

Company Number: 6567428

THE COMPANIES ACT 2006

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COMPANY LIMITED BY SHARES

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NEW  
ARTICLES OF ASSOCIATION  
of  
MAGIC LIGHT PICTURES LIMITED

(Adopted by Written Resolution passed on **17 April** 2024)

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1. PRELIMINARY

1.1 Definitions

In these Articles:

'A Director' shall have the meaning set out in Article 15.1;

'**A Share**' means an A ordinary share of £0.01 in the capital of the Company;

'A Shareholder' means a holder of an A Share;

'Act' means the Companies Act 1985 (as amended by the Companies Act 1989) and

'**2006 Act**' means the Companies Act 2006;

'Articles' means these articles of association, as from time to time altered;

'associate' means any company 20 per cent or more of the equity share capital of which is beneficially owned from time to time by the relevant person (whether individually or in aggregate);

'Auditors' means the auditors of the Company from time to time;

'B Share' means an ordinary B Share of £0.01 in the capital of the Company;

'B Shareholder' means a holder of a B Share;

'Board' means the board of directors of the Company as from time to time constituted;

'Business' means the business of producing, distributing and licensing films, television, and other products based on properties which the Company acquires or creates and the marketing of such films and the exploitation of the worldwide intellectual property rights in connection with the films, television, products, books and properties so created, developed, produced or acquired;

'Business Day' means a day (excluding Saturdays) on which banks are open for business in the City of London;

'Change of Control' means the obtaining of Control by any person or group of Related Parties who did not previously hold Control;

'company' includes any body corporate;

'Company Competitor' means any person, company, firm or entity who at the relevant time competes either directly or indirectly with the Business (or any part thereof) in any part of the world;

'Connected Person' means any person with whom any relevant person is connected (as determined in accordance with the provisions of section 1122 of the CTA);

'Control' means the holding and/or possession of, the beneficial interest in, shares or other securities of the Company which represent more than 50 per cent of the total voting rights exercisable at general meetings of the Company on all, or substantially all, matters;

'CTA 2010' means the Corporation Tax Act 2010;

"Encumbrance" means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

'Group' means the Company and its subsidiaries from time to time and 'Group Company' has a corresponding meaning;

'holding company' means a holding company as defined in section 1159 and Schedule 6 of the 2006 Act;

'Investor Director' shall have the meaning set out in Article 15.1;

'Investor Share' means an ordinary share of £0.01 in the capital of the Company held by an Investor;

'Investor Shareholder' means a holder of an Investor Share;

'Member of the Same Group' means, in relation to any company, a company which is for the time being the ultimate holding company of such company or a subsidiary of any such holding company;

'Model Articles' means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008

(SI 2008/3229) as amended prior to the date of adoption of these Articles;

'Offeror' has the meaning set out in Article 9.2.1;

'Permitted Class A Dividend' means any dividend of a quantum falling within the executive remuneration package permitted under Article 22.1.6 which may be paid as a priority dividend to the A Shareholders in any financial year;

'Proposing Transferee' has the meaning set out in Article 9.1;

'Related Party' means any person with whom any relevant person:

- (a) is connected (as determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988);
- (b) has an agreement or arrangement (whether legally enforceable or not and whether or not in writing) whereby voting rights attaching to shares in the capital of the Company are to be exercised in accordance with that relevant person's instructions (whether given directly or through any other person); and/or
- (c) is an associate of such person or any person controlled by or connected with such person;

"Relevant Security" means any security, option, warrant, agreement or instrument which confers any right to subscribe for any share(s) in the capital of the Company (and the term "Relevant Securities" shall be construed accordingly);

'Shares' means the Investor Shares, the A Shares and the B Shares;

'Shareholder' means a holder of Shares (whether Investor Shares, A Shares or B Shares);

'subsidiary' means a subsidiary as defined in section 1159 and Schedule 6 of the 2006 Act;

'Third Party Offer' has the meaning set out in Article 9.2;

'Third Party Offer Price' has the meaning set out in Article 9.2.2 as construed in accordance with Article 9.1;

'Third Party Offer Terms' has the meaning set out in Article 9.2.3; and

## 1.2 Same meanings as in the 2006 Act

Save as provided in Article 1.1 and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the 2006 Act.

## 1.3 Statutory modification

In these Articles, save where the context otherwise requires, a reference to a statute, statutory provision or regulation shall include a reference:

- 1.3.1 to that statute, statutory provision or regulation as from time to time consolidated, modified, re-enacted or replaced by any statute, statutory provision or regulation;

1.3.2 to any repealed statute, statutory provision or regulation which it re-enacts (with or without modification); and

1.3.3 to any subordinate legislation made under the relevant statute or regulation.

1.4 Number, gender and person

In these Articles, unless the context otherwise requires:

1.4.1 words in the singular include the plural, and vice versa;

1.4.2 words importing any gender include all genders; and

1.4.3 a reference to a person includes a reference to a company and to an unincorporated body of persons.

1.5 In these Articles a reference to an Article is to a clause of these Articles or where stated, to an article of the Model Articles.

## 2. MODEL ARTICLES

2.1 Except as provided in these Articles, the Model Articles will apply to the Company and will be deemed to be part of these Articles. In the event of a conflict between the Model Articles and these Articles, the terms of these Articles shall prevail.

## 3. SHARE CAPITAL

The nominal issued share capital of the Company on the date of adoption of these Articles is £22,181.99 divided into 771,489 Investor Shares of £0.01 each and 1,446,710 A Shares of £0.01 each, with the directors, as at the date of adoption, having granted options over 144,057 B Shares of £0.01.

## 4. CLASSES OF SHARES

Each class of shares shall entitle the holders thereof to the respective rights and privileges and subject them to the respective restrictions and provisions in these Articles.

## 5. RIGHTS ATTACHING TO THE SHARES

5.1 Subject to any special rights which may be attached to any class of shares issued after the date of adoption of these Articles the rights attaching to the Shares are as follows:

### 5.1.1 Capital

On a return of assets on liquidation or otherwise, the assets of the Company available for distribution among the members shall be distributed amongst the holders of the Shares pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on such number of Shares held by each of them respectively.

### 5.1.2 Income

Subject to the provisions of these Articles and to the Permitted Class A Dividend, the profits of the Company available for distribution and resolved to be distributed in respect of any financial year shall be distributed among the holders of the Shares pro rata (as nearly as may be) according to the number of Shares held by each of them respectively. The Company may pay a priority dividend on any class of shares with the prior written consent of the Investor Director.

#### 5.1.3 Voting

The A Shares and the Investor Shares shall carry voting rights that entitle the holders thereof to vote on all matters decided by a vote at general meetings. The B Shares shall carry no voting rights. Subject as aforesaid, on a poll every Investor Shareholder and every A Shareholder shall have one vote for every Investor Share or every A Share (as the case may be) of which it is the holder.

### 6. ISSUE OF SHARES

#### 6.1 Pre-emption on issue

6.1.1 Subject to the provisions of Article 6.6 any Investor Shares in the capital of the Company which are unissued from time to time shall be available for issue only as Investor Shares and shall before they are issued whether for cash or otherwise be offered to the Investor Shareholders in proportion, as nearly as may be, to their holdings.

6.1.2 Subject to the provisions of Article 6.6 any A Shares in the capital of the Company which are unissued from time to time shall be available for issue only as A Shares and shall be offered only to the A Shareholders in proportion, as nearly as may be, to their holdings of A Shares.

#### 6.2 Procedure for offering

6.2.1 The offer referred to in Article 6.1 shall be made by notice specifying the number of A Shares or Investor Shares offered, as the case may be, the proportionate entitlement of the relevant member, the price per share and limiting a period (being not less than 21 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time the directors shall offer:

- (a) in the case of A Shares, the A Shares which have been declined or are deemed to be have been declined to the A Shareholders who have within the said period accepted all the A Shares offered to them. Such further offer shall be on the same terms as the first offer and shall invite each of the holders to state in writing within a period of not less than 14 days whether it is willing to take any, and if so what maximum number, of the A Shares so offered; and
- (b) in the case of Investor Shares, the Investor Shares which have been declined or are deemed to be have been declined to the Investor Shareholders who have within the said period accepted all the Investor Shares offered to them. Such further offer shall be on the same terms as the first offer and shall invite each of the holders to state in writing within a period of not less than 14 days whether it is willing to take any, and if so what maximum number, of the Investor Shares so offered.

- 6.2.2 If after the expiration of such time as provided for in accordance with Article 6.2.1(b) there are still Investor Shares which have been declined, the directors shall offer the Investor Shares which have been declined or are deemed to be have been declined, to the A Shareholders in proportion, as nearly as may be, to their holdings of Shares.

### 6.3 Allotment of shares after offers

At the expiration of the time limited by the notice or notices given pursuant to Article 6.2 the directors shall allot the Shares so offered to or amongst the members who have notified their willingness to take all or any of such Shares in accordance with the terms of the relevant offer. No member shall be obliged to take more than the maximum number of Shares it has indicated its willingness to take. The directors shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this Article.

### 6.4 Disapplication of statutory pre-emption provisions

Sections 561 and 562 of the 2006 Act shall not apply to the Company.

### 6.5 No renunciation of allotment

No Shares shall be allotted on terms that the right to take up the Shares allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a Share may direct that such a Share may be allotted or issued to any other person.

### 6.6 Waiver or variation

With the prior written approval of all the Shareholders, any of the restrictions or other provisions of this Article may be waived or varied by the directors in relation to any proposed issue of shares.

## 7. LIEN AND FORFEITURE

All shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 6 as if they were unissued shares of the Company.

## 8. GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES

### 8.1 General restriction on transfer

- 8.1.1 The right to transfer Shares shall be subject to the rights and restrictions set out in Articles 8 to 11 inclusive and no Share nor any interest therein shall be transferred to or become vested in any person otherwise than in accordance with such provisions.

8.1.2 No Shareholder shall:

- (a) pledge, mortgage, charge or otherwise encumber any Share or any interest in any Share;
- (b) grant an option over any Share or any interest in any Share; or

- (c) transfer or dispose of any Share or any interest in any Share,

otherwise than in accordance with the Articles.

- 8.1.3 No Shareholder shall at any time transfer or dispose of any Share or any interest in any Share to any person who is a Company Competitor save with the prior written consent of the Board.

## 8.2 Reasons for declining to approve a transfer

The directors shall be entitled to decline to register the transfer of any Shares made pursuant to and complying with the provisions of Articles 8 to 11 inclusive if they have substantial reasons for believing that a transfer purportedly made in accordance with any such provision is not in fact in any material respect in accordance therewith in which event they shall decline to register such transfer.

## 8.3 Provision of information – transfer of Shares

For the purpose of ensuring that a transfer of Shares is in accordance with these Articles and duly authorised hereunder or for the purpose of ascertaining whether any relevant provisions of these Articles apply, the directors may require any member, the representative of any member appointed pursuant to section 323 of the 2006 Act, the receiver, administrator, administrative receiver or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors shall think fit regarding any matter which they may deem relevant to such purpose.

## 8.4 Waiver or variation

With the approval of the Investor Shareholders and the A Shareholders such approval to be given in accordance with the provisions of Article 12, any of the restrictions or other provisions of Articles 8 to 11 inclusive may be waived or varied by the directors in relation to any proposed transfer of Shares or any other matter.

- 8.5 No A Shareholder shall be permitted to transfer or dispose of any A Share or any interest in any A Share without the written consent of the other A Shareholder(s).

## 9. TAG ALONG RIGHTS

- 9.1 No sale or transfer of the legal or beneficial interest in any Shares may be made or validly registered if a Change of Control would result from such sale or transfer unless (i) a Drag Along Notice (as defined in Article 10 below) has been served in relation to such a transfer, or (ii) the person proposing to acquire such Shares ('Proposing Transferee') has offered to purchase all the issued Shares for a sum in cash equal to the highest price per Share (irrespective of the class of Share) paid or payable by the Proposing Transferee or its nominee for any Shares within the last 12 months or agreed to be paid by the Proposing Transferee, which price shall be deemed to include any consideration (in cash or otherwise) paid or payable by the Proposing Transferee which, having regard to the substance of the transaction as a whole, is reasonably regarded by the Board as an addition to the price so paid or payable and 'Third Party Offer Price' shall be construed accordingly.

- 9.2 Where a Proposing Transferee makes an offer to purchase all the issued Shares in accordance with Article 9.1 ('Third Party Offer'), other than where a Drag Along Notice has been served in relation to such an offer, the Company or any such Shareholder shall notify each other Shareholder in writing of the terms of the Third Party Offer ('Third Party Offer Notice'). The Third Party Offer Notice shall set out the following information:
- 9.2.1 the name(s) and address(es) of the person or group of Related Parties making the Third Party Offer ('Offeror');
  - 9.2.2 the price per share which the Offeror is willing to pay for the Shares ('Third Party Offer Price'); and
  - 9.2.3 any other significant terms and conditions of the Third Party Offer ('Third Party Offer Terms') including the time for acceptance of the Third Party Offer being not less than 30 days nor more than 60 days after the date of the Third Party Offer Notice ('Acceptance Period').
- 9.3 In the event that a Third Party Offer Notice is received in accordance with Article 9.2 (other than where Drag Along Notice has been served in relation to such an offer), the Shareholders (including option holders on the basis that options will be deemed to have been exercised on the delivery of the Third Party Offer Notice) ('Tagged Along Shareholders') shall have the right (the 'Tag Along Right') but shall not be obliged to accept the Third Party Offer by serving notice to that effect in respect of all (and not some only) of their Shares ('Tagged Along Shares') on the Offeror within the Acceptance Period.
- 9.4 Upon the exercise of the Tag Along Right in accordance with this Article 9, each of the Tagged Along Shareholders shall be bound to sell their Tagged Along Shares for the Third Party Offer Price and on the Third Party Offer Terms and otherwise in accordance with this Article 9.
- 9.5 Completion of the sale of the Tagged Along Shares shall take place on the date specified for that purpose by the Offeror in the Third Party Offer Notice save that:
- 9.5.1 the Offeror may not specify a date that is more than 14 days after the end of the Acceptance Period; and
  - 9.5.2 the date so specified by the Offeror shall be the same date as the date proposed for completion of the sale of all other issued Shares.

## 10. DRAG ALONG RIGHTS

- 10.1 If the holders of 75% or more of the Shares (as if all such Shares constituted one class) (the 'Selling Shareholders') agree to transfer all their interest in Shares (the 'Sellers' Shares') to a proposed purchaser (the 'Drag Purchaser') (or, if so directed by the Drag Purchaser, a nominee of such Drag Purchaser), in response to a good faith offer by the Drag Purchaser (with such Drag Purchaser not being a Shareholder or Connected Person in relation to a Shareholder), the Selling Shareholders shall have the option (the 'Drag Along Option') to require each other holder of Shares (each a 'Called Shareholder') to sell and transfer all their Shares to such Drag Purchaser (or, if so directed by the Drag Purchaser, a nominee of such Drag Purchaser) in

accordance with the provisions of this Article 10 (such transfers of Shares by the Selling Shareholders and the Called Shareholders being the 'Dragged Share Sale').

10.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a 'Drag Along Notice') to the Company at any time before the transfer of the Sellers' Shares to the Drag Purchaser and the Company shall forthwith send a copy of the Drag Along Notice to the Called Shareholders. A Drag Along Notice shall specify:

10.2.1 that the Called Shareholders are required to transfer all their Shares (the 'Called Shares') under this Article;

10.2.2 the person to whom they are to be transferred;

10.2.3 the consideration (whether in cash or otherwise) for which the Called Shares are to be transferred, being a price per share equal to that offered to the Selling Shareholders (the "Drag Consideration");

10.2.4 the proposed date of transfer;

10.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such Dragged Share Sale (the 'Sale Agreement');

10.2.6 in respect of any Called Securities Holder (as defined below) only, any exercise notice or other documents (including any tax elections) which the Called Securities Holder may be required to sign in connection with the exercise of any options or other rights to subscribe, convert into or otherwise acquire (including but not limited to warrants) Shares ("Exercise Documents"); and

(and, in the case of paragraphs 10.2.2 to 10.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice).

10.3 Drag Along Notices shall be irrevocable but will lapse if the date for completion of the sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser does not occur within 60 Business Days (or such longer time period as may be proposed by the Selling Shareholders and approved by the Board) after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

10.4 A Drag Along Notice may be served on any person (each a "Called Securities Holder") holding Relevant Securities, if and to the extent exercisable (or which would become exercisable) in connection with the Dragged Share Sale and, if so served such Called Securities Holder shall, upon their acquisition of Shares, thereupon become a Called Shareholder subject mutatis mutandis to the provisions of this Article 10 (notwithstanding that they may not have been a Called Shareholder at the date of the Drag Along Notice).

10.5 The liabilities and obligations of a Called Shareholder under the terms of any Sale Agreement shall be limited to those matters as concern the Called

Shareholder in their capacity as a holder of Called Shares, the transfer of Called Shares pursuant to the Dragged Share Sale and the payment of the consideration. Accordingly, the terms of the Sale Agreement may, inter alia, provide that:

- 10.5.1 a Called Shareholder warrants and undertakes to transfer their Called Shares to the Drag Purchaser (or, if so directed by the Drag Purchaser, a nominee of such Drag Purchaser) on the Drag Completion Date with full title guarantee free from all Encumbrances and that the Called Shareholder has power, capacity and authority to enter into the Sale Agreement and so transfer such Called Shares. A Called Shareholder shall not, however, be obliged to agree to (i) give any representation, warranty or undertaking concerning, or any indemnity in respect of any liability of, the business and affairs of the Company's Group, nor (ii) any restrictive covenant including, without limitation, any covenant not to compete or covenant not to solicit customers, employees or suppliers of any Group Company;
- 10.5.2 consideration paid (and/or payable) be subject to obligation(s) and arrangements (whether by means of escrow, holdback, reduction of consideration, contribution to the costs of any relevant insurance or contribution to transaction costs and expenses ("Contribution Obligations")) with respect to:
  - (a) liabilities of (and tax withholdings and deductions (including, if applicable, amounts to be withheld in respect of employee income tax and social security contributions) arising in respect of consideration payable to) the Called Shareholder ("Several Liabilities"); and
  - (b) any:
    - (i) price adjustment mechanisms (including any earn-out, locked box or completion accounts adjustment); and/or
    - (ii) liabilities (actual or potential, including any settlement) in respect of any representations, warranties, undertakings and/or indemnities given by any person(s),

in connection with the Dragged Share Sale (any or all of the foregoing being "Common Liabilities"), provided that the Sale Agreement provides for the following principles (howsoever expressed or effected):

- (A) the Contribution Obligations of a Called Shareholder with respect to Common Liabilities shall be satisfied only by way of reduction to the amount of any unpaid consideration (and not, for the avoidance of doubt, any repayment of consideration previously paid out). For the purpose of this provision, consideration held in escrow (or subject to any security interest of the Drag Purchaser or its nominee) shall not be treated as having been paid to the Called Shareholder even if the Called Shareholder is beneficially interested in such consideration; and

- (B) Contribution Obligations of a Called Shareholder in respect of Common Liabilities shall be no more onerous than the terms of the Contribution Obligations of other Selling Shareholders in respect of Common Liabilities; and
  - (C) the liability of a Called Shareholder shall not exceed the amount of Drag Consideration received by such Called Shareholder in connection with the Dragged Share Sale, except with respect to claims related to fraud by such Called Shareholder, the liability for which need not be limited as to such Called Shareholder.
- 10.6 The Sale Agreement may include such provisions as may be necessary or desirable to accommodate the inclusion of Called Securities Holders (if any) in the Dragged Share Sale (and may include provisions with respect to (i) the exercise of options or other rights to subscribe, convert into or otherwise acquire (including but not limited to warrants) Shares (including the delivery of Exercise Documents), (ii) the satisfaction by the Called Securities Holder of their Several Liabilities in respect of the payment of any exercise price and any employee income tax and social security contributions arising in connection with their acquisition and/or sale of Shares and (iii) the making of tax elections by the Called Securities Holder).
- 10.7 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice), each Called Shareholder shall deliver to the Company (which shall receive the same as agent on behalf of the Called Shareholder with authority to deliver the same to the Drag Purchaser on completion of the sale of Called Shares to the Drag Purchaser in accordance with the terms of the Sale Agreement (the "Drag Completion Date")):
  - 10.7.1 duly executed instrument of transfer for its Shares in favour of the Drag Purchaser;
  - 10.7.2 the relevant share certificate(s) (or a duly executed indemnity in favour of the Directors of the Company in respect of any lost, destroyed or missing certificate, in a form acceptable to the Board) in respect of its Shares;
  - 10.7.3 a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company; and
  - 10.7.4 in the case of a Called Securities Holder, duly executed Exercise Documents required to be provided by them.

(together the "Drag Documents").
- 10.8 The Company (or its nominee) may receive, and give good receipt for, any consideration payable to any Called Shareholder in respect of the transfer of their Called Shares, which consideration shall be held by the Company (or its nominee) on trust for the benefit of such Called Shareholder. The Company shall be entitled to be paid from such consideration any amount otherwise due and payable by the Called Shareholder to any member of the Company's Group (including any payments due in connection with the exercise of any option to acquire Shares). The payment of the remaining balance of such

consideration due to the relevant Called Shareholder may, in the sole discretion of the Board, be withheld pending the delivery of any Drag Document(s) and the ratification by the Called Shareholder of the transfer of their Called Shares and/or any act undertaken on behalf of (or deemed to be undertaken by) such Called Shareholder in accordance with this Article 10.8.

10.9 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares (save to the extent the relevant Shares were sold as part of the Dragged Share Sale on the Drag Completion Date by the New Shareholder, whether as a Called Securities Holder or otherwise) so acquired to the Drag Purchaser and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place on the later of: (a) the Drag Along Notice being deemed served on the New Shareholder; and (b) completion of the Dragged Share Sale on the Drag Completion Date.

10.10 Whether or not a transfer of Called Shares is validly made in accordance with this Article 10 shall be determined by the Board and, save in the event of fraud, such determination shall be final and binding on all persons.

## 11. FAILURE TO TRANSFER

If in any case a transferor (Defaulting Shareholder), after having become bound to transfer any Shares pursuant to these Articles shall make default in so doing or shall fail to deliver share certificates in respect thereof, the Company (acting by any Director) shall be constituted the agent of such Defaulting Shareholder with power and authority to take such actions and execute, enter into, and give effect to, any documents, for and on behalf of and in the name of the Defaulting Shareholder, in each case as the Board may determine to be necessary or desirable to effect (or otherwise in connection with) the transfer of the Defaulting Shareholder's Shares pursuant to these Articles, and the Board shall, if requested by the applicable transferee, so authorise any Director to effect the transfer of the Defaulting Shareholder's Shares on the Defaulting Shareholder's behalf to such transferee (or, if so directed by the transferee, a nominee of such transferee) on the date on which the transfer would have been made save for the default (and in the absence of such a date, such date as the Board may reasonably determine). The Company may receive the purchase money and shall thereupon (subject to the transfer being duly stamped, and certificate (or indemnity in a form acceptable to the Board) being received by the Company) cause the name of the relevant transferee to be entered into the register of members of the Company as the holder of the relevant Shares. The Company shall hold the purchase money in trust for the relevant transferee but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to the relevant transferee who shall not be bound to see to the application thereof and after the name of the relevant transferee has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

## 12. CLASS MEETINGS AND VARIATION RIGHTS

### 12.1 Class meetings

Except as otherwise provided by these Articles, the provisions of these Articles relating to general meetings shall apply, with necessary modifications, to any meeting of the holders of shares of a particular class save that the requisite quorum shall be two persons, present in person, by proxy or by corporate representative, holding or representing not less than one-third of the issued shares of the class and that any holder of shares of the appropriate class, present in person, by proxy or by corporate representative and entitled to vote, may demand a poll and on a poll every holder of shares of a particular class present in person, by proxy or by corporate representative shall have one vote for every share of which he is the holder.

## 12.2 Variation of rights

All or any of the special rights or privileges for the time being attached to any share or class of shares in the capital of the Company (notwithstanding that the Company may be or be about to be in liquidation) may, either with the prior consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class duly convened and held as hereinafter provided (but not otherwise), be varied or abrogated.

## 13. PROCEEDINGS AT GENERAL MEETINGS

### 13.1 Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and remains present during the transaction of business. The quorum shall be as follows:

13.1.1 two persons present at the meeting who are entitled to vote upon the business to be transacted of whom at least one shall be an Investor Shareholder and one shall be an A Shareholder, each being a member or a proxy for a member or a duly authorised representative of a corporation;

13.1.2 notice of the meeting having been served on each Shareholder pursuant to sections 301 to 335 of the 2006 Act.

If a quorum is not present within half an hour of the time appointed for the adjourned meeting the meeting will be dissolved.

### 13.2 Poll

A poll may be demanded at any general meeting by the chairman or any member present in person, by proxy or by corporate representative and entitled to vote.

### 13.3 Signed Resolutions

A resolution executed or approved in writing by or on behalf of the holders of all the issued Shares entitled to vote thereon shall be as valid and effective for all purposes as a resolution passed at a general meeting duly convened and held and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation the resolution may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

## 14. VOTES OF MEMBERS

### 14.1 Votes of members at any general meeting of the Company:

- 14.1.1 on a show of hands every member who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by proxy or by a representative duly authorised under section 323 of the 2006 Act (not being himself a member) shall have one vote;
- 14.1.2 any vote on a show of hands which is not unanimous shall go to a poll;
- 14.1.3 on a poll, every A Shareholder and every Investor Shareholder present in person, by representative or by proxy shall have one vote for each A Share and one vote for each Investor Share (as the case may be) of which he is the holder.

### 14.2 No casting vote of chairman

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a casting vote in addition to any other vote he may have.

## 15. NUMBER OF DIRECTORS

15.1 The number of directors shall be not less than two. The A Shareholders shall be entitled to appoint two directors to the Board ('A Directors'). The Investor Shareholders shall be entitled to appoint one director to the Board ('Investor Director'). The board shall be entitled to appoint additional directors (each an 'Additional Director'). The Chairman of the Board shall be appointed by the directors appointed by the A Shareholders.

15.2 Any appointment or removal of directors shall be decided by the Shareholders as follows:

- 15.2.1 in the case of an A Director, by a written direction signed by the A Shareholders holding a majority in nominal value of the issued A Shares or by an ordinary resolution passed at a separate meeting of A Shareholders duly convened and held in accordance with Article 12 provided that any such meeting may be convened by any A Shareholder; and
- 15.2.2 in the case of an Investor Director, by a written direction signed by the Investor Shareholders holding a majority in nominal value of the issued Investor Shares or by an ordinary resolution passed at a separate meeting of Investor Shareholders duly convened and held in accordance with Article 12 provided that any such meeting may be convened by any Investor Shareholder.

Any appointment or removal pursuant to this Article shall take effect upon delivery of the direction or resolution to the registered office of the Company.

15.3 In the case of an Additional Director, the appointment or removal may be made by a resolution of the Board at a meeting at which both A Directors and the Investor Director are present.

16. NO ROTATION

The directors shall not be required to retire by rotation.

17. ALTERNATE DIRECTORS

17.1 Appointment and removal

Any director (other than an alternate director) may from time to time appoint any other director to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office, and appoint another person approved as aforesaid in his place. Any appointment of an alternate director may provide for two or more persons in the alternative to act as an alternate director.

17.2 Notice of appointment or removal

Any such appointment or removal shall be by notice to the Company signed by the director making or revoking the appointment and shall take effect upon service on the Company at its registered office or in any other manner approved by the directors.

17.3 Cessation of appointment

An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director.

17.4 Functions of alternate director

An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of directors, to attend, to be counted in the quorum for and to vote as a director (with the same designation as the director appointing him) at any such meeting at which the director appointing him is not personally present and generally to perform all functions of his appointor as a director in the absence of such appointor including, without prejudice to the generality of the foregoing, power to sign any resolution pursuant to Article 21.3.

17.5 Voting rights cumulative

A director acting as alternate for another director shall have an additional vote at meetings of the Board for each director for whom he acts as alternate but he shall only count as one person for the purpose of determining whether a quorum is present.

17.6 Alternate director responsible for own acts

An alternate director shall alone be responsible for his own acts and defaults and the director so appointing him shall not be responsible for the acts and defaults of an alternate director so appointed.

17.7 Remuneration

The remuneration of any such alternate director shall be payable out of the remuneration payable to the director appointing him and shall consist of such part (if any) of the last mentioned remuneration as may be agreed between the alternate director and the director appointing him.

#### 17.8 Power to act

Save as otherwise provided in these Articles, an alternate director shall not have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles.

#### 18. NO SHARE QUALIFICATION

Neither a director nor an alternate director shall require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares of the Company.

#### 19. DIRECTORS INTERESTS

19.1 Without prejudice to the requirements of the Statutes, a director who is in any way, directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration, if he knows his interest then exists, or, in any other case, at the next meeting of the Board after he knows that he is or has become interested. For the purposes of this Article, a general notice given to the Board by a director to the effect that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, arrangement, transaction or proposal in which a specified person or class of persons is interested is a sufficient declaration of interest in relation to that contract, transaction, arrangement or proposal. An interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.

19.2 A director (including an alternate director) who has duly declared his interest therein to the Board pursuant to Article 19.1 and to the requirements of the Act may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom, and if he so votes his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration.

#### 20. VACATION OF OFFICE

20.1 Without prejudice to the provisions of Article 15, the office of a director shall be vacated:

20.1.1 if by notice in writing to the Company he resigns the office of director;

20.1.2 if he shall have failed to attend four successive meetings of the Board duly convened in accordance with Articles 21.2 without permission of the Board unless he shall have appointed an alternate director who has attended one or more of such meetings;

20.1.3 if he appears unable to pay a debt which is payable immediately or to have no reasonable prospect of paying a debt which is not immediately payable in either case within the meanings given to such expressions in section 268 of the Insolvency Act 1986;

- 20.1.4 if he is subject to an interim order under Section 252 of the Insolvency Act 1986 or enters into a voluntary arrangement within the meaning given in section 253 of that Act;
- 20.1.5 if he is prohibited from being or is disqualified as a director by an order made under any provision of the Insolvency Act 1986 or the Company Directors Disqualification Act 1986;
- 20.1.6 if he is, or may be, suffering from mental disorder and either:
  - (a) he is admitted to hospital in pursuant of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 20.1.7 he is removed from office under section 168 of the 2006 Act;

in which case if the director so removed is an A Director the A Shareholders shall be entitled by notice in writing served on the Company to appoint another A Director and if the director so removed is an Investor Director the Investor Shareholders shall be entitled by notice in writing served on the Company to appoint another Investor Director.

## 21. PROCEEDINGS OF DIRECTORS

### 21.1 Quorum

The quorum necessary for the transaction of the business of the Board shall be as follows:

- 21.1.1 at least two directors being present at the meeting, of whom one must be a director appointed by the A Shareholders; and
- 21.1.2 notice of the meeting having been served on each director pursuant to Article 21.2.

A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

### 21.2 Regulation of meetings

- 21.2.1 Meetings of the Board shall be held at least 3 times per year at not more than five monthly intervals.
- 21.2.2 Save with the prior consent of at least two directors a minimum of 7 days notice of meetings of the Board accompanied by the venue for such meeting and an agenda of the business to be transacted (together with where practicable all papers to be circulated or presented to the same) shall be given to all the directors.

- 21.2.3 Every director present at the meeting shall have one vote. Questions arising at any meetings shall be decided by a majority of votes.
- 21.2.4 The Chairman of the Board shall have a casting vote in the event of a deadlock.
- 21.2.5 A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the Board.
- 21.2.6 Subject as aforesaid, the directors may adjourn and otherwise regulate their meetings as they think fit.

### 21.3 Signed Resolution

A resolution executed or approved in writing by all the directors shall be as valid and effective for all purposes as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors. A resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

### 21.4 Delegation to committees

- 21.4.1 The directors may delegate any of their powers to a committee consisting of at least two directors.
- 21.4.2 No committee shall be entitled to transact any business which the Board would not be entitled to transact, and the provisions of Articles 21.2.2 to 21.2.6 (inclusive) and 21.5 shall apply, mutatis mutandis, to meetings of any committee.

### 21.5 Meetings by means of conference facilities

A meeting of the Board may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:

- 21.5.1 to hear each of the other participating directors addressing the meeting; and
- 21.5.2 if he so wishes, to address each of the other participating directors simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when this Article 21.5 is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation and nationality of directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. Any director may, by prior notice to the secretary, indicate that he wishes to participate in the meeting in such manner, in which event, the directors shall procure that an appropriate conference facility is arranged.

## 22. MATTERS REQUIRING THE CONSENT OF THE INVESTOR DIRECTOR

- 22.1 Any decision relating to any of the following matters shall require the prior approval of the Investor Director at a Board Meeting duly convened and held in accordance with Article 21, or, in the case where an Investor Director has not been appointed by the Investor Shareholders, the approval by a majority of the Investor Shareholders at a meeting of the Investor Shareholders duly convened and held in accordance with Article 12:
- 22.1.1 any change in the memorandum and articles of association or in the capital structure of the Company or the issue of further Shares or the creation of any options to subscribe for or acquire Shares;
  - 22.1.2 the issue by the Company of any debenture or loan stock (whether secured or unsecured) or the creation of any mortgage, charge, lien, encumbrance or other third party right over any of the Company's assets or the giving by the Company of any guarantee or indemnity to, or the Company becoming surety, for any third party;
  - 22.1.3 any arrangement for any joint venture or partnership or for the acquisition of the whole or substantially the whole of the assets and undertaking of the Company or an acquisition by the Company of any part of the issued share capital or of the assets and undertaking of another company;
  - 22.1.4 the merger, acquisition, winding up or liquidation of the Company;
  - 22.1.5 establishing any bonus, profit sharing, share option or other incentive scheme for any director of the Company;
  - 22.1.6 any change in the level of remuneration paid to any of the A Directors or to the terms or conditions of employment of any of the A Directors that results in a remuneration package (calculated as the aggregate of salary, bonus and priority dividend paid on his Class A Shares in any financial year) for any individual A Director in any given financial year in excess of the base remuneration package in place at the date of the adoption of these Articles (as increased annually by RPI);
  - 22.1.7 any transaction with any person otherwise than at arm's length and for full value or any transaction with a Shareholder or a Connected Person of any Shareholder;
  - 22.1.8 the redemption or purchase by the Company of any share or the reduction in the share capital, or any uncalled or unpaid liability in respect thereof, capital redemption reserve or share premium account of the Company;
  - 22.1.9 save for any Permitted Class A Dividend, the recommendation of or proposals for any payment of any dividend or any other distribution of the Company;
  - 22.1.10 the changing of the accounting reference date of the Company;
  - 22.1.11 the making of any change to any agreed accounting practices and policies except where such change is recommended by the auditors as a consequence of a change in generally accepted accounting practices or policies applicable to companies carrying on businesses of a similar nature to the Business or as a consequence of a change in law;

- 22.1.12 the approval of the statutory accounts of the Company;
- 22.1.13 the removal of the Auditors, or the appointment as auditors or joint auditors of the Company of any firm except the Auditors.
- 22.2 The Company shall supply each Investor Shareholder with a report from the Board on the financial position and affairs of the Company, including a report of the revenue and expenditure of the Company during the quarter, within a reasonable period approved by the Investor Director after the end of each calendar quarter.

## 23. OFFICIAL SEAL FOR USE ABROAD

The Company may have an official seal for use abroad under the provisions of the Act, where and as the Board shall determine, and the Company may by writing under the Common Seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Common Seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

## 24. INDEMNITY

Subject to the Act and the 2006 Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in Section 235(6) of the 2006 Act) and in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement 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 relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs. The Company may buy and maintain insurance against any liability falling upon its directors or other officers which arises out of their respective duties to the Company, or in relation to its affairs.

## 25. NOTICES

- 25.1 The Company may deliver a notice or other document to a member:
  - 25.1.1 by delivering it by hand to the address recorded for the member on the register or at such other address as the member may notify the Company in writing from time to time;
  - 25.1.2 by sending it by first class post (air mail if overseas) in a prepaid envelope to the address recorded for the member on the register or at such other address as the member may notify the Company in writing from time to time;

- 25.1.3 by electronic mail (except a share certificate) to such e-mail address as the member may notify the Company in writing from time to time; or
- 25.1.4 by a website (except a share certificate) the address of which shall be notified to the member in writing.
- 25.2 This article does not affect any provision in any relevant legislation or the articles requiring notices or documents to be delivered in a particular way.
- 25.3 In the case of joint holders of a share, all notices shall be given to the joint holder whose name is shown first in the register of members in respect of the joint holding and notice so given shall be sufficient to all joint holders.
- 25.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given on:
  - 25.4.1 the same day as delivery in the case of communications delivered by hand;
  - 25.4.2 48 hours after posting in the case of communications sent by ordinary first class post;
  - 25.4.3 6 days after posting in the case of communications sent by air mail;
  - 25.4.4 on completion of its transmission in a complete and legible form if sent by facsimile;
  - 25.4.5 at the time that it was sent if sent by electronic mail; and
  - 25.4.6 when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website, if sent by a website.