANY'S LIEN

- 27.1 Subject to the provisions of this article 27, if:

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

27.1.2 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.

- 27.2 A Lien Enforcement Notice:

27.2.1 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;

27.2.2 must specify the Share concerned;

27.2.3 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);

27.2.4 must be addressed either to the holder of the Share or to a transferee of that holder; and

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

- 27.3 Where Shares are sold under this article 27:

27.3.1 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

27.3.2 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 Share Sale.

- 27.4 The net proceeds of any such Share Sale (after payment of the costs of Share Sale and any other costs of enforcing the Company's Lien) must be applied:

27.4.1 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

- 27.4.2 second, to the person entitled to the Shares at the date of the Share 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 Share 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.
- 27.5 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:
 - 27.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - 27.5.2 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

28 MEANS OF COMMUNICATION TO BE USED

- 28.1 Subject to article 28.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
 - 28.1.1 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
 - 28.1.2 if sent by fax, at the time of transmission; or
 - 28.1.3 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
 - 28.1.4 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
 - 28.1.5 if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; and
 - 28.1.6 if deemed receipt under the previous paragraphs of this article 28.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 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.

- 28.2 To prove service, it is sufficient to prove that:
- 28.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
 - 28.2.2 if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
 - 28.2.3 if sent by post, the envelope containing the notice was properly addressed, paid for and posted; or
 - 28.2.4 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.
- 28.3 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form (other than by fax).
- 28.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

29 INDEMNITY AND INSURANCE

- 29.1 Subject to article 29.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
- 29.1.1 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:
 - (a) in the actual or purported execution and/or discharge of his duties, or in relation thereto ; and
 - (b) 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

- 29.1.2 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.
- 29.2 This article 29 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.
- 29.3 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.
- 29.4 In this article 29:
 - 29.4.1 **"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
 - 29.4.2 **"Relevant Officer"** means any director or other officer or former director or other officer of any Group Company (including any company with is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

30 DATA PROTECTION

- 30.1 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.
- 30.2 The personal data that may be processed for such purposes under this article 31 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:

- 30.2.1 a Member of the Same Group as the Recipient (each a “**Recipient Group Company**”);
 - 30.2.2 employees, directors and professional advisers of that Recipient or any Recipient Group Company; and
 - 30.2.3 funds managed by any of the Recipient Group Companies.
- 30.3 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.