

Company number: 00914137

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

**ARTICLES OF ASSOCIATION
OF
SUTTONS INTERNATIONAL LIMITED**



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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
SUTTONS INTERNATIONAL LIMITED

1. DEFINITIONS AND INTERPRETATION

- 1.1 In these articles the following words and expressions have the following meanings unless the context otherwise requires:

"A Ordinary Share" means an A ordinary share of £0.001 in the capital of the Company;

"Act" means the Companies Act 2006;

"Acting In Concert" has the meaning given to that expression in The City Code on Takeovers and Mergers in its present form or as amended from time to time;

"Adoption Date" means the date of the adoption of these articles by the Company;

"Allocated Person" has the meaning given in article 12.4;

"Approved Offer" means a bona fide offer from a third party set out in a written notice and served on all holders of Shares (including the proposing transferor), offering to purchase all of the Shares held by each of them (including any Shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Shares in existence at the date of such offer) which:

- (a) is stipulated to be open for acceptance for at least 15 Business Days;
- (b) offers consideration for each Share by reference to the rights attaching to such Shares (on the basis that the consideration shall be calculated and payable to the holders of Shares in the same manner as they are entitled to participate pursuant to article 6); and
- (c) is on terms that the sale and purchase of the Shares in respect of which the Approved Offer is accepted shall be completed at the same time and which, in respect of the Growth Shares, are no less favourable (subject always to paragraph (b) of this definition) than those offered to the holders of Ordinary Shares;

"Asset Sale" means the disposal to a bona fide third party purchaser on arm's length terms, of assets which represent the whole or substantially the whole (being 75 per cent or more (by book value) of the consolidated gross tangible assets of the relevant company at that time) by any transaction or series of transactions (and which is not for the purposes of an internal Group reorganisation);

"Associated Company" means any company which, in relation to the Parent, is an associated company as that term is defined in section 449 of the CTA 2010 but with the omission of the words "or at any time within one year previously";

"Authorised Bank" means an authorised person (within the meaning of section 31(2) of the FSMA) with a part IV permission (within the meaning of section 40(4) of FSMA) which includes accepting deposits or otherwise authorised in respect of that activity under section 31(1) of FSMA;

"Award Documentation" means the restricted share agreement made between the relevant Growth Shareholder, the Company and the Parent on the Issue Date, in respect of the allotment and issue of Growth Shares;

"Bad Leaver" means any Growth Shareholder who becomes a Leaver and who is not a Good Leaver;

"Board" means the board of directors of the Company from time to time;

"Business Day" means a day other than a Saturday or Sunday or public holiday in England;

"Cash Equivalent" means:

- (a) where the consideration comprises listed securities which are freely transferable by the holder for cash from the date of issue, such amount calculated by reference to the middle market price for such securities at the close of dealings on the dealing day prior to the completion of the Realisation Event;
- (b) where the consideration comprises loan notes, loan stock or other debt instruments guaranteed unconditionally by an Authorised Bank their face value (where the rate of interest is at least equivalent to the three month London Interbank Bid Rate) and, if less, such value will be discounted by reference to the discount rate implied in the flow of money from a gilt of equivalent maturity;
- (c) where the consideration comprises listed securities subject to restrictions on their transfer by the holder for cash or unlisted securities or other instruments not guaranteed by an Authorised Bank, such value as is ascribed to such securities or other instruments in the relevant sale and purchase agreement, or in the event that no such value is ascribed in any sale and purchase agreement, such value as the Independent Expert (on application by the Company (with Parent Consent)) certifies to be the fair current value of the same;

"Call Option" means a call option granted pursuant to article 14;

"Company" means Suttons International Limited, a private limited company incorporated in England with registered number 00914137;

"Completion" has the meaning given in article 12.5;

"connected person" has the meaning given to it in section 1122 of the Corporation Tax Act 2012;

"Cost Value" means those monies paid by the relevant Growth Shareholder, or owed to the Company by the Growth Shareholder, in respect of his subscription or acquisition of the relevant Growth Shares (which shall include any PAYE and employees' National Insurance contributions borne by him on such subscription or acquisition);

"CTA 2010" means the Corporation Tax Act 2010;

"Determination Date" means any date upon which the amount of the Growth Pool Entitlement or the Individual Proportion are required to be calculated for the purposes of and in accordance with these articles;

"Director" means a duly appointed director of the Company from time to time and **"Directors"** shall be construed accordingly;

"Eligible Director" means a Director who would be entitled to vote on a matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to **"eligible directors"** in article 8 of the Model Articles shall be construed accordingly;

"Eligible Employee" means any employee or director of a Group Company;

"Encumbrance" means any mortgage, fixed or floating charge, pledge, lien, option, right to acquire, assignment by way of security, trust arrangement, or any other security interest of any kind, including retention arrangements and any agreement to create any of the above;

"Exempt Disposal" means in respect of a transfer of Shares by or in favour of a Secured Institution;

"Exit Distribution" means any distribution following or in the context of either:

- (a) a court order requiring the compulsory liquidation of the Company or a Holding Company of the Company;
- (b) the passing of a resolution for the voluntary liquidation or winding up of the Company or a Holding Company of the Company; or
- (c) an Asset Sale relating to the Company;

"FSMA" means the Financial Services and Markets Act 2000;

"Growth Pool Entitlement" means the aggregate amount payable to the Growth Shareholders pursuant to these articles and the relevant Award Documentation, in each case calculated in accordance with the provisions of article 6 and article 7;

"Growth Shares" means the A Ordinary Shares (each a **"Growth Share"**);

"Growth Shareholders" means the holders of Growth Shares from time to time (each a **"Growth Shareholder"**);

"Good Leaver" means any Growth Shareholder who is an Eligible Employee who becomes a Leaver and is deemed by the Remuneration Committee to be a 'Good Leaver'.

"Group" means the Company, the Parent and any Holding Company or Subsidiary and **"Group Company"** means any of them;

"Growth Pool Percentage" means 26% (expressed as a decimal, being 0.26);

"Growth Shareholders" means the holders of A Ordinary Shares;

"holder" means, in relation to any Share, the person whose name is entered in the register of Members of the Company as the holder of that Share from time to time, and 'held' shall be construed accordingly;

"Holding Company" means any direct or indirect holding company (as such term is defined in section 1159 of the Act) of the Company from time to time;

"Hurdle Trigger" means £76,000,000;

"Independent Expert" means an independent firm of accountants of international repute appointed by the Board with Parent Consent.

"Individual Proportion" means the value of each or any Growth Shareholder's personal proportionate share of the relevant Growth Pool Entitlement (if any), calculated and determined in accordance with his relevant Award Documentation and these articles;

"IPO" means a listing or initial public offering of shares in the Company or Parent (or any new holding company of the Company or Parent that is incorporated for the purpose of such listing or initial public offering) on an investment exchange that is recognised under FSMA such as the London Stock Exchange or AIM or any other public share trading facility in any other jurisdiction;

"Issue Date" means the date on which the relevant Growth Shares are allotted and issued to the relevant Growth Shareholder;

"ITA 2007" means the Income Tax Act 2007;

"ITEPA" means the Income Tax (Earnings and Pensions) Act 2003;

"Leaver" means any Growth Shareholder who:

- (a) ceases to be an Eligible Employee; or
- (b) is adjudicated bankrupt or an interim order is made because he intends to propose a voluntary arrangement to his creditors under the Insolvency Act 1986; or
- (c) makes or proposes any other plan or arrangement, in relation to his debts, with his creditors or any section of them; or
- (d) purports to transfer, assign, create an Encumbrance over or otherwise dispose of his Shares in contravention of these articles; or
- (e) is otherwise deprived of the legal and beneficial ownership of the Shares whether by operation of law or by doing or omitting to do anything which causes such Growth Shareholder to be so deprived.

"Mandatory Transfer Date" means:

- (a) where the contract of employment of an Eligible Employee is terminated by a member of the Group without notice, or in any other circumstances where the Leaver ceases to be an Eligible Employee save as set out in sub-paragraph (b) of this definition below, the date on which the termination or cessation takes effect; or
- (b) where the contract of employment of an Eligible Employee is terminated by notice, the date on which that notice is served;

"Mandatory Transfer Price" has the meaning given in article 12.3;

"Mandatory Transfer Shares" means if the Transfer Notice relates to a Leaver who is:

- (a) a Good Leaver, X% of the Growth Shares held by the relevant Leaver, where X is a percentage calculated by:
 - (i) dividing the total number of full days from the Issue Date up to and including the Mandatory Transfer Date of that Leaver by the total number of full days from the Issue Date up to and including the relevant Vesting Date; and
 - (ii) multiplying that figure by 100,or any other such percentage of the Growth Shares as the Board may determine, acting with Parent Consent;
- (b) a Bad Leaver, 100% of the Growth Shares held by the relevant Leaver;

"Maximum Growth Pot" means 1,000;

"Member" means a registered holder of an issued Share from time to time, as recorded in the register of members of the Company;

"Model Articles" means the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date;

"Ordinary Shares" means ordinary shares of £1 in the capital of the Company (each an "Ordinary Share");

"Ordinary Shareholder" means any holder of Ordinary Shares from time to time;

"Parent" means the majority holder of the Ordinary Shares, being as at the date of these Articles, Suttons International Holdings Limited, a private limited company incorporated in England with registered number 14133130;

"Parent Consent" means the written consent of the board of directors of the Parent (but excluding any member of such board who is a Growth Shareholder in approving such consent decision);

"Partial Share Sale" means a sale of part of the issued share capital of the Company or a Holding Company to a bona fide third-party purchaser on arm's length terms, which involves the disposal of 30% or more of the Ordinary Shares or 30% or more of the entire issued share capital of the Holding Company, but which does not result in a Share Sale;

"Partial Sale Proportion" means the proportion that the shares in the capital of the Company or a Holding Company which are actually sold on a Partial Share Sale bears to the entire issued share capital of the relevant Company or the Holding Company at such time and which is the subject of the Partial Share Sale;

"Put Option" means a put option granted pursuant to article 13;

"Put Notice" has the meaning given to it in article 13.1;

"Realisation Event" means:

- (a) a Share Sale;
- (b) a Partial Share Sale;
- (c) an IPO;
- (d) an Exit Distribution;
- (e) any other corporate event deemed to be a 'Realisation Event' by the Board acting with Parent Consent,

and which is not an Exempt Disposal.

"Realisation Proceeds" means:

- (a) on a Share Sale, or on a Partial Share Sale, the consideration payable in cash or Cash Equivalent (calculated as though the entire issued share capital of the Company or the Holding Company had been subject to such Share Sale or Partial Share Sale by grossing up such consideration on a pro rata basis accordingly), less any associated professional fees payable by the Company or the Holding Company and without applying any minority discount;
- (b) on an IPO, the total listing value of the issued ordinary Shares of the Company or the Holding Company (or such other relevant entity which is the subject of the IPO) on listing, (excluding any new shares which are allotted and issued on listing (as determined by the Remuneration Committee with Parent Consent)), less any associated professional fees payable by the Company, Holding Company or other relevant entity applicable to the IPO;
- (c) on an Exit Distribution by the Company or the Parent, the amount or value of assets of the Company or the Holding Company available for distribution to Shareholders having complied with all requirements of the Act (or any analogous legislation in another jurisdiction) and after the satisfaction of its debts and liabilities including legal costs and deal fees; and
- (d) where it is necessary to determine Realisation Proceeds for the purposes of a Put Option or a Call Option being exercised on or within 9 months after the relevant Vesting Date in circumstances where no prior Realisation Event has occurred at such time, the Realisation Proceeds shall be deemed to be such sum as is equal to the relevant Vesting Date Proceeds;

"Relevant Securities" means any Shares, or any right to subscribe for or convert any securities into any Shares;

"Remuneration Committee" means the remuneration committee of the Company (acting with Parent Consent) from time to time;

"Secured Institution" means any bank, institution or other person which has been granted a security interest in respect of such shares, or to any nominee of such a bank, institution or other person (or a person acting as agent or security trustee for such person);

"Shares" means any shares in the capital of the Company from time to time (each, a **"Share"**);

"Share Sale" means a sale of the issued share capital of the Company or a Holding Company of the Company to a bona fide third-party purchaser, by one or a series of transactions on arm's length terms, pursuant to which the purchaser or persons Acting in Concert acquire over 50% of the Ordinary Shares or over 50% of the entire issued share capital of Holding Company of the Company;

"Shareholder" means a holder of any Shares;

"Subsidiary" means any company which is for the time being a subsidiary (as defined in section 1159 and Schedule 6 of the Companies Act 2006) of the Parent;

"Taxation" means any form of tax, liability or charge in the nature of taxation (including, for the avoidance of doubt, national insurance contribution liabilities and similar or corresponding obligations) wherever and whenever payable, together with all fines, penalties, costs and interest included in or relating to any of the above or to any obligation in respect of any of the above;

"Transfer Notice" has the meaning given in article 12.2;

"Vesting Date" has the meaning set out in the relevant Award Documentation; and

"Vesting Date Proceeds" has the meaning given in article 16.10(b).

1.2 These articles and the provisions of the Model Articles (subject to any modifications set out in these articles) shall constitute all the articles of association of the Company.

1.3 In these articles a reference to:

- (a) a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the date of these articles and any subordinate legislation made under the statutory provision before or after the date of these articles;
- (b) a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists); and
- (c) these articles, is to these articles of association (including the provisions of the Model Articles incorporated therein), and a reference to an article is to an article of these articles, in each case as amended from time to time in accordance with the terms of these articles and the Act.

1.4 The contents table and headings in these articles are for convenience only and do not affect their interpretation.

1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.

1.6 The Contracts (Rights of Third Parties) Act 1999 shall not apply to any rights under these articles.

2. **LIABILITY OF MEMBERS**

The liability of the Members is limited to the amount, if any, unpaid on the Shares held by them.

3. **SHARE CAPITAL**

3.1 The share capital of the Company as at the Adoption Date is comprised of:

- (a) 1,000 A Ordinary Shares; and
- (b) 500,000 Ordinary Shares.

3.2 The A Ordinary Shares and Ordinary Shares shall constitute separate classes of shares.

4. **VOTING**

Notwithstanding any other provisions in these articles:

- 4.1 the Ordinary Shares shall confer on each holder thereof (in that capacity) the right to receive notice of and to attend, speak at all general meetings of the Company and to exercise the remaining balance of voting rights in the Company (whether at general meeting, on written resolution, poll or otherwise); and
- 4.2 the A Ordinary Shares shall not confer any rights to receive notice of, attend, speak or vote at general meetings of the Company or on written resolutions, on the holders thereof.

5. **DIVIDENDS**

- 5.1 Subject to the provisions of the Act and this article 5, and subject to the provisions of article 6 in respect of any Exit Distribution, the Company (acting with Parent Consent) may by ordinary resolution declare dividends and the Directors may decide to pay interim dividends, in respect of certain or all class(es) of Shares.
- 5.2 Each such dividend shall be apportioned and paid to the appropriate Shareholders according to the amounts paid up or credited as paid up on the Shares held by them during any portion of the period in respect of which the dividend is payable.

6. **RETURN OF CAPITAL**

- 6.1 On a return of assets (including an Exit Distribution), the surplus assets of the Company remaining after the payment of its liabilities and available for distribution shall be applied in the following order of priority:
 - (a) first, to the extent not already paid pursuant to any other provision of these articles, in paying to each of the Growth Shareholders (pari passu as though they constituted a single class) an amount equal to their Individual Proportion of the Growth Pool Entitlement (if any); and
 - (b) thereafter, in paying to the Ordinary Shareholders the balance of such assets of the Company remaining (pari passu as though they constituted a single class).
- 6.2 On a Realisation Event (other than an Exit Distribution), the Realisation Proceeds shall be distributed in the order of priority set out in article 6.1. The Directors shall not register any transfer of Shares if the Realisation Proceeds are not distributed in such manner (save in respect of any Shares not sold in connection with that Realisation Event), provided that, if the Realisation Proceeds involve contingent, deferred or other consideration which is not paid in its entirety on completion of the Realisation Event:
 - (a) the Directors may register the transfer of the relevant Shares, provided that the Realisation Proceeds paid on completion of the Realisation Event have been distributed in the order of priority set out in article 6.1; and
 - (b) the Parent shall take all such further action as is required to ensure that the Realisation Proceeds which comprise contingent, deferred or other consideration not paid in its entirety on completion of the Realisation Event, are subsequently distributed in the order of priority set out in article 6.1 upon, and to the extent that, payment of them is subsequently made (such distribution and priority to be calculated as though the relevant sums had actually been paid on completion of the Realisation Event).

7. **GROWTH POOL ENTITLEMENT**

- 7.1 Subject to the remaining provisions of this article 7 and the provisions of article 10:

the Growth Pool Entitlement shall be calculated in accordance with the following formulae:

- (i) If $X < Y$, then $A = 0$ (zero)
- (ii) If $X > Y$, then $A = ((X - Y) \times B)$

in each case (for the purposes of this article 7.1 only) where:

X is the amount of the Realisation Proceeds as at the Determination Date;

Y is the Hurdle Trigger;

A is the Growth Pool Entitlement (provided always that such Growth Pool Entitlement may never exceed and shall always be capped at a maximum sum of £2,900,000);

B is the Growth Pool Percentage.

- 7.2 In the event that the number of A Ordinary Shares in issue, or being disposed of pursuant to the relevant Realisation Event, is less than the Maximum Growth Pot, the aggregate amount of the Growth Pool Entitlement payable to the A Ordinary Shares (as a class) shall be reduced by multiplying the Growth Pool Entitlement by A/B , where A is the number of A Ordinary Shares in issue following such cancellation and B is the Maximum Growth Pot, unless the Remuneration Committee (with Parent Consent) determines otherwise, in which case the provisions of Article 10 shall apply.

8. TAXATION

As a condition of the acquisition of any Shares by an Eligible Employee:

- 8.1 the Eligible Employee shall complete such tax elections (in accordance with section 431 of ITEPA or otherwise) as the Company shall (in its sole discretion) require to ensure that:
- (a) the Eligible Employee will be liable to pay income tax on the excess (if any) of the full unrestricted market value of the relevant Shares at the point of acquisition over the aggregate price paid (if any) for such Shares; and
 - (b) there will be no residual income tax or national insurance contributions to be paid under the provisions of Chapter 2, part 7, of ITEPA when any inherent restrictions on such Shares are lifted and/or when such Shares are sold; and
- 8.2 the Eligible Employee shall indemnify each member of the Group against the amount of Taxation (but excluding, unless the Company otherwise determines (and such indemnification is lawfully permitted), any employer's national insurance contribution liabilities) for which any member of the Group is liable in respect of that Eligible Employee's acquisition, retention and/or disposal of Shares.

9. POWER TO ALLOT

- 9.1 The Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to allot Relevant Securities. The authority granted under this article 9.1 shall:
- (a) be limited to a maximum amount of £1.00 by reference to the nominal value of such Relevant Securities;
 - (b) only apply in so far as it is not renewed, waived or revoked by ordinary resolution of the Members; and
 - (c) expire on the day immediately preceding the fifth anniversary of the Adoption Date, provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period.
- 9.2 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.

10. ADJUSTMENTS AND CONVERSION

10.1 The Board, based on their assessment of standard market practice in respect of similar equity incentive schemes adopted by other companies of materially similar size and ownership to the Company, and always acting in good faith, shall have absolute discretion to rebase, substitute, vary, waive or otherwise amend each and/or all of:

- (a) the Hurdle Trigger;
- (b) the Growth Pool Percentage; or
- (c) the Growth Pool Entitlement (or any other constituent part thereof);

in each case, by amending these articles or any relevant Award Documentation, to take account of any acquisition or disposal by or out of the Group of any member of the Group including any subsidiary entity or the business and assets of any member of the Group, any new financing or refinancing arrangements or reorganisation of share capital affecting any member of the Group, any IPO, any special dividend payment to the Parent, any new issue of Relevant Securities, any purchase of own Shares, bonus issue, Share reorganisation, merger, demerger, extraordinary dividends, manifest error, any impact of exchange rate fluctuations of 5% or more, and/or any other objective change in circumstances, provided always that the relevant rebasing, substitution, variation, waiver or other amendment is made on a just and reasonable basis and with a view to ensuring that the holders of Growth Shares are not unreasonably disadvantaged or benefited (in the Remuneration Committee's opinion).

10.2 Following the occurrence of any rebasing, substitution, variation, waiver or other amendment pursuant to article 10.1, the Company shall, as soon as practicable, give notice to the Growth Shareholders setting out:

- (a) brief particulars of the event giving rise to such adjustment(s);
- (b) the rebasing, substitution, variation, waiver or amendment proposed to be made;
- (c) the date on which the adjustment(s) are proposed to take effect; and
- (d) any other relevant particulars and information.

The Hurdle Trigger, Growth Pool Percentage and the Growth Pool Entitlement (or any other constituent part thereof) as the context shall require, shall be adjusted on the basis set out in such notice. In the absence of manifest error, the adjustments as specified in such notice shall be conclusive and binding on all concerned.

11. TRANSFER OF SHARES

11.1 Notwithstanding anything else contained in these articles, no Share or interest in any Share shall be transferred (whether directly or indirectly) if any such Share is partly paid, unless such transfer is by or in favour of any Secured Institution.

11.2 The Parent shall be entitled to transfer any Share or interest in any Share held by it any time, save as restricted by law.

11.3 Save as specifically permitted by or required pursuant to these articles or the relevant Award Documentation or with Parent Consent, no Growth Shareholder shall be permitted to transfer (whether directly or indirectly) his holding of Growth Shares or any interest therein without the prior written consent of the Board (with Parent Consent).

11.4 Where transfer is permitted or required pursuant to these articles or the relevant Award Documentation, Shares may be transferred by means of an instrument of transfer in any usual form, or any form approved by the Directors, which is executed by or on behalf of the transferor, and the Company may retain any instrument of transfer which is registered.

11.5 Subject always to article 11.6, the Directors may decline to register the transfer of a Share and, if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal, together with reasons for such refusal, as soon as reasonably practicable.

11.6 The Directors shall not decline to register any transfer of shares, nor may they suspend registration thereof, where such transfer:

- (a) is to any Secured Institution (and a certificate by any such person or an employee of any such person that a security interest over the shares was so granted and the transfer was so executed shall be conclusive evidence of such facts); or
- (b) is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
- (c) is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under such security;

and the Directors shall forthwith register any such transfer of shares upon receipt and furthermore notwithstanding anything to the contrary contained in these articles, no transferor of any shares in the Company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall (in either such case) be required to offer the shares which are or are to be the subject of any transfer as aforesaid to the shareholders for the time being of the Company or any of them and no such shareholder shall have any right under the articles or otherwise howsoever to require such shares to be transferred to them whether for any valuable consideration or otherwise.

11.7 The transferor shall remain the holder of a Share until the transferee's name is entered in the register of Members as holder of it.

11.8 Save with the prior written consent of the Board (with Parent Consent), no Growth Shareholder shall create any Encumbrance over his Shares.

11.9 Notwithstanding any other provision of these articles, the Company shall not have any lien in respect of shares held by a Secured Institution.

11.10 Any variation of this article 11 shall be deemed to be a variation of the rights of each class of share in the capital of the Company.

12. **MANDATORY TRANSFERS**

12.1 Upon a Growth Shareholder becoming a Leaver, they shall immediately give the Company notice in writing detailing the relevant circumstances.

12.2 Any Leaver shall, if the Board (with Parent Consent) so directs within 12 months of a Leaver giving notice to the Company in accordance with article 12.1, or otherwise within 12 months of the Board becoming aware that a Growth Shareholder has become a Leaver, be deemed to have served a notice ("**Transfer Notice**") on the Mandatory Transfer Date appointing the Company as his agent with the power to sell all of the Mandatory Transfer Shares (with all rights attaching to them) in accordance with the provisions of these articles at a sale price calculated pursuant to article 12.3.

12.3 The aggregate price payable to a Leaver in respect of all his Mandatory Transfer Shares shall be equal to the Cost Value of his Mandatory Transfer Shares (the "**Mandatory Transfer Price**").

12.4 The Company may allocate the Mandatory Transfer Shares to such person or persons (including the Company itself) as the Directors (acting with Parent Consent) in their absolute discretion determine (each an "**Allocated Person**").

12.5 On completion of the sale of the Mandatory Transfer Shares (which shall take place at a time and in a manner determined by the Directors acting with Parent Consent) ("**Completion**"):

- (a) each Allocated Person (other than the Company) shall pay the Mandatory Transfer Price:

- (i) to the relevant Leaver; or
 - (ii) if the relevant Leaver is not present at Completion, to the Company to be held on trust (without interest) for the relevant Leaver (and the receipt of the Company for the Mandatory Transfer Price shall be a good discharge to that Allocated Person (who shall not be bound to see to the application of it));
 - (b) if the Company is an Allocated Person, it shall:
 - (i) pay the Mandatory Transfer Price to the relevant Leaver; or
 - (ii) if the Leaver is not present at Completion, hold the Mandatory Transfer Price on trust (without interest) for the relevant Leaver; and
 - (c) the relevant Leaver shall, within five Business Days of request, transfer the relevant Mandatory Transfer Shares to the relevant Allocated Person and deliver to the Company the relevant share certificates in respect of the Mandatory Transfer Shares or an indemnity (in a form satisfactory to the Directors) for any lost share certificate.
- 12.6 If the relevant Leaver defaults in transferring any Mandatory Transfer Shares to an Allocated Person pursuant to article 12.5(c) the Company is unconditionally and irrevocably authorised to appoint any person as agent of the relevant Leaver to execute a transfer in respect of those Mandatory Transfer Shares in the name, and on behalf, of the relevant Leaver (and to do such other things as are necessary to transfer the relevant Mandatory Transfer Shares pursuant to this article 12) and when that transfer has been duly stamped (if stamping is required):
- (a) where the Allocated Person is not the Company, the Company shall cause the name of that Allocated Person to become the holder of those Mandatory Transfer Shares; or
 - (b) where the Allocated Person is the Company, the Company shall cause those Mandatory Transfer Shares to be cancelled in accordance with the Act,
- and after that, the validity of the proceedings may not be questioned by any person.
- 12.7 Any money held on trust by the Company for the relevant Leaver in respect of any Mandatory Transfer Shares shall only be released to the relevant Leaver on production of the relevant share certificates (or an appropriate indemnity for any lost share certificates) for the Mandatory Transfer Shares that have been transferred to Allocated Persons.
- 12.8 Articles 27(2)(a) and 28 of the Model Articles shall not apply to the Company.
13. **PUT OPTION**
- 13.1 At any time, each Growth Shareholder shall be entitled to serve notice in writing (in such form as may be prescribed by the Parent from time to time) on the Parent requiring the Parent to purchase some or all of the Growth Shares held by such holder ("**Put Shares**"), subject always to and in accordance with the terms of these articles and any relevant Award Documentation (a "**Put Notice**").
- 13.2 Following receipt of a Put Notice from a Growth Shareholder, the Parent shall:
- (a) be bound to acquire the relevant Growth Shareholder's Put Shares for cash;
 - (b) confirm the aggregate purchase price payable for the relevant Growth Shareholder's number of Put Shares to be sold, being an amount equal to the relevant Growth Shareholder's Individual Proportion of the Growth Pool Entitlement (the "**Put Price**") by written notice to the Growth Shareholder exercising the Put Notice;
- 13.3 The completion of the relevant sale and purchase of the Put Shares pursuant to the service of a Put Notice shall take place at the Parent's registered office on the date determined by the Parent, which shall be determined in accordance any relevant Award Documentation whereupon the Parent shall purchase, and the relevant Growth Shareholder shall sell the Put Shares.

- 13.4 The Put Price shall be paid in cash to the relevant Growth Shareholder (or such other person as it may direct) in accordance with any relevant Award Documentation.
- 13.5 A Put Notice may be revoked by the exercising person(s) prior to Put Completion. A Put Notice may not be given if a Drag Along Notice or an Approved Offer is outstanding, provided that if the proposed sale detailed in the relevant Drag Along Notice or Approved Offer does not occur, the time period for delivery of such Put Notice shall be extended to commence upon the lapse of the relevant Drag Along Notice or Approved Offer (as the case may be).
- 13.6 No Put Notice may be served by any Growth Shareholder if that Growth Shareholder is a Bad Leaver. In the event that a Growth Shareholder becomes a Bad Leaver prior to the payment of consideration due in respect of a Put Notice which has been served by or on behalf of that holder, the Parent shall have the right, but not the obligation, to revoke any such outstanding Put Notice.
- 13.7 For the avoidance of doubt, any payment made to a Growth Shareholder pursuant to the provisions of this article 13 shall not entitle the Growth Shareholder to any further or additional payment pursuant to the provisions of article 5.1 or 6.1.

14. **CALL OPTION**

- 14.1 At any time:
- (a) on or after the nine month anniversary of the relevant Vesting Date; or
 - (b) if a Growth Shareholder and the Parent agree that the relevant Hurdle Trigger will not be achieved in respect of the relevant Growth Shares prior to the relevant Vesting Date,
- the Parent shall be entitled to serve notice in writing (in such form as may be determined by the Parent from time to time) requiring all or any Growth Shareholder(s), to sell some or all of the Growth Shares held by the Growth Shareholder(s) on the terms and subject to the conditions set out in this article 14 (a "**Call Notice**").
- 14.2 The Call Notice shall specify:
- (a) the aggregate purchase price payable to each of the relevant Growth Shareholders for the number of Growth Shares to be sold (the "**Call Shares**", each a "**Call Share**"), being either:
 - (i) in the case of a Call Notice served pursuant to clause 14.1(a), an amount equal to the relevant Growth Shareholder's Individual Proportion of the Growth Pool Entitlement; or
 - (ii) in the case of a Call Notice served pursuant to clause 14.1(b), the fixed sum of £0.001 per Call Share;(the "**Call Price**");
 - (b) the identity of the proposed purchaser of the Call Shares, which may be the Parent or any other person (provided written consent of the other party has been obtained by the Parent) ("**Nominated Call Buyer**"); and
 - (c) the date on which completion of the sale and purchase of Call Shares shall take place ("**Call Completion**"), which shall be no later than 20 Business Days after the date of service of the Call Notice, at the Parent's registered office.
- 14.3 The Call Price shall be paid in cash to the Growth Shareholder in accordance with any relevant Award Documentation.
- 14.4 The Nominated Call Buyer or its authorised representative shall be entitled to make, or otherwise procure, all necessary and appropriate notations in the statutory registers of the Company to reflect the sale of all of the Call Shares pursuant to this article 14.

- 14.5 A Call Notice may not be given if a Drag Along Notice, Approved Offer or a Put Notice is outstanding.
- 14.6 In the event that a Growth Shareholder becomes a Bad Leaver prior to the payment of any consideration due in respect of a Call Notice which has been served by or on behalf of the Parent, the Parent shall have the right, but not the obligation, to revoke any such outstanding Call Notice and for the Company to exercise its rights under article 12.
- 14.7 For the avoidance of doubt, any payment made to a Growth Shareholder pursuant to the provisions of this article 14 shall not entitle the Growth Shareholder to any further or additional payment pursuant to the provisions of article 5.1 or 6.1.

15. **TAG ALONG**

- 15.1 No disposal (other than pursuant to an Exempt Disposal or a Drag Along Option), of all or part of the Shares held by the Parent, whether as one or a series of transactions, which would, if carried out would result in any person (a "**Tag Buyer**"), and any person acting in concert with the Tag Buyer, acquiring over 50% of the Ordinary Shares ("**Tag Transfer**"), shall be made or registered unless:
- (a) an Approved Offer is made by the Tag Buyer or, at the Tag Buyer's written request, by the Company as agent for the Tag Buyer; and
 - (b) the Tag Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the Tag Transfer.
- 15.2 If the Tag Buyer fails to make an Approved Offer to all of the holders of Shares in accordance with this article 15 no holder of Shares shall be entitled to complete any Tag Transfer and the Company shall not register any transfer of Shares purportedly effected in accordance with such Tag Transfer.
- 15.3 An Approved Offer shall lapse if the proposed Tag Transfer has not completed within ninety Business Days of the Approved Offer being served. Further Approved Offers may be served following the lapse of any particular Approved Offer.

16. **DRAG ALONG**

- 16.1 If at any time, an Approved Offer is made by any person (a "**Drag Buyer**") which is approved and accepted by the Parent in respect of over 50% of its Shares ("**Parent's Shares**"), the Parent shall have the right to require all other holders of Shares ("**Called Shareholders**") to accept the Approved Offer in full and sell and transfer all Shares of which they are the holder to the Drag Buyer (or to such other person as the Drag Buyer directs), provided always that such proposed disposal is not an Exempt Disposal, in accordance with the provisions of this article ("**Drag Along Option**").
- 16.2 The Parent may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders and the Company ("**Drag Along Notice**") at any time before completion of the transfer of the Parent's Shares. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all of their Shares ("**Called Shares**") pursuant to this article 16;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares pursuant to the Approved Offer (which shall be calculated on the basis that the consideration shall be payable to the holders of Shares in the same proportions as they are entitled to participate (if any) on the occurrence of a return of capital pursuant to article 6, where the Determination Date for this purpose shall be the date of the Drag Along Notice); and
 - (d) the proposed date of the transfer.

- 16.3 On the exercise of the Drag Along Option, each of the Called Shareholders shall be bound to accept the Approved Offer in respect of his entire holding of Growth Shares and to comply with the obligations assumed by virtue of such acceptance.
- 16.4 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Parent has not sold its Shares (or some as the case may be) to the Drag Buyer within 20 Business Days after the later to occur of (i) the date upon which any required regulatory authority or consent has been obtained and (ii) the service of the Drag Along Notice. The Parent may serve further Drag Along Notices following the lapse of any particular Drag Along Notice and the provisions of this article 16 shall apply to any further Drag Along Notice.
- 16.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 16.
- 16.6 Completion of the sale of the Called Shares shall take place on the Completion Date (as defined below). Completion Date means the date proposed for completion of the sale of the Ordinary Shareholder's Shares unless:
- (a) all of the Called Shareholders and the Ordinary Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Ordinary Shareholder; or
 - (b) that date is less than 20 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be 20 Business Days after service of the Drag Along Notice.
- 16.7 Within 20 Business Days of the Ordinary Shareholder serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay to the Called Shareholders, on behalf of the Drag Buyer, the amounts they are due for their Shares pursuant to article 16.2(b) to the extent that the Drag Buyer has put the Company in the requisite funds. The Company's receipt of such funds shall be a good discharge to the Drag Buyer. The Company shall hold the amounts due to the Called Shareholders on trust for the Called Shareholders without any obligation to pay interest.
- 16.8 To the extent that the Drag Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 16 in respect of their Shares.
- 16.9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of his Called Shares, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for this purpose by the Parent to be his agent and attorney to execute all necessary transfer(s) on his behalf, including executing any of those documents and doing any of those things as set out in article 16.10, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Drag Buyer (or as they may direct) as the holder thereof. After the Drag Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this article 16.
- 16.10 Each Called Shareholder shall:
- (a) subject to the terms of any agreement between the Parent and the Drag Buyer, grant such representations, warranties and indemnities as the Ordinary Shareholder (acting reasonably) considers necessary to be given by such Called Shareholder; and

- (b) deliver title to their Shares subject to the Drag Along Option free from all Encumbrances.

17. VESTING DATE PROCEEDS

- 17.1 The Vesting Date Proceeds shall be such sum as is determined by the Independent Expert on as the following bases and assumptions:
 - (a) valuing the Growth Shares as though a Realisation Event involving the sale of the entire issued share capital of the Company to a bona fide third party purchaser had taken place on the Vesting Date, for consideration payable in cash on completion, valued on a cash free debt free basis, having regard to the audited (where relevant) annual consolidated accounts of the Company and each of its subsidiaries for the period ending on the Vesting Date, and using such EBITDA multiple as the Independent Expert shall determine, and to which the provisions of article 6.2 apply;
 - (b) that the Growth Shares are capable of being transferred without restriction;
 - (c) not applying any premium or discount to the Growth Shares; and
 - (d) having regard to any relevant Award Documentation and the provisions of article 6 and article 7, and reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 17.2 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.
- 17.3 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 Board may reasonably impose.
- 17.4 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (save in the case of fraud or manifest error).
- 17.5 The Independent Expert shall be requested to determine the Vesting Date Proceeds and to deliver a certificate confirming the same to the Company within 30 Business Days of its appointment.

18. GENERAL MEETINGS

- 18.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. One Ordinary Shareholder present either in person, by proxy or by a duly appointed corporate representative shall be a quorum.
- 18.2 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article: "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the Member(s) present (either in person, by proxy or by a duly appointed corporate representative) shall constitute a quorum".
- 18.3 Article 39 of the Model Articles shall not apply to the Company.
- 18.4 A poll may be demanded at any general meeting by:
 - (a) the chairman; or
 - (b) by any Member present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution.
- 18.5 Article 44(2) of the Model Articles shall not apply to the Company.
- 18.6 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article: "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made".
- 18.7 Article 45(1) of the Model Articles shall be amended as follows:

- (a) by the deletion of the words in article 45(1)(d) and the substitution therefor of the following: "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 exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
 - (b) by the insertion of the following as a new paragraph at the end of article 45(1): "and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion accept the proxy notice at any time before the meeting".
- 18.8 The Company shall not be required to give notice of a general meeting to a Member for whom the Company no longer has a valid United Kingdom address.
- 19. **PROCEEDINGS OF DIRECTORS**
- 19.1 Save where the Company has a sole Director, two Eligible Directors, present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under article 21 if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. Article 11(2) of the Model Articles shall not apply to the Company.
- 19.2 If the number of votes for and against a proposal at a Directors' meeting are equal the chairman shall have a casting vote, provided that the chairman shall not have a casting vote if he is not an Eligible Director for the purposes of the relevant directors' decision. Article 13 of the Model Articles shall not apply to the Company.
- 19.3 A meeting of the Board may be held between Directors some or all of whom are in different places, whether by telephone or video conference or any other audio or audio visual communication media, provided always that the number of Directors participating constitutes a quorum and provided that each director participating in the meeting can hear each of the other participants and can address all of the other participants simultaneously.
- 20. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**
- 20.1 Subject to sections 177 and 182 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:
 - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such contract or proposed contract in which he is interested;
 - (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such contract or proposed contract in which he is interested;
 - (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
 - (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or

employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

20.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.

21. **DIRECTORS' CONFLICTS OF INTEREST**

21.1 The Directors may, in accordance with the requirements set out in this article 21, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest (a "**Conflict**").

21.2 Any authorisation under this article will be effective only if:

- (a) the matter in question shall have been proposed by any Director for consideration at a meeting of Directors 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;
- (b) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
- (c) the matter was agreed to without the Director in question voting or would have been agreed to if his vote had not been counted.

21.3 Any authorisation of a Conflict under this article 21 may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- (b) be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
- (c) be terminated or varied by the Directors at any time.

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

21.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:

- (a) disclose such information to the Directors or to any Director or other officer or employee of the Company; or
- (b) use or apply any such information in performing his duties as a Director, where to do so would amount to a breach of that confidence.

21.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:

- (a) is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
- (b) is not given any documents or other information relating to the Conflict; and
- (c) may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.

21.6 Where the Directors authorise a Conflict:

- (a) the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
- (b) the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.

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

22. **SHARES MAY BE PARTLY OR NIL PAID**

22.1 Shares may be issued for less than the aggregate of their nominal value and any premium to be paid to the Company in consideration for their issue.

22.2 Article 21 of the Model Articles shall not apply to the Company.

23. **COMPANY'S LIEN OVER SHARES**

23.1 The Company has a lien (the "**Company's Lien**") over every Share which is partly paid for any part of:

- (a) that Share's nominal value; and
- (b) any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a Payment Notice has been sent in respect of it.

23.2 The Company's Lien over a Share:

- (a) takes priority over any third party's interest in that Share; and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the Company's Lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

23.3 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.

24. **ENFORCEMENT OF THE COMPANY'S LIEN**

24.1 Where a sum is payable in respect of the Share which is subject to the Company's Lien, and the due date for payment of that sum is passed, the Company may give notice in writing (a "**Lien Enforcement Notice**") to the holder of such Share in accordance with article 24.2.

24.2 A Lien Enforcement Notice:

- (a) must specify the Share concerned,
- (b) must be in writing and require payment of the sum payable within fourteen days of the Lien Enforcement Notice;
- (c) must be addressed either to the holder of the Share or to a transmittee of that holder; and
- (d) must state the Company's intention to sell the Share if the notice is not complied with.

24.3 Subject to the provisions of this Article, if:

- (a) a Lien Enforcement Notice has been given in respect of a Share; and
- (b) the person to whom the Lien Enforcement Notice was given has failed to comply with it,

the Company may sell that Share.

24.4 Where Shares are sold under this Article:

- (a) the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

24.5 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

- (a) first, in payment of so much of the sum for which the Company's Lien exists as was payable at the date of the Lien Enforcement Notice;
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the directors has been given for any lost, stolen or destroyed certificates, and subject to a lien equivalent to the Company's Lien for any money payable in respect of the Shares after the date of the Lien Enforcement Notice.

24.6 A statutory declaration by a director or the company secretary (if any) of the Company that the declarant is a director or the company secretary (as the case may be) of the Company and that a Share has been sold to satisfy the Company's Lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and,
- (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

25. **PAYMENT NOTICES**

25.1 Subject to the Articles and the terms on which Shares are allotted, the directors may send a notice (a "**Payment Notice**") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (hereinafter referred to as a "**Call**") which is payable in respect of Shares which that Shareholder holds at the date when the directors decide to send the Payment Notice.

25.2 A Payment Notice:

- (a) must be in writing;
- (b) may not require a Shareholder to pay a Call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium);
- (c) must state when and how any Call to which it relates it is to be paid; and
- (d) may permit or require the Call to be paid by instalments.

25.3 A Shareholder must comply with the requirements of a Payment Notice, but no Shareholder is obliged to pay any Call before fourteen days have passed since the notice was sent.

25.4 Before the Company has received any Call due under a Payment Notice the directors may:

- (a) revoke it wholly or in part; or
 - (b) specify a later time for payment than is specified in the Payment Notice,
- by a further notice in writing to the Shareholder in respect of whose Shares the Call is made.

26. **LIABILITY TO PAY CALLS**

- 26.1 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 26.2 Joint holders of a Share are jointly and severally liable to pay all Calls in respect of that Share.
- 26.3 Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that Payment Notices sent to the holders of those Shares may require them:
- (a) to pay Calls which are not the same; or
 - (b) to pay Calls at different times.

27. **WHEN PAYMENT NOTICE NEED NOT BE ISSUED**

- 27.1 A Payment Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share.
- (a) on allotment;
 - (b) on the occurrence of a particular event; or
 - (c) on a date fixed by or in accordance with the terms of issue.
- 27.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Payment Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

28. **FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES**

- 28.1 If a person is liable to pay a Call and fails to do so by the Call Payment Date:
- (a) the directors may issue a notice of intended forfeiture to that person; and
 - (b) until the call is paid, that person must pay the Company interest on the Call from the Call Payment Date at the Relevant Rate.
- 28.2 For the purposes of this Article:
- (a) the "**Call Payment Date**" is the time when the Payment Notice states that a Call is payable, unless the directors give a notice in writing specifying a later date, in which case the Call Payment Date is that later date;
 - (b) the "**Relevant Rate**" is;
 - (i) the rate fixed by the terms on which the Share in respect of which the Call is due was allotted;
 - (ii) such other rate as was fixed in the Payment Notice which required payment of the Call, or has otherwise been determined by the directors; or
 - (iii) if no rate is fixed in either of these ways, five per cent. (5%) per annum.

- 28.3 The directors may waive any obligation to pay interest on a Call wholly or in part.

29. **NOTICE OF INTENDED FORFEITURE**

- 29.1 A notice of intended forfeiture ("**Notice of Intended Forfeiture**"):
- (a) must be in writing;
 - (b) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Payment Notice;
 - (c) must be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;

- (d) must require payment of the Call and any accrued interest by a date which is not less than fourteen days after the date of the notice;
- (e) must state how the payment is to be made; and
- (f) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.

30. **DIRECTORS' POWER TO FORFEIT SHARES**

If a Notice of Intended Forfeiture is not complied with before the date by which payment of the Call is required in the Notice of Intended Forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

31. **EFFECT OF FORFEITURE**

31.1 Subject to the Articles, the forfeiture of a Share extinguishes:

- (a) all interests in that Share, and all claims and demands against the Company in respect of it; and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.

31.2 Any Share which is forfeited in accordance with the Articles (a "**Forfeited Share**"):

- (a) is deemed to have been forfeited when the directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the directors think fit.

31.3 If a person's Shares have been forfeited:

- (a) the Company must send that person written notice that forfeiture has occurred and record it in the register of members;
- (b) that person ceases to be a Shareholder in respect of those Shares;
- (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- (d) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

31.4 At any time before the Company disposes of a Forfeited Share, the directors may decide to cancel the forfeiture on payment of all Calls and interest due in respect of it and on such other terms as they think fit.

32. **PROCEDURE FOLLOWING FORFEITURE**

32.1 If a Forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

32.2 A statutory declaration by a director or the company secretary (if any) of the Company that the declarant is a director or the company secretary (as the case may be) of the Company and that a Share has been forfeited on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.
- 32.3 A person to whom a Forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 32.4 If the Company sells a Forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission and excluding any amount which:
 - (a) was, or would have become, payable; and
 - (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

33. **SURRENDER OF SHARES**

- 33.1 A Shareholder may surrender any Share:
 - (a) in respect of which the directors may issue a Notice of Intended Forfeiture;
 - (b) which the directors may forfeit; or
 - (c) which has been forfeited.
- 33.2 The directors may accept the surrender of any such Share.
- 33.3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.
- 33.4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

34. **INDEMNITY**

- 34.1 Subject to article 34.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
 - (ii) in relation to the activities of the Company (or any Associated Company) 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 affairs of the Company (or any Associated Company); and
 - (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in

article (a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

34.2 This article 22 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.

34.3 In this article 22 and in article 35:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "**relevant officer**" means any director or other officer or former director or other officer of the Company or an Associated Company (including any company which 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 the Company (or any Associated Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

34.4 Article 52 of the Model Articles shall not apply to the Company.

35. **INSURANCE**

35.1 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 loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company, any Associated Company or any pension fund or employees' share scheme of the Company or Associated Company.

35.2 Article 53 of the Model Articles shall not apply to the Company.