

Company No: 02603010

**COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

**of**

**ALCUMUS PSM LIMITED**

**(the "Company")**

5 November 2015 (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the directors of the Company propose that the resolution below is passed as a special resolution (the "Resolution").

1. **THAT**, the draft articles of association attached to these Resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.



## AGREEMENT

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

We, the undersigned, being the shareholders entitled to vote on the above resolutions, irrevocably agree to such resolutions:

**Name of Shareholder**

**Signature**

**Date of Signature**

**Alcumus Compliance Limited**



**6 November 2015**

**Beatriz Shorrock**

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**Richard Edwards**

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## NOTES

1. If you wish to agree to the resolutions, you should signify your agreement by signing and returning this document to the Company's registered office or by signing and returning an electronic copy of this document by email to [christinedowdall@eversheds.com](mailto:christinedowdall@eversheds.com)
2. If you do not agree to the resolutions, you do not need to do anything; you will not be deemed to agree if you fail to reply.
3. If sufficient agreement is not received within 28 days of the Circulation Date then these resolutions will lapse and you will not be able to indicate agreement after that date. If you agree to the resolutions, please ensure your agreement reaches us before that date.
4. Once you have indicated your agreement to the resolutions, you may not revoke your agreement.
5. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
6. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

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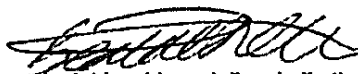
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Alcumus Compliance Limited

Beatriz Shorrock



5/11/15

Richard Edwards



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**THE COMPANIES ACTS**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

(adopted on **6 November 2015**)

of

**Alcumus PSM Limited**

Incorporated on: 15 April 1991

Number: 02603010

THE COMPANIES ACTS

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION  
(adopted on 2015)

of

**Alcumus PSM Limited**  
**(the "Company")**

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**1. PRELIMINARY**

1.1 The articles contained in schedule 1 of the Companies (Model Articles) Regulations 2008 (as amended prior to the adoption of these Articles) shall not apply to the Company.

1.2 In these Articles unless the context otherwise requires:

"A Ordinary Shareholder" means the holder of A Ordinary Shares from time to time;

"A Ordinary Shares" means A ordinary shares of £ 1 each in the capital of the Company;

"A Shareholder Consent" means the written consent of an A Shareholder Majority;

"A Shareholder Directors" means any director appointed pursuant to Article 25 and references to an "A Shareholder Director" shall be construed accordingly;

"A Shareholder Group" means the A Ordinary Shareholder and its direct and indirect holding companies from time to time,

"A Shareholder Majority" means the holders of a Majority in nominal value of A Ordinary Shares;

"Act" means the Companies Act 2006;

"Accounts" means the audited accounts of the Company or (as the case may be) audited consolidated accounts of the Group

"Adoption Date" means the date of the passing of the resolution adopting these Articles;

"Alcumus" means Alcumus Holdings Limited,

"Alcumus Default Period" means a Default Period as defined in the articles of association of Alcumus from time to time,

**"Alcumus Group"** means Alcumus and its subsidiaries,

**"associated company"** means, in relation to a company, a subsidiary or holding company for the time being of such company or a subsidiary for the time being of such a holding company;

**"B Ordinary Shareholder"** means a holder of B Ordinary Shares from time to time,

**"B Ordinary Shares"** means B ordinary shares of £1 each in the capital of the Company;

**"Bad Leaver"** means any Leaver who is not a Good Leaver;

**"Board"** means the board of Directors for the time being of the Company or any duly constituted and authorised committee thereof;

**"Business Day"** means a day (not being a Saturday or Sunday) on which banks generally are open for business in London;

**"Cash"** means cash in hand or at bank at the relevant time but excluding any sums payable under cheques, other bills of exchange or methods of payment made or issued by the Group and not cleared (including any amounts in respect of payments received for services yet to be rendered, but excluding for the avoidance of doubt security deposits and restricted cash) but excluding such amounts that pertain to the working capital of the Group;

**"Chairman"** means the chairman for the time being of Board appointed in accordance with Article 25.1;

**"Commencement Date"** means in respect of any Leaver, the Adoption Date;

**"Company Default Period"** means any period in which, except with A Shareholder Consent, any of the following subsist (except where either (i) the circumstances concerned have been remedied to the reasonable satisfaction of, or waived by, an A Shareholder Majority or (ii) (except in the case of paragraph (a) below) if the circumstances concerned have arisen by reason of a default by the Company or a member of the Group under any agreement with a third party and the default and the rights of remedy referable to thereto have been fully and expressly waived by the third party to whom the underlying obligation is owed):

- (a) the Company or any member of the Group (other than a dormant subsidiary is in liquidation or receivership or administration (but excluding any form of solvent scheme or reorganisation) or otherwise insolvent within the meaning of section 123 of the Insolvency Act 1986 or Enterprise Act 2002 or the equivalent in any jurisdiction outside England and Wales or the Directors of the Company admit the Company or such member of the Group is insolvent; or
- (b) an event of default (by whatever name called) is outstanding under any credit or similar financial facilities (including, without limitation, any senior facility, but excluding any hire purchase obligations, finance leases or ordinary course trade finance) from time to time of the Group (including the Loan Stock) and has not been remedied, waived, compromised or forgiven or any other event has occurred or circumstances subsist which (with the giving of notice or passing of time only) would be such an event of default; or
- (c) a material and persistent breach of any Subscription Agreement or these Articles by the Managers has been declared and is subsisting after 10 Business Days' notice by the A Ordinary Shareholder to the breaching parties has expired and the breach has not been cured to the reasonable satisfaction of the A Ordinary Shareholder;

**"Company Exit"** means a Share Sale or a Return of Capital;

**"Competitor"** means any person who, in the reasonable opinion of the Board (including any A Shareholder Director) or an A Shareholder Majority, carries on or is interested, directly or indirectly, in any business which competes, directly or indirectly, with any business carried on by the Group or who is connected with or an associated company of such a person,

**"Controlling Interest"** means either:

- (i) Shares (or the right to exercise the votes attaching to Shares) which (absent any Company Default Period) confer in aggregate more than fifty per cent. of the total voting rights conferred by all the Shares in the share capital of the Company for the time being in issue and conferring the right to vote at all general meetings; or
- (ii) shares (or the right to exercise the votes attaching to shares) which (absent any Alcumus Default Period) confer in aggregate more than fifty per cent. of the total voting rights conferred by all the shares in the share capital of the Alcumus for the time being in issue and conferring the right to vote at all general meetings;

**"Custodians"** as defined in Article 18.13.2;

**"Debt"** at any time, means any indebtedness (or any other obligation for the payment or repayment) at that time for or in respect of. (i) monies borrowed; (ii) any amount raised by any credit facility; (iii) any amount raised under any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; and (iv) any fees, costs and expenses paid or payable (including without limitation prepayment fees and break costs) in connection with the termination or repayment of facilities or borrowings,

**"Determining Accountant"** has the meaning given to it in Article 18 19;

**"Directors"** means the directors for the time being of the Company howsoever appointed and a "Director" shall be construed accordingly;

**"Drury Business"** means the provision of health, safety and environmental consultancy services business operated by the Group (or to be acquired by the Group) as at the Adoption Date;

**"EBITDA"** means annualised earnings before interest, taxation, depreciation and amortisation of the Group, based on the amount of such earnings as stated in the management accounts of the Group (which shall be prepared using accounting policies and principles and on a basis consistent with Accounts).

- (i) for the three-month period, or
- (ii) (where such three-month period would include the months of December or January), for the six-month period,

ending on the last day of the calendar month ending immediately before that time (or where that time is a Company Exit, before the earlier of that Company Exit or commencement of a Realisation, after direct management charges and indirect management charges (in the case of the latter capped at £275,000 per annum);

**"Employees Trust"** means any trust established by the Company or another member of the Group (with any consent required under Article 7) to acquire and hold Shares for the benefit of employees and/or former employees of the Group and/or their dependants;

**"Exit"** means the date of admission of equity securities to trading on a public securities market pursuant to a Flotation or the date on which an agreement for a Sale becomes unconditional in all respects;

**"Fair Value"** means the fair value of any Shares determined as provided in Article 18.18,

**"Financial Year"** means a financial year or other period in respect of which the Company prepares its audited or audited consolidated accounts (as applicable) in accordance with the relevant provisions of the Act;

**"Flotation"** means the effective admission of any part of the equity share capital of Alcumus to the Official List of the UK Listing Authority and trading on The London Stock Exchange or the grant of effective permission by The London Stock Exchange for dealings to take place in the same on AIM or the commencement of dealings in the same on any other recognised investment exchange (as defined in Part XVIII of the Financial Services and Markets Act 2000 (whichever is the earlier)),

**"Good Leaver"** means a Leaver who:

- (a) becomes a Leaver because he dies (other than as a result of (i) his suicide, or (ii) what in the reasonable opinion of an A Shareholder Majority is his own reckless action);
- (b) becomes a Leaver by virtue of permanent ill health or mental or physical incapacity which renders him incapable of continued employment or engagement on a full time basis in his current or a comparable position carrying out the normal duties for the position, as certified by a specialist and independent medical professional nominated or approved by the Remuneration Committee (except in any case where the abuse of alcohol or drugs has been the principal cause of such incapacity (as certified by such professional));
- (c) does not fall within (a) or (b) above but nevertheless the Board, with A Shareholder Consent, designates him as a Good Leaver for the purposes of these Articles;

**"Group"** means the Company and its subsidiaries and subsidiary undertakings for the time being (and **"Group Company"** shall be construed accordingly);

**"Leaver"** means any person who ceases or (as the case may be) will cease (through having given or been given notice to terminate his engagement or employment) to be a Relevant Executive in circumstances where he does not or (as the case may be) will not continue immediately thereafter (ignoring any notice period) to be a Relevant Executive in any capacity;

**"Leaving Date"** means the date on which the Leaver concerned became a Leaver, and for the avoidance of doubt where the Leaver has given or been given notice terminating his engagement or employment as a Relevant Executive, the Leaving Date shall be the date of such notice (such construction shall not amount to a waiver of any express right held by the Leaver as from the Leaving Date);

**"Loan Stock"** means the £650,000 management loan stock of the Company constituted by an instrument dated on or about the Adoption Date;



**“Majority”** means as regards members of a class or classes of shares, a majority by reference to the number of shares of such class or classes held and not by reference to the number of members holding shares of such class or classes;

**“Mandatory Transfer”** means any transfer of Shares required pursuant to Article 18;

**“Mandatory Transfer Notice”** means a Transfer Notice given or deemed to be given pursuant to Article 18;

**“Net Debt”** at any time, means Debt less Cash, in each case, at that time,

**“Original Member”** means the absolute beneficial owner of Shares, being an individual, prior to their transfer in accordance with these Articles;

**“Permitted A Shareholder Transferee”** means in relation to any A Ordinary Shareholder, any member for the time being of the Alcumus Group or (subject to a member of the Alcumus Group retaining a majority of the Shares in issue) any of its directors or employees (or a nominee or custodian for any of the foregoing);

**“Permitted Transfer”** means a transfer of Shares permitted by Articles 15 to 20 (inclusive);

**“Priority Notice”** as defined in Article 18 12,

**“Priority Shares”** as defined in Article 18 13;

**“Put Option”** means the option granted to the B Ordinary Shareholders in accordance with Article 6.2

**“Qualifying Offer”** has the meaning given to it in Article 19.3,

**“Realisation”** means the sale on arm’s length terms to one or more third party buyers of all or substantially all the business and assets of the Group in a single transaction or a series of connected transactions following a decision of the Directors to realise all the business and assets of the Group as soon as reasonably practicable;

**“Related Shares”** means in relation to any Shares, any Shares issued in respect of such Shares by way of capitalisation or bonus issue or acquired in exercise of any right or option granted or arising by virtue of them;

**“Relevant Executive”** means a director or employee of, or a consultant to

- (a) the Company;
- (b) a member of the Alcumus Group; or
- (c) a company (or any member of such company’s group) in which a member of the Alcumus Group has the legal, beneficial or equitable ownership, directly or indirectly of
  - (i) at least 50% of all voting interests in that party; or
  - (ii) the right to appoint, directly or indirectly, a majority of the board of directors or other governing body, or

- (iii) the right to control, directly or indirectly, the management or direction of that party by contract or corporate governance document;

**"Relevant Shares"** means any B Ordinary Shares for the time being held by a Relevant Executive;

**"Remuneration Committee"** means the remuneration committee for the time being of the board of Alcumus;

**"Restricted Securities"** is defined in Article 16.3.

**"Return of Capital"** means a winding-up or other return of capital of the Company;

**"Sale"** means the sale or transfer to a bona fide third party buyer, on arm's length terms, of a Controlling Interest (in respect of Alcumus only);

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

**"Shares"** means (unless the context does not so permit) shares in the capital of the Company (of whatever class);

**"Share Sale"** means a sale of the entire issued share capital of the Company;

**"SMMS"** means Safety Management and Monitoring Services Limited (company number 04903672);

**"SMMS Business"** means the business of health, safety and environmental consultancy (including ContractorPlus) as carried on by SMMS as at the date of this Agreement,

**"Subscription Agreement"** means any shareholders', investment or subscription agreement entered into from time to time between, *inter alios*, the Company and its members, as from time to time amended, supplemented or novated;

**"Subscription Rights"** means any rights (whether under options, warrants, on conversion of any indebtedness or otherwise) to call for the allotment or issue of Shares;

**"Sypol Business"** means the Sypol Monitoring Services business operated by the Group (or to be acquired by the Group) as at the Adoption Date;

**"Transfer Notice"** means a Voluntary Transfer Notice or a Mandatory Transfer Notice, as the case may be,

**"Transfer Value"** means the value attributable to the Shares comprised in any Transfer Notice determined as provided in Article 20;

**"Transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law;

**"Voluntary Transfer"** means any transfer of Shares other than a Mandatory Transfer; and

**"Voluntary Transfer Notice"** means a Transfer Notice other than a Mandatory Transfer Notice

**1.3 In these Articles:**

- 1 3 1 references to a document being executed include references to its being executed under hand or under seal or as a deed or by any other method and references to writing include references to any visible substitute for writing and to anything partly in one form and partly in another form.
- 1.3.2 words denoting the singular number include the plural number and vice versa, words denoting the masculine gender include the feminine gender and words denoting persons include corporations.
- 1 3.3 any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.3.4 unless the context otherwise requires or does not so admit or save as otherwise provided herein, words and expressions defined in provisions of the Act (or, to the extent not superseded by the Act, defined in the Companies Act 1985) shall be read as having those meanings where used in these Articles.
- 1.3.5 references to a “connected person” of any person shall mean any connected person thereof for the purposes of sections 1122 and 1123 Corporation Tax Act 2010 and references to “control” shall mean control for the purposes of sections 839 and 840 of the Income and Corporation Taxes Act 1988 as in force on the Adoption Date
- 1 3.6 references to the amount “paid up” on a share shall include all amounts credited as paid up thereon including any premium.
- 1.3.7 references in these Articles to a “dormant subsidiary” of the Company are references to any subsidiary of the Company which at the relevant time is dormant for the purposes of section 250(1)(a) or (b) of the Act as in force on the Adoption Date.
- 1.3.8 headings are inserted for convenience only and shall not affect the construction of these Articles.
- 1.3.9 a Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Act.
- 1.3 10 references to any statute or statutory provision include a reference to that statute or provision as amended, extended, re-enacted, consolidated or replaced from time to time and include any order, regulation, instrument or other subordinate legislation made under the relevant statute or statutory provision.

**2. SHARE CAPITAL AND LIMITED LIABILITY**

- 2 1 The issued share capital of the Company as at the date of the adoption of these Articles is divided into 2505 A Ordinary Shares and 140 B Ordinary Shares.
- 2.2 Except as otherwise expressly provided in these Articles and any Subscription Agreement, the Shares shall rank *pari passu* in all respects.
- 2.3 The liability of the members is limited to the amount, if any, unpaid on the Shares held by them.

### 3. INCOME

3.1 Subject to Article 3.2, any profits resolved to be distributed by the Company in any Financial Year or part thereof shall be distributed amongst the holders of the A Ordinary Shares pro rata to the number of A Ordinary Shares held by them.

3.2 The B Ordinary Shares shall not confer on the holders thereof any entitlement to dividends.

### 4. RIGHTS ON A RETURN OF CAPITAL OR SHARE SALE

4.1 In the event of a Return of Capital, the surplus assets of the Company (being the assets of the Company that remain after payments of its liabilities) at that time shall be allocated as follows:

4.1.1 to the holders of B Ordinary Shares, an amount (A) calculated in accordance with the formula:-

$$A = \left[ \frac{B[E + F]}{C} \right] [C - D],$$

where:

B is 10%;

C is the EBITDA at that time;

D is £1,740,000, less, if prior to such Return of Capital, any of the following businesses has been disposed of by, or ceases to be carried out by, the Group, the amount set out against that business below:

Business	Adjustment (£)
Drury Business	250,000
Sypol Business	150,000
SMMS Business	1,740,000

E is the amount of the surplus assets of the Company at that time,

F is the amount of the Net Debt at that time;

and, as between each B Ordinary Share, a pro rata amount; and

4.1.2 to the A Ordinary Shares, the balance, and, as between each A Ordinary Share, a pro rata amount.

4.2 In the event of a Share Sale, the total of all and any form of the consideration received or receivable by the Shareholders at any time in respect of the Shares that are the subject of the Share Sale (the "Share Sale Proceeds") shall be allocated between the Shareholders in the same proportions as Article 4.1 would provide if completion of the Share Sale were a Return of Capital and the Share Sale Proceeds were the surplus assets of the Company.

4.3 The B Ordinary Shares shall be entitled to such information (including as to EBITDA and Net Debt) as may be required in order to provide HM Revenue and Customs with such information as is reasonably required to ascertain the value or estimate the value of the B Ordinary Shares from time to time, and shall, subject to the prior written consent of an A Shareholder Majority (such consent not to be unreasonably withheld), shall be entitled to share such information as may be reasonably required in connection with establishing the value of such B Ordinary Shares

with a potential acquirer of their B Ordinary Shares, subject always to such consents and confidentiality provisions as set out in the Subscription Agreements and these Articles.

- 4.4 Without prejudice to the generality of Article 11, it is a term of issue of the B Ordinary Shares that any Return of Capital other than following a Realisation shall be deemed to be an attempted variation of the rights attaching to such shares and shall therefore require class consent in accordance with Article 11.

## 5. EXIT OPTION

- 5.1 For the purposes of this Article 5.

“**B Share Proceeds**” shall be an amount equal to:

10% multiplied by (Exit EBITDA – Threshold EBITDA) \* EM.

“**Exit EBITDA**” equals the EBITDA of the Group, for the 3 months prior to the date upon which the Exit occurs (provided that where such three-month period would include the months of December or January, it shall be for the six-month period prior to the date upon which the Exit occurs;

“**Threshold EBITDA**” equals the amount referred to as “D” in Article 4; and

“**EM**” means the exit multiple applied by a purchaser of the Alcumus Group to the EBITDA of the Alcumus Group in respect of such Sale or Flotation calculated by aggregating Debt repaid at completion (including tax) plus all equity proceeds less all deal related costs in conjunction with such Sale or Flotation, as agreed between an A Shareholder Majority and one B Shareholder,

and to the extent that agreement cannot be reached in relation to any matter to be agreed under this Article, that matter shall be determined by a Determining Accountant appointed in accordance with the provisions of Article 18 18 mutatis mutandis.

- 5.2 As early as practicable prior to an Exit and not less than 10 Business Days prior to the Estimated Exit Date, the Board shall notify the B Ordinary Shareholders in writing that an Exit is expected to occur and of the Board’s best estimate of the likely amount of the B Share Proceeds (“**Estimated B Proceeds**”) in respect of such Exit and of the anticipated date of the Exit (the “**Estimated Exit Date**”).

- 5.3 From the date of the notice referred to in Article 5.2 to the date that is 3 Business Days prior to the Estimated Exit Date (the “**Put Exercise Period**”), each of the B ordinary Shareholders may serve a written notice on the Company requiring that the A Ordinary Shareholders (or such other person as may be nominated by an A Shareholder Majority) (the “**Nominated Transferee**”) acquire all (but not part only) of such B Ordinary Shareholder’s B Ordinary Shares (the “**Put Option Shares**”) on (but conditional on) completion of the Exit (the “**Put Exercise Notice**”).

- 5.4 The price at which the Put Option Shares are to be acquired from each B Ordinary Shareholder pursuant to Article 5.3 (the “**Option Exercise Price**”) shall be calculated as follows:

$$\text{B Share Proceeds} * (A/B),$$

where:

“**A**” = Number of B Ordinary Shares respectively held by the relevant B Ordinary Shareholder, and

**“B” = Total Number of B Ordinary Shares issued by the Company.**

- 5.5 Following receipt of the Put Exercise Notice(s) and prior to the Exit, the Board (including an A Shareholder Director) shall confirm to the relevant B Ordinary Shareholders, the identity of the Nominated Transferee, and at least 2 Business Days prior to the Exit, such B Ordinary Shareholders shall deliver to the Company all relevant documents (including duly executed stock transfer form(s)) required to effect the transfer of the Put Option Shares, together with the relevant share certificates (or an indemnity therefor).
- 5.6 Completion of the transfer of the Put Option Shares shall take place on (or if the B Ordinary Shareholder so elects, immediately prior to) the Exit and payment of the Option Exercise Price shall be made based on the Estimated B Proceeds at the same time as the Exit, with any balance of the Option Exercise Price to be paid as soon as practicable following the Exit
- 5.7 If following a Put Exercise Notice, any B Ordinary Shareholder defaults in delivering the documents required to effect the transfer of the B Option Shares pursuant to and in accordance with this Article 5, the provisions of Article 20.11 shall apply.
- 5.8 If it becomes apparent to the Company, following the service of a Put Exercise Notice, that the relevant Exit will not occur.
- 5.8.1 the Company (with A Shareholder Consent) shall as soon as reasonably practicable give written notice to each relevant B Ordinary Shareholder stating that such is the case and confirming that any Put Option Notice shall be deemed to have been revoked with effect from the date of the notice; and
- 5.8.2 the Put Option shall continue to be capable of exercise in accordance with the provisions of Article 5.1 to 5.7.
- 5.9 If a Put Exercise Notice is not served by a B Ordinary Shareholder during the Put Exercise Period, the Company may service a written notice on such B Ordinary Shareholder (a **“Called Shareholder”**) advising that they are required to transfer all (but not only part) of their B Ordinary Shares (the **“Call Option Shares”**) to the A Ordinary Shareholder(s) or such Nominated Transferee as indicated in such notice (the **“Call Exercise Notice”**).
- 5.10 The price at which the Call Option Shares are to be acquired from each B Ordinary Shareholder will be the relevant Option Exercise Price as calculated in accordance with Article 5.4.
- 5.11 Prior to the Exit, a Called Shareholders shall deliver to the Company all relevant documents (including duly executed stock transfer form(s)) required to effect the transfer of the Call Option Shares, together with the relevant share certificates (or an indemnity therefor)
- 5.12 Completion of the transfer of the Call Option Shares shall take place on (or if required, immediately prior to) the Exit and payment of the Option Exercise Price shall be made based on the Estimated B Proceeds at the same time as the Exit, with any balance of the Option Exercise Price to be paid as soon as practicable following the Exit.
- 5.13 If following a Call Exercise Notice, any Called Shareholder defaults in delivering the documents required to effect the transfer of the Call Option Shares pursuant to and in accordance with this Article 5, the provisions of Article 20.11 shall apply.

## **6. VOTING RIGHTS**

6.1 Subject to Article 6.2, the A Ordinary Shares and the B Ordinary Shares shall confer on any holder thereof (in that capacity):

6.1.1 the right to receive notice of and attend and speak at any general meeting of the Company; and

6.1.2 the right to vote on any resolution or written resolution of the Company, such that any holder of A Ordinary Shares or B Ordinary Shares:

(a) that is present in person or by proxy or corporate representative at a general meeting of the Company shall (in that capacity) shall be entitled on a show of hands to one vote and on a poll to one vote per A Ordinary Share and/or B Ordinary Share held, and

(b) shall be entitled to one vote per A Ordinary Share and/or B Ordinary Share held in respect of any written resolution of the Company.

6.2 The B Ordinary Shares shall confer upon the holders thereof a total amount of 10% of the total voting rights of all Shares at any time, with each B Ordinary Shareholder holding a total amount of 5% of the total voting rights of all Shares at any time.

## **7. AUTHORITY TO ALLOT**

7.1 The Directors are generally and unconditionally authorised to exercise all the powers of the Company to allot Shares and to grant rights to subscribe for or to convert any security into Shares to such persons, on such terms and in such manner as they shall think fit, but subject to any agreement binding on the Company and to the other provisions of these Articles

7.2 The authority contained in Article 7.1 shall unless revoked, renewed or varied in accordance with section 551 of the Act.

7.2.1 be limited to a maximum nominal amount of Shares equal to £280; and

7.2.2 expire on the fifth anniversary of the Adoption Date except that the Company may before such expiry make any offer or agreement which would or might require Shares to be allotted or such rights to be granted after such expiry and the directors may allot Shares or grant such rights in pursuance of such offer or agreement as if the authority conferred by Article 7.1 had not expired.

7.3 Sections 561 and 562 of the Act shall not apply to an allotment of equity securities made by the Company.

## **8. NEW SHARE ISSUES**

8.1 Pursuant to section 570 the Act, the provisions of sub-section (1) of section 561 of the Act shall be excluded and shall not apply to the Company

8.2 No Shares or rights to subscribe for or convert into Shares, which the Company or any Group Company propose to issue or allot or grant after the Adoption Date ("New Securities") shall be so issued, allotted or granted to any person unless:

8.2.1 the Company has first, or has procured that the relevant Group Company has first, offered to each holder of Shares, in accordance with and subject to the provisions of

Articles 8.3 and 8.4 and at the same price, the proportion of those New Securities that is equal to the proportion of the total number of Shares held by that holder to the total number of Shares then in issue ("**New Issue Proportion**");

- 8.2.2 the aggregate nominal value of the B Ordinary Shares issued by the Company shall equal not less than 10% of the aggregate nominal value of the issued share capital of the Company following the issue of the New Securities; and
  - 8.2.3 if any B Ordinary Shares are to be issued or the New Securities would result in the Company no longer being owned as to 51% by a member of the Alcumus Group then the written consent of one of the B Ordinary Shareholders shall be required.
- 8.3 Subject to Article 8.2, an offer ("**Offer**") of New Securities:
- 8.3.1 shall specify a period of not fewer than 20 Business Days and not more than 30 Business Days within which the Offer must be accepted, failing which it will lapse (a "**New Issue Offer Period**");
  - 8.3.2 shall stipulate that any holder of Shares who wishes to subscribe for a number of New Securities in excess of his New Issue Proportion must, in his acceptance, state how many additional New Securities he wishes to subscribe for, in which case any New Securities not accepted by other holders of Shares will be used to satisfy the request for additional New Securities pro rata to each requesting Shareholder's New Issue Proportion, provided that no such requesting Shareholder shall be obliged to take more than the maximum number of New Securities stated by it; and
  - 8.3.3 shall, if so directed by an A Shareholder Majority, specify that the issue of any New Securities is subject to any conditions which are reasonable and considered by the A Shareholder Majority (acting reasonably) to be appropriate, provided that any such conditions apply to all holders of Shares and are not disproportionately prejudicial to or between any holder or holders or class or classes of Shares.
- 8.4 Subject to the terms of any Subscription Agreement, if any New Securities are not taken up pursuant to Articles 8.2 and 8.3 (the "**Excess New Securities**"), the Excess New Securities may be offered by the Company or the relevant Group Company to any person (other than a holder of Shares) (with the consent of an A Shareholder Majority) at a price that is not less than the price, and otherwise on terms that are not more favourable than the terms, set out in the Offer, provided that no Excess New Securities shall be issued more than three months after the end of the New Issue Offer Period unless the procedure in Articles 8.2 and 8.3 is repeated in respect of those Excess New Securities.
- 8.5 On any proposed issue of Shares which when issued will amount to a Controlling Interest (in respect of the Company only), an A Shareholder Majority shall, and on any other proposed issue of Shares, an A Shareholder Majority may, by notice in writing served on the Company, require the Company to instruct a reputable and experienced valuer to carry out a fair value exercise in relation to the proposed issue and to confirm to the Company and the Shareholders that, in the valuer's view, taking into account the value of the Group, the terms of the New Securities being issued and any other factors that the valuer considers relevant, that the terms of the issue are bona fide fair and reasonable. The valuer shall act as an expert and shall not be required to give reasons for his view. The Company shall provide to the A Ordinary Shareholders all material information and correspondence with the valuer.
- 8.6 The foregoing provisions of this Article 8 (except Article 8.5) shall not apply to Shares to be allotted under any express provision of any Subscription Agreement.



- 8.7 No allotment or issue of Shares or other Restricted Securities shall be made in breach of Article 16.3

**9. COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**

Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or these Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it.

**10. SHARE CERTIFICATES**

- 10.1 The Company must issue each member, free of charge, with one or more certificates in respect of the Shares which that member holds.
- 10.2 Every certificate must specify: (a) in respect of how many Shares and, of what class, it is issued; (b) the nominal value of those Shares; (c) the amount paid up on them; and (d) any distinguishing numbers assigned to them.
- 10.3 No certificate may be issued in respect of Shares of more than one class.
- 10.4 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 10.5 Certificates must have affixed to them the Company's common seal, or be otherwise executed in accordance with the Act
- 10.6 If a certificate issued in respect of a member's Shares is damaged or defaced or said to be lost, stolen or destroyed, that member is entitled to be issued with a replacement certificate in respect of the same Shares.
- 10.7 A member exercising the right to be issued with such a replacement certificate
- 10.7.1 may at the same time exercise the right to be issued with a single certificate or separate certificates,
- 10.7.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- 10.7.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

**11. VARIATION OF RIGHTS**

- 11.1 The rights attached to any class of Shares may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled only with the approval of (i) an extraordinary resolution passed at a separate class meeting of the holders of the issued Shares of that class, or with the consent in writing of a Majority of that class (or such higher percentage as may be required by the Act), and (ii) an A Shareholder Majority
- 11.2 The provisions of these Articles relating to general meetings shall apply to every separate class meeting referred to in Article 11.1, but the necessary quorum shall be two persons at least holding or representing by proxy or corporate representative three quarters or more in nominal value of the issued Shares of the relevant class and that any holders of Shares of the relevant class present in person or by proxy may demand a poll and on a poll each Share concerned shall carry one vote PROVIDED THAT where there is only one holder of the issued Shares of the

relevant class a quorum shall be that holder alone present in person or by proxy or corporate representative

- 11.3 For the avoidance of doubt, the variation, modification, abrogation or cancellation of any provision of these Articles which contains or affects any class rights shall (save as expressly provided herein) require the consent aforesaid of the holders of Shares of the class or classes concerned to be effective
- 11.4 In exercising any class rights as the holder of any particular class of Share such holder shall be entitled to exercise such rights in its absolute discretion as it sees fit including for the avoidance of doubt without regard to the interests of any other holder of the same class of Shares or the rights of holders of that particular class as a whole.

## **12. LIENS AND OTHER CAPITAL PROVISIONS**

- 12.1 The Company shall have a first and paramount lien on all Shares standing registered in the name of any person indebted or under liability to the Company and a right of set off against all moneys payable by the Company on or in respect of the same, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company whether in respect of those Shares or otherwise.
- 12.2 Notwithstanding anything contained in these articles, the directors of the Company may not exercise any right of lien which the Company has over shares that have been mortgaged, charged or pledged by way of security to a bank or institution.
- 12.3 Subject to the Act and without prejudice to the rights of the holders of the respective classes of Shares, the Company may issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or the member on such terms and in such manner as the company may by ordinary resolution determine.

## **13. CALLS ON SHARES AND FORFEITURE**

- 13.1 Subject to the terms of allotment, the Directors may make calls upon the members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect whereof the call was made. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 13.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 13.3 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it becomes due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the Directors may waive payment of the interest wholly or in part
- 13.4 An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is

- not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
- 13.5 Subject to the terms of allotment, the Directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
- 13.6 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expense incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited. The Directors may accept a surrender of any Share liable to be forfeited hereunder
- 13.7 If the Shares are not surrendered or if the notice is not complied with, any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 13.8 Subject to the provisions of the Act and these Articles, a forfeited or surrendered Share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture or surrender the holder or to any other person and at any time before sale, surrender, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where the Directors propose that a forfeited or surrendered Share should be transferred then the Company shall give written notice of such proposal to the member concerned. The provisions of Article 18 shall apply in relation to any proposed transfer of a Share pursuant to this Article 13.8 (on the basis that a Mandatory Transfer Notice in respect of such Share shall be deemed to be given on the date on which such notice aforementioned is given)
- 13.9 A person any of whose Shares have been forfeited or surrendered shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or surrender or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture or surrender until payment but the Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or surrender or for any consideration received on their disposal.
- 13.10 A statutory declaration by a Director or the secretary that a Share has been forfeited or surrendered or sold to satisfy a lien of the Company on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The declaration and the receipt of the Company for the consideration (if any) given for the Share on the sale, re-allotment or disposal thereof shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor, subject to compliance by the Directors with Article 13, shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the Share.

#### **14. TRANSFERS – GENERAL**

- 14.1 No Shares or any interest therein shall be transferred and the Directors shall not register any transfer of Shares other than a Permitted Transfer and, subject only to Article 16, the Directors shall be obliged to register a Permitted Transfer
- 14.2 For the purposes of the provisions of these Articles relating to transfer of Shares, a transfer of Shares includes a renunciation of any allotment of Shares or of any Subscription Rights and any other disposition of any interest in any Share (or the income or capital or other rights referable thereto) whether legal, beneficial or otherwise (including the entry into any option or other agreement (conditionally or otherwise) for the possible sale or transfer thereof or grant of any security thereover) and whether or not for consideration or by written disposition or otherwise
- 14.3 Any transfer or purported transfer of any Share or of any interest therein made otherwise than in accordance with these Articles shall be void and of no effect whatsoever. In addition the Directors shall be at liberty by notice in writing to the registered holders thereof to disenfranchise any Shares which are the subject of a transfer not made in accordance with these Articles until such time as the Directors (acting reasonably) are satisfied that the provisions of these Articles relating to transfer of Shares have been complied with.
- 14.4 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share. The Company may retain any instrument of transfer which is registered
- 14.5 The transferor of any Share shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Company's register of members in respect thereof

#### **15. TRANSMISSION OF SHARES**

- 15.1 If title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.
- 15.2 Subject to these Articles, a Transmitttee who produces such evidence of entitlement to Shares as the Directors may properly require may choose either to:
- 15.2.1 become the holder of those Shares, in which case they must notify the Company in writing of that wish, or
- 15.2.2 have them transferred to another person, in which case they must execute an instrument of transfer in respect of the Shares
- 15.3 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.
- 15.4 A Transmitttee shall have same rights as the holder had, except that he shall not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which he is entitled, by reason of the holder's death or bankruptcy or otherwise, unless and until they become the holders of those Shares.

#### **16. SPECIAL TRANSFER PROVISIONS**

- 16.1 Save as envisaged by Article 5 and Article 35, no transfer of Shares or any interest therein shall be made or registered without A Shareholder Consent except:

- (a) where made in accordance with Article 17,
- (b) where required and made in accordance with Article 18; or
- (c) pursuant to acceptance of an offer made and completed under and in accordance with Article 19.

16.2 No transfer of any Shares or any interest therein shall be made or registered:

- (a) in breach of any Subscription Agreement or any deed of adherence thereto; or
- (b) in favour of a Competitor or any nominee thereof; or
- (c) in breach of Article 14.3,

without A Shareholder Consent

16.3 The following provisions shall apply as regards Restricted Securities, except to the extent otherwise agreed by A Shareholder Consent:

- (a) for the purposes of this Article "**Restricted Securities**" shall mean any restricted securities or interests in restricted securities as defined in Part 7 of The Income Tax (Earnings and Pensions) Act 2003 ("**ITEPA**") in the Company or any member of the Group and other words and expressions defined in ITEPA shall bear the same meaning except where clearly inconsistent with the context,
- (b) no Restricted Security or interest therein shall be transferred or otherwise disposed of or allotted or issued to any person in circumstances where as a result that person and the Company or another member of the Group could make an election in respect thereof under section 431(1) ITEPA (an "**Up Front Election**"), unless the Board (including an A Shareholder Director) is satisfied that such election will be made in the manner and by the latest time provided by sections 431(4) and 431(5) ITEPA;
- (c) each member who through employment by any member of the Group becomes entitled to make an Up Front Election or who is an associated person of a person so entitled shall and shall procure that any such associated person shall duly join with this employer member of the Group in duly making and submitting that election as and within the time limits provided in sections 431(4) and 431(5) ITEPA and such member hereby irrevocably and as security for his due performance of such obligation appoints each Director for the time being of the Company as his attorney for the purposes of signing and making any such election on this behalf,
- (d) each member shall duly provide to the Company and relevant employer member of the Group such information as it shall require or need for the purposes of fulfilling its obligations as a responsible person in relation to that member and/or his associated persons and/or any Restricted Securities or interest therein from time to time held or owned or formerly held or owned or proposed to be acquired by him and/or any such associated person and in particular and without limitation shall notify the Company of any reportable event and/or chargeable event relevant thereto without delays after it occurs; and
- (e) the Company shall procure that any Up Front Elections required to be signed and made by it and/or any other employer member of the Group as required by the foregoing are duly made as so required and in the manner and by the latest time provided in sections 431(4) and 431(5) ITEPA.

- 16.4 The Directors may in their absolute discretion and shall if required by any A Shareholder Director, and without assigning any reason therefor, decline to register (i) any transfer of any Share to more than four transferees; (ii) any transfer comprising Shares of more than one class; (iii) any transfer of any Share which is not fully paid to a person of whom the Directors do not approve, or (iv) any transfer to an infant, bankrupt or person that would fall within Articles 24 3(b) or Article 24.3(c).

## **17. EXPRESSLY PERMITTED TRANSFERS**

- 17.1 The provisions of this Article 17 are subject to the restrictions in Article 16 and Article 35
- 17.2 Any Share may be transferred at any time by a member to any other person with the written consent of the holders of not less than seventy five per cent in nominal value of the issued Shares and (except where Article 20 applies) with A Shareholder Consent and the written consent of one B Ordinary Shareholder.
- 17.3 Without prejudice to Article 9, any Share may be transferred to a person to be held as bare nominee and any Shares held by a member as bare nominee may be transferred to any other person or persons who shall hold such Shares as bare nominee provided, in either such case, that the transferor and transferee certify to the Company, and the Directors (including any A Shareholder Director) are satisfied, that no beneficial interest in such Shares passed by reason of the transfer
- 17.4 Any A Ordinary Shares may be transferred to a Permitted Transferee.

## **18. MANDATORY TRANSFERS**

- 18.1 Subject to Articles 18.2 and 18.3, if a member of the Company becomes a Leaver:
- (a) he shall, if and to the extent required by an A Shareholder Majority by notice in writing given to him (or his personal representative, as appropriate) at any time and from time to time during the period of twelve months following his Leaving Date, give a Mandatory Transfer Notice or Notices at the time such notice is given by the A Shareholder Majority in respect of all (but not part only) of his Relevant Shares as specified in the notice; and
  - (b) if he shall have been deemed to give a Mandatory Transfer Notice pursuant to Article 18.1(a) above or if when he became a Leaver he held no Shares in the Company in respect of which such a Mandatory Transfer Notice could have been required, he shall, if he subsequently becomes registered or unconditionally entitled to be registered as the holder of Shares in the Company pursuant to a right or opportunity made available to him prior to his becoming a Leaver, be deemed (unless otherwise agreed by A Shareholder Consent) to have served a Mandatory Transfer Notice in respect of all such Relevant Shares, upon becoming so registered or entitled
- 18.2 The Company may from time to time agree in writing, with A Shareholder Consent, to exclude any one or more particular individuals from the provisions of Article 18.1, whether generally or in respect of a designated proportion of his or their Relevant Shares
- 18.3 If any person holding Shares as a bare nominee as contemplated by Article 17.3 ceases to be such a nominee and shall fail within twenty-one days of such event to transfer all the Shares concerned to the Original Member then such person shall be deemed to have given a Mandatory Transfer Notice in respect of such Shares at such time thereafter as the Directors of the Company (with A Shareholder Consent) shall notify in him in writing.

- 18.4 A person entitled to Shares in consequence of the death, bankruptcy, receivership or liquidation of a member shall be bound at any time within eighteen months of becoming so entitled, if and when called upon in writing by the Directors or an A Shareholder Majority so to do, to give a Mandatory Transfer Notice at the time the notice from the Directors or A Shareholder Majority (as appropriate) is given in respect of all Shares then registered in the name of the deceased or insolvent member unless such person is, or shall (within twenty-eight days of becoming so entitled) transfer such Shares to, a person to whom Shares may be transferred pursuant to Article 17.
- 18.5 If the Directors become aware or reasonably believe that any Shares are held by or for a Competitor they may with A Shareholder Consent and will if so required in writing by an A Shareholder Majority require, by written notice, the holder of the Shares concerned to give a Mandatory Transfer Notice in respect of all or any of those Shares either immediately or within such period as shall be specified in that notice.
- 18.6 For the purpose of ensuring that a transfer of Shares is in accordance with the provisions of these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Mandatory Transfer Notice is required to be given hereunder the Directors may (and shall if required by an A Shareholder Majority) from time to time require any member or past member (including any one or more of joint holders of Shares) or the legal personal representatives or the trustee in bankruptcy of any member or any person named as a transferee in any instrument of transfer lodged for registration, to furnish to the Company such information and evidence as the Directors (including any A Shareholder Director) may reasonably think fit regarding any matter which they may reasonably deem relevant to such purpose.
- 18.7 If any information or evidence requested under Article 18.6 is not provided to the reasonable satisfaction of the Directors (including any A Shareholder Director) within fourteen days after such a request, the Directors may (and will if required by any A Shareholder Director) refuse to register the transfer in question or (in case no transfer is in question) require by notice in writing that a Mandatory Transfer Notice is given in respect of the Shares concerned. If such information or evidence discloses that in the reasonable opinion of the Directors, a Mandatory Transfer Notice ought to have been given in respect of any Shares, the Directors may (and will if required by any A Shareholder Director) by notice in writing require that a Mandatory Transfer Notice is given pursuant to these Articles in respect of the Shares concerned.
- 18.8 Where under the provisions of these Articles a Mandatory Transfer Notice is required to be given in respect of any Shares but it is not given within a period of fourteen days of demand therefor being made or within any other period specified it shall, be deemed to have been given on the fourteenth day after such demand is made or at the end of the relevant specified period, as appropriate.
- 18.9 A Director (not being an A Shareholder Director) shall be regarded as having an interest which is material and which conflicts with the interests of the Company in (and accordingly shall not (unless prior written consent from the A Shareholder Directors is obtained) be entitled to vote in relation to) any matter which requires to be determined or otherwise decided upon by the Directors pursuant to or for the purposes of any of Articles 14, 16, 17, this Article 18 or Article 20 to the extent such matter relates to any Shares held by such Director or any Associate of such Director or in which such Director is otherwise interested.
- 18.10 Upon the giving of a Mandatory Transfer Notice under Article 18.1 or a deemed giving of a Mandatory Transfer Notice under Article 18.8 (notice under both Article 18.1 and 18.8 are referred to in this Article 18.10 as a "Mandatory Transfer Notice"), the Relevant Shares the subject of the Mandatory Transfer Notice shall, subject to Article 18.11, be offered for sale in accordance with Article 20 as if they were Offered Shares (as defined in Article 20.5) in respect of which a Transfer Notice had been given save that:

- 18.10.1 a Mandatory Transfer Notice shall be deemed to have been given on the date of the Leaving Date or, if later, the date of Mandatory Transfer Notice;
  - 18.10.2 the Leaver who is the recipient of the Mandatory Transfer Notice shall be deemed a **"Proposed Transferor"** for purposes of Article 20, and
  - 18.10.3 the acquisition of any Shares which are the subject of the Mandatory Transfer Notice shall be completed on or before the date falling 21 days after the date of the Mandatory Transfer Notice and the consideration paid to the Leaver pursuant to this Article 18 (as appropriate) on completion of the acquisition. Article 20.11 shall apply mutatis mutandis for these purposes
- 18 11 Notwithstanding Article 18.10 and subject to Articles 18.14 to 18 16, an A Shareholder Majority shall be entitled to direct (by written notice (a **"Priority Notice"**) to the Company) that any Shares which are subject of a Mandatory Transfer Notice are:
- 18.11.1 offered to the Company by way of buy-back;
  - 18.11.2 offered to an Employees Trust;
  - 18.11 3 made or kept available for any person or persons who is or are (an) existing director(s) and/or employee(s) of the Group; and/or
  - 18 11.4 made or kept available for a person or persons (whether or not then ascertained) which in the opinion of such A Shareholder Majority it will be necessary or expedient to appoint as (a) director(s) and/or employee(s) of the Group,
- and the provisions of Article 18 12 shall apply.
- 18 12 If a Priority Notice is given, then, in relation to the Shares the subject thereof (the **"Priority Shares"**), the Priority Shares shall either:
- 18 12.1 be offered to the person(s) (which may include, without limitation, the Company) and, in the case of more than one person, in the proportions, specified in the Priority Notice (conditional, in the case of any prospective director and/or employee, upon his taking up his proposed appointment with a Group Company (if not then taken up));
  - 18 12 2 if the relevant Priority Notice so requires, be offered to not less than two persons or a company or Employee Trust designated by an A Shareholder Majority (**"Custodians"**) to be held (in the event of their acquiring the Priority Shares) on and subject to the terms referred to in Article 18 13 below; or
  - 18.12.3 be bought back by the Company,
- provided always that the acquisition of any Shares which are the subject of a Priority Notice shall be completed on or before the date falling 21 days after the date of the Priority Notice and the consideration paid to the Leaver pursuant to Articles 18.14 to 18 16 (as appropriate) on completion of the acquisition Article 20 11 shall apply mutatis mutandis for these purposes
- 18 13 If Custodians become the holders of Priority Shares, then, (unless and to the extent that the Directors with A Shareholder Consent otherwise agree from time to time) they shall hold the same on, and subject to, the following terms
- 18 13 1 they may exercise the voting rights (if any) for the time being attaching to such Shares as they think fit,



- 18.13.2 save with A Shareholder Consent, they shall not encumber the same;
- 18.13.3 they will transfer the legal title to such Shares and all such other interests as they may have therein to (and only to) such person or persons and at such time or times and otherwise on such terms as an A Shareholder Majority may from time to time direct by notice in writing to the Custodians PROVIDED THAT the Custodians may not be required to enter into any agreement or otherwise take any action if and to the extent that they would or might incur any personal liability (whether actual or contingent) or suffer any personal loss;
- 18.13.4 if an offer is made to them for the Priority Shares (whether as part of a general offer or otherwise) then they shall seek instructions from the A Shareholder Majority as to what (if any) actions they should take with regard thereto but, absent instructions from an A Shareholder Majority within 14 days of seeking the same, the Custodians may accept or decline to accept such offer, as they think fit.
- 18 14 Where a Voluntary Transfer Notice is given by an A Shareholder Majority, the Transfer Value shall be such price per share as the Proposed Transferor shall specify in such Transfer Notice or, if no such price is specified, the Transfer Value agreed or determined under Article 18.17.
- 18 15 Subject to Article 18.16, where a Mandatory Transfer Notice is given pursuant to Article 18.1 (or when it is deemed given under Article 18.8) by a Good Leaver, the Transfer Value of the Offered Shares shall be their Fair Value.
- 18 16 Where a Mandatory Transfer Notice is given under Article 18.1 (or when it is deemed given under Article 18.8) by a Bad Leaver, then the Transfer Value of the Offered Shares shall be the
- 18 16 1 Fair Value in respect of the Vested Percentage of such Offered Shares; and
- 18 16.2 the lower of their Fair Value and the amount (inclusive of share premium) paid up on such Offered Shares

and for the purposes of this Article 18 16, the Vested Percentage shall be determined as follows (rounding down fractions of a vested Offered Share to the nearest whole number of vested Offered Shares), depending upon the number of whole years elapsed between the Commencement Date and Leaving Date of that Leaver, and the remaining Offered Shares shall be unvested:

<u>Elapsed Years</u>	<u>% Vested (the "Vested Percentage")</u>
less than one	0%
one or more but less than two	20%
two or more but less than three	40%
three or more but less than four	60%
four or more	80%
On an Exit or Company Exit Event	100%

18 17 If the Transfer Value of any Shares to be transferred pursuant to a Transfer Notice is not set out in the Transfer Notice or if the Transfer Notice is a deemed Transfer Notice under these Articles then the Transfer Value shall be such sum as may be agreed between the Proposed Transferor and the Company (with A Shareholder Consent) within twenty-eight days of the service or deemed service upon the Company of a Transfer Notice in which the Offered Shares are comprised or, in default of such agreement, such sum as the Determining Accountant shall determine in writing as being in his opinion the fair value thereof on (i) the Relevant Date (as defined below), or (ii) the date of transfer of the Shares, (in each case, as determined by an A Shareholder Majority in their sole discretion) (the "Fair Value"), calculated in accordance with the provisions of Article 4.1.

18 18 For the purposes of Article 18.17:

- (a) the "Determining Accountant" shall be a chartered accountant appointed by agreement between the parties within seven days following the expiration of the period of twenty-eight days referred to in Article 18.17 or, failing such agreement, such valuer as is appointed (on the application of the Proposed Transferor or the Directors) by the President for the time being of the Institute of Chartered Accountants in England and Wales,
- (b) the "Relevant Date" shall mean:
  - (i) in the case of a Voluntary Transfer Notice, the date on which it was given; or
  - (ii) the Leaving Date of the relevant Leaver, where a Mandatory Transfer Notice is given by a Leaver pursuant to Article 18.1 or when it was deemed given under Article 18 9; and
  - (iii) in the case of any other Mandatory Transfer Notice, the date on which it was given or (if earlier) first required to be given under these Articles; and
- (c) the Determining Accountant shall be deemed to be acting as an expert and not as arbitrator and his report shall be in writing and addressed and produced to the Proposed Transferor and the Company and shall be final and binding, in the absence of manifest error therein. The Company shall procure that any decision and/or report required hereunder is obtained with due expedition and the cost of obtaining such decision and/or report shall be borne as follows:
  - (i) in the event that the Proposed Transferor is a Good Leaver, by the Company;
  - (ii) in the event that the Proposed Transferor is a Bad Leaver, equally by the Company and the Proposed Transferor, and
  - (iii) in all other circumstances, the expenses of the Determining Accountant being met by the Company (save that where the price determined by the Determining Accountant is less than 95 per cent. of the last price offered to the Proposed Transferor, the expenses of the Determining Accountant shall be met by the Proposed Transferor)

## 19. TAG ALONG AND DRAG ALONG

19 1 Subject to Article 19.5, no sale or transfer of any Shares shall be made which would result, if made and registered (when taken together with all other proposed contemporaneous sales or transfers of Shares in the Company), in a person or persons obtaining a Controlling Interest in either the Company (the "Specified Shares") unless (i) the proposed transferee(s) or the

nominees of such transferee(s) has made a Qualifying Offer, as provided below, to purchase all of the B Ordinary Shares of the Company (including those to be issued on exercise of Subscription Rights (if any)) and (ii) all the Loan Stock then in issue shall be redeemed by the Company on or before completion of the purchase of the Specified Shares.

19.2 If any bona fide Qualifying Offer on arm's length terms (from a person who is not (i) an associated company or a connected person with either an A Ordinary Shareholder; or (ii) a shareholder of Alcumus or a person connected with such a shareholder) to acquire all of the Shares in the Company (other than any such Shares already held by the offeror and persons acting in concert with it) and/or the entire issued share capital of Alcumus (the "Offer Shares") is accepted in writing in respect of the Offer Shares held by persons other than the offeror (and persons acting in concert with it) by the holders of a Majority of the issued Offer Shares (even if including the offeror or any persons connected with it or acting in concert with it) (the "Calling Shareholders"), the Calling Shareholders shall have the right to require all the B Ordinary Shareholders (including those who become such holders through exercise of Subscription Rights) (the "Called Shareholders") to transfer within five Business Days of written notice from the Calling Shareholders all of their B Ordinary Shares in accordance with the terms of the offer (but subject always to the application of the provisions of Article 4.1) that were agreed between the Calling Shareholders and the proposed transferee. The right of the Calling Shareholders shall be exercised by the Calling Shareholders giving written notice to the Called Shareholders accompanied by the documents set out in Article 19.3(a) and copies of all documents required to be executed by the Called Shareholders to give effect to the required transfer. Article 20.11 shall apply mutatis mutandis for these purposes.

19.3 A "Qualifying Offer" for the purposes of these Articles shall be in writing and:

- (a) identify the name of the proposed transferee(s) or nominee and include reasonable details of the price of the offer for all the Specified Shares or Offer Shares (as the case may be) and classes of shares;
- (b) be unconditional or subject to a condition that if its conditions are not satisfied or waived by A Shareholder Consent the proposed sale or transfer of the Specified Shares or Offer Shares (as the case may be) will not proceed;
- (c) be open for acceptance for at least twenty-one days from its date, which shall be specified therein; and
- (d) be made at the Specified Price, as defined below.

19.4 For the purpose of this Article the expression the "Specified Price"

- (a) subject always to the application of the provisions of Article 4, a price per Share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for the Specified Shares or the Offer Shares in the same form, and
- (b) shall include an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Specified Shares or Offer Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as in addition to the price paid or payable for the Specified Shares or Offer Shares

19.5 In the event of disagreement as to the calculation of the Specified Price or the amount of any cash alternative therefor for the purposes of this Article, the Company shall, if such disagreement is not resolved within fourteen days of it arising, instruct a reputable and

experienced valuer to carry out a fair value exercise in relation to the proposed issue and to confirm to the Company and the Shareholders that, in the valuer's view, taking account of the value of the Group and the terms of the Shares in question, the Specified Price or amount of the cash alternative (as appropriate) The valuer shall act as expert. The Company shall provide to the A Ordinary Shareholders all material information and correspondence with the valuer. The B Ordinary Shareholders shall be afforded a reasonable opportunity to make joint (but not individual) representations to such a valuer (and the Company shall procure that all information reasonably requested by the B Shareholders is provided in order to enable them to do so).

19.6 Article 19.1 shall not apply to a transfer of Shares to be made pursuant to Articles 17.3 or 17.4 or Article 19.2.

19.7 Article 20 (save for Article 20.11) shall not apply to any transfer of Shares made under Article 19.2 in circumstances where the holders of all the Shares accept the offer therein mentioned.

## **20. THIRD PARTY TRANSFERS**

20.1 Subject to Articles 4, 5, 16, 17, 19, and 35 no Shares or any interest therein shall be transferred or disposed of whether by way of sale or otherwise except in accordance with the following provisions of this Article 20.

20.2 Every holder of Shares or person entitled to be registered in respect of a Share or Shares who intends to transfer or dispose of any Share or Shares registered in his name and/or to which he is so entitled or any interest therein (the "**Proposed Transferor**") shall give notice in writing to the Company of such intention (a "**Transfer Notice**")

20.3 A Transfer Notice shall specify the number and class and price of Shares which the Proposed Transferor intends to transfer to the proposed transferee (in the case of a Voluntary Transfer Notice) (the "**Proposed Transferee**") and where a Transfer Notice is given or deemed given in respect of Shares of more than one class a separate Transfer Notice shall be deemed to have been given in respect of each such class of Share.

20.4 A Transfer Notice may provide as a condition (a "**Total Transfer Condition**") that unless all the Shares specified or deemed comprised therein are sold to the Proposed Transferee (and all the Loan Stock held by any Leaver are simultaneously acquired at nominal value plus accrued interest or redeemed) none shall be sold, and except as hereinafter provided, a Transfer Notice once given or deemed to be given shall not be revocable without the written consent of the Board including the A Shareholder Director (if any) in office at the time PROVIDED always that in order for a Leaver to impose such a Total Transfer Condition he must also offer as an alternative to sign all documents reasonably required of the Leaver to convert the B Ordinary Shares held by the Leaver into shares which he can retain whose economic rights are nominal (but whose voting rights and rights to appoint a director remain unchanged), with such conversion (and payment of the price to which the Leaver would have been entitled to had the Shares been sold) taking place as soon as reasonably practicable

20.5 A Transfer Notice shall constitute the Company the agent of the Proposed Transferor to sell all the Shares specified or deemed comprised therein (the "**Offered Shares**") in accordance with the provisions of this Article. If the Transfer Notice does not specify the price (being the Transfer Value) at which the Offered Shares are to be sold, the Fair Value of the Offered Shares shall be determined in accordance with Article 18.17.

20.6 Subject to Article 19.1.3, within seven days after the Company's (i) receipt of a Voluntary Transfer Notice, or (ii) where a Transfer Notice does not contain a proposed purchase price, determination of the Transfer Value of the Offered Shares, the Company shall inform

- (a) members (with a copy to the Proposed Transferor) as may be determined by an A Shareholder Majority; and
- (b) where the Offered Shares are B Ordinary Shares or other Shares originally subscribed by an Employees Trust ("**Employee Shares**"), such employees or proposed employees of any Group Company and/or the trustees of such Employees Trust or Trusts as the Remuneration Committee shall agree with A Shareholder Consent,

of the number of and the price (being the Transfer Value) of the Offered Shares and may, with A Shareholder Consent, invite each member or (where appropriate) other persons referred to in Article 20.6(b) ("**Priority Offerees**") to whom such notice is given to apply in writing to the Company within twenty one days of the date of despatch of the notice under this Article 20.6 (which shall be specified therein) for such maximum number of the Offered Shares (being all or any thereof) as he shall specify in such application.

- 20.7 The Company shall, within seven days after the end of the twenty one day period referred to in Article 20.6, notify the Proposed Transferor and the A Ordinary Shareholders and the Priority Offerees of the number of Offered Shares (if any) for which they have found a proposed purchaser or purchasers pursuant to Article 20.6 ("**applicants**") and, if the Company has found applicants in respect of some only of the Offered Shares and the Transfer Notice properly contained a Total Transfer Condition, the Proposed Transferor shall be entitled to withdraw the Transfer Notice (in whole but not in part) within five days of such notification.
- 20.8 During the three months following the end of the period of seven days referred to in Article 20.7 the Proposed Transferor (whether or not the Transfer Notice has been withdrawn under that paragraph) may (subject to Article 14 and the terms of any Subscription Agreement) transfer to any person or persons at any price per Share (not being less than the Transfer Value thereof determined aforesaid) any Share not allocated to an applicant in accordance with the provisions of Article 20.7, except that if he has withdrawn the Transfer Notice under Article 20.7, he may not sell some only of the Offered Shares except with A Shareholder Consent.
- 20.9 If within the period of twenty-one days referred to in Article 20.6 applications are found for all or (except where the Transfer Notice is withdrawn under Article 20.7) any of the Offered Shares, the Company shall allocate the Offered Shares (or so many of them as shall be applied for as aforesaid) to the applicants, subject to the A Shareholder Consent PROVIDED THAT no applicant shall be obliged to take more than the maximum number of Offered Shares applied for by him as aforesaid and that all requisite adjustments shall be made in the event that any applicant allocated Offered Shares shall fail to complete the purchase of the same when required in accordance with this Article.
- 20.10 The Company shall forthwith give notice in writing of the allocations of Offered Shares made pursuant to Article 20.9 (an "**Allocation Notice**") to the Proposed Transferor and to the applicants and the Proposed Transferor shall thereupon be bound to transfer the Shares allocated upon payment of the Transfer Value thereof. An Allocation Notice shall state the names and address of the applicant and the number of Shares agreed to be purchased by them respectively and the purchase shall be completed at such place and such time as shall be specified by the Company in such Allocation Notice being not less than seven days nor more than twenty eight days after the date of such Allocation Notice.
- 20.11 If the Proposed Transferor having become bound as aforesaid makes default in accepting payment of the purchase price for any Offered Share or, as the case may be, in transferring the same, the Company, the Directors or any A Shareholder Director may receive such purchase money and may nominate some person to execute an instrument of transfer of such share in the name and on behalf of the Proposed Transferor and thereafter when such instrument has been duly stamped the Company shall cause the name of the transferee to be entered in the Register

of Members as the holder of such Share and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor. The receipt by the Company, the Directors or any A Shareholder Director of the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) and after his name 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.

## **21. GENERAL MEETINGS**

- 21.1 All general meetings of the Company shall be held within the United Kingdom and 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 at all times throughout the meeting thereafter
- 21.2 Two members present in person or by proxy (or, being a corporation, by representative) shall be a quorum provided that, subject to Article 21.9, one such member must be a holder of A Ordinary Shares present in person or by proxy or corporate representative.
- 21.3 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of Shares in the Company
- 21.4 If a Chairman has been appointed pursuant to Article 25.1 the Chairman shall chair general meetings if present and willing to do so. If a Chairman has not been appointed, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start the Directors present or (if no Directors are present), the meeting must appoint a Director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 21.5 If at any general meeting:
- 21.5.1 the persons attending within half an hour of the time at which the meeting was due to start do not constitute a quorum;
  - 21.5.2 during the meeting a quorum ceases to be present; or
  - 21.5.3 where the meeting directs the chairman to adjourn the meeting
- the chairman of the meeting must adjourn it.
- 21.6 The chairman of the meeting may adjourn a general meeting at which a quorum is present if the meeting consents to an adjournment or it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 21.7 When adjourning a general meeting, the chairman of the meeting must either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors and have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 21.8 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it to the same persons to whom notice of the Company's general meetings is required to be given and containing the same information which such notice is required to contain.

- 21.9 If at an adjourned meeting a quorum for the purposes of Article 21.2 is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved, unless the meeting was adjourned for fourteen days or more and written notice of such adjournment was given to the members within five days of the adjournment, whereupon the quorum at any such adjourned meeting shall be any two members present in person or by proxy (or, being a corporation, by representative).
- 21.10 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the meeting or by any member present in person or by proxy. On a show of hands votes may be given either personally or by proxy.
- 21.11 A demand for a poll may be withdrawn if the poll has not yet been taken and the chairman of the meeting consents to the withdrawal
- 21.12 Unless a poll is demanded on the election of the chairman of the meeting or on a question of adjournment of the meeting (in which cases the poll must be taken immediately), polls must be taken at such time and in such manner as the chairman of the meeting directs
- 21.13 Unless a poll is demanded as provided in Article 21.10, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular Majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 21.14 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 second or casting vote.
- 21.15 Subject to the Act, a resolution in writing signed by all the members for the time being entitled to vote shall be as effective for all purposes as a resolution duly passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more members. In the case of a corporation the resolution may be signed on its behalf by a Director thereof or by its duly appointed or duly authorised representative.

## **22. VOTES OF MEMBERS**

- 22.1 No member shall vote at any general meeting or at any separate meeting of the holders of any class of Shares in the company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that Share have been paid.
- 22.2 In the case of joint holders of Shares the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company
- 22.3 Proxies may only validly be appointed by a notice in writing which:
- 22.3.1 states the name and address of the member appointing the proxy;
- 22.3.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;

22.3.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

22.3.4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.

The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

22.4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions. Unless a proxy notice indicates otherwise, it must be treated as allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting and appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

22.5 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

22.6 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

## **23. DIRECTORS' POWERS**

Subject to the provisions of the Act and these Articles and to any directions given by special resolution, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

## **24. APPOINTMENT, REMOVAL AND REMUNERATION OF DIRECTORS**

24.1 Subject to the Act and unless and until the Company by special resolution shall otherwise determine, there shall be no maximum number of Directors and there shall be a minimum of two Directors.

24.2 Subject to the class rights of the A Ordinary Shares, the holders for the time being of a Majority of the issued share capital of the Company may at any time and from time to time by written notice given to the Company at its registered office for the time being or to any A Shareholder Director (such notice to take effect on delivery) appoint any person as a Director and/or secretary of the Company and/or remove any person as a Director and/or secretary of the Company, howsoever appointed.

24.3 The office of a Director shall be vacated if:

- (a) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
- (b) he becomes bankrupt or insolvent or makes any arrangement or composition with his creditors; or
- (c) he is, or may be, suffering from mental disorder and either



- (i) he is admitted to hospital in pursuance 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
  - (ii) 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
  - (d) (not being precluded from so doing by the terms of any contract with the Company) he resigns the office of Director by notice in writing to the Company; or
  - (e) in accordance with these Articles, he is removed from office by a resolution duly passed pursuant to section 168 of the Act or by extraordinary resolution or under Article 24.2 (but without prejudice to any right he may have to damages by reason of such removal); or
  - (f) he shall for more than three consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office is vacated, or
  - (g) he is removed from office pursuant to Article 25.
- 24.4 Subject to the provisions of the Act and these Articles, the Directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.
- 24.5 Directors are entitled to such remuneration as the Directors determine for their services to the Company as Directors and for any other service which they undertake for the Company. Subject to these Articles, a Director's remuneration may take any form and include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director. Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.
- 24.6 The Company may pay any reasonable out-of-pocket expenses which the Directors properly incur in connection with their attendance at meetings of Directors or committees of Directors, general meetings or separate meetings of the holders of any class of Shares, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.
- 25. A SHAREHOLDER DIRECTORS AND OBSERVERS**
- 25.1 The holders of a Majority of the A Ordinary Shares shall be entitled to appoint up to six persons as Directors of the Company and also to appoint the Chairman or a non-executive director (who will not be an A Shareholder Director unless expressly stated in the notice appointing him) and to remove from office any person so appointed (and subject to removal) to appoint another person in his place. Any reference in these Articles to the requirement for the consent, approval, direction or requirement of an A Shareholder Director, shall if no A Shareholder

Director is appointed at the relevant time, be deemed to be references to the consent, approval, direction or requirement of an A Shareholder Majority.

- 25.2 Each holder of B Ordinary Shares shall be entitled to be appointed or remain as a director of a subsidiary of the Company.
- 25.3 During an Alcumus Default Period or Company Default Period, an A Shareholder Majority may by notice to the Company declare that upon receipt of such notice, the A Shareholder Director shall have that number of votes in relation to resolutions of the Board which exceed by one the number of votes in aggregate of the other Directors (including the casting vote of the Chairman, if any).
- 25.4 Any A Shareholder Director appointed pursuant to this Article shall not be required to hold any Share qualification.
- 25.5 Any appointment or removal of a Director under this Article shall be by instrument in writing signed by the relevant appointor(s) given to any officer of the Company (not being the Director the subject of the notice) or to the Company at its registered office and shall take effect on and from the date on which such instrument is so given. Any officer receiving such a notice shall promptly supply a copy of it to the Company.
- 25.6 A Director appointed under this Article may appoint any person as an alternate pursuant to Article 27 without the approval of a resolution of the Directors.
- 25.7 An A Shareholder Director shall be entitled to be a member of any committee of the Board and also to be appointed to the boards of such of the other members of the Group as he shall require.
- 25.8 For so long as the right to appoint an A Shareholder Director under this Article subsists, upon a poll being taken in connection with a resolution of the Company in general meeting to remove an A Shareholder Director or to restrict or delete this Article, the members entitled to appoint the same shall be entitled to exercise such total number of votes in respect of their holdings of A Ordinary Shares as shall equal twice the total aggregate number of votes cast on such resolution by all other members of the Company.
- 25.9 For so long as the right to appoint a Director pursuant to Article 25.2 subsists, upon a poll being taken in connection with a resolution of the Company in general meeting to amend or delete this Article 25.9 or Article 25.2, the relevant B Shareholder(s) shall be entitled to exercise such total number of votes in respect of their holdings of B Ordinary Shares as shall equal twice the total aggregate number of votes cast on such resolution by all other members of the Company.
- 25.10 For so long as the right to appoint an A Shareholder Director under this Article subsists the holders of the A Ordinary Shares entitled to make such appointment may in the same manner as provided in this Article nominate an observer to fulfil the role of each such A Shareholder Director in lieu of each such A Shareholder Director
- 25.11 An observer shall be entitled to all the rights (other than to vote at meetings of the Board) of an A Shareholder Director instead of whom he is appointed but shall not by virtue of such nomination become a Director or alternate director of the Company

## **26. DIRECTORS MEETINGS**

- 26.1 The quorum necessary for the transaction of business of the Directors shall be two, one of whom shall (if he is in office or unless he otherwise agrees in writing) be an A Shareholder Director or his alternate. Subject to the terms of any Subscription Agreement, if no A

Shareholder Director is in office, the quorum necessary for the transaction of the business of the Directors shall be two Directors.

- 26.2 If not less than fourteen days' prior notice of any proposed meeting of Directors has been given in writing to each Director or his alternate (unless absent from the United Kingdom and he has failed to leave an address (including an e-mail address) at which he may be contacted by visible communication) setting out in reasonable detail the matters proposed to be considered thereat and at such proposed meeting an A Shareholder Director (or in the absence of an A Shareholder Director or an observer) is not present as required by the foregoing, any other Directors present in person or by alternate (with the A Shareholder Director) shall constitute a quorum.
- 26.3 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
- 26.4 The Company shall send to each Director and to each A Ordinary Shareholder notice of each Board meeting (whether as part of an agreed timetable or otherwise) at least fourteen days' prior to the scheduled date detailing the time and location of each meeting together with an agenda setting out the business of the meeting. The Company shall provide all material and available data and information relating to the matters to be considered at that meeting to the Directors and to the A Ordinary Shareholders no later than seven days prior to the date of the meeting. Any Director may request that additional matters be considered at a meeting of the Directors, provided that notice of such matters is given to and agreed by an A Shareholder Majority at least seven days prior to such meeting.
- 26.5 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 26.6 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that (unless otherwise agreed by all the Directors at the time as regards the meeting concerned) all meetings of the Directors shall be held within the United Kingdom. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Save in the case of an emergency and unless all the Directors (or their duly appointed alternates) shall agree to the holding of a meeting by shorter notice, at least seven days' notice of every meeting of Directors shall be given either in writing or by facsimile or other similar means of visible communication (including e-mail) to each Director, unless absent from the United Kingdom and he has failed to leave an address at which he may be contacted by facsimile or other similar visible communication.
- 26.7 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting whether in person or by means of such type of communication device, to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.
- 26.8 At any meeting of the Directors each A Shareholder Director (or his alternate Director if the A Shareholder Director himself is not present) present at the meeting shall be entitled to two votes and each other Director (or his alternate Director if the Director himself is not present) present at the meeting shall be entitled to one vote. In the case of an equality of votes at any meeting the Chairman shall not be entitled to a second or casting vote.

- 26.9 A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors, but so that the expression "Director" in this Article shall not include an alternate Director.
- 26.10 No committee of the Board may be appointed except with A Shareholder Consent or as prescribed in any Subscription Agreement.
- 26.11 The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors and of all proceedings at meetings of the Company, of the holders of any class of Shares in the Company, and of the Directors, and of committees of Directors, including the names of the Directors present at each such meeting.

## **27. ALTERNATE DIRECTORS**

- 27.1 Each Director shall have the power at any time (with A Shareholder Consent) to appoint as an alternate Director either another Director or (except in the case of an A Shareholder Director) any other person approved for that purpose by a resolution of the Directors (such approval not to be unreasonably withheld), and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the Directors and an A Shareholder Majority agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.
- 27.2 An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor
- 27.3 An alternate Director shall (subject to his giving to the Company an address at which notices may be served upon him) be entitled to receive notices of all meetings of the Directors and of any committee of the Directors of which his appointor is a member and to attend and to vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a Director of his appointor and to receive notice of all general meetings of the Company.
- 27.4 The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.
- 27.5 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Directors or any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

## **28. DIRECTORS' INTERESTS AND CONFLICTS**

- 28.1 Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director may, notwithstanding his office or that, without the authorisation conferred by this Article, he would or might be in breach of his duty under the Act to avoid conflicts of interest:

- 28.1.1 be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - 28.1.2 be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any Group Company, or any undertaking promoted by any Group Company or in which any Group Company is otherwise interested, or
  - 28.1.3 be a director or other officer of, or employed by, or party to any transaction or arrangement with, or otherwise interested in, an A Ordinary Shareholder or any undertaking in the A Shareholder Group, or any undertaking in which an A Ordinary Shareholder or an undertaking in the A Shareholder Group is interested.
- 28.2 No Director shall:
- 28.2.1 by reason of his office, be accountable to the Company for any benefit which he derives from any office or employment, or from any transaction or arrangement, or from any interest in any undertaking, that is authorised under Article 28.1 (and no such benefit shall constitute a breach of the duty under the Act not to accept benefits from third parties, and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit),
  - 28.2.2 be in breach of his duties as a Director by reason only of his excluding himself from the receipt of information, or from participation in discussion (whether at meetings of the Directors or otherwise), that will or may relate to any office, employment, transaction, arrangement or interest that is authorised under Article 28.1,
  - 28.2.3 be required to disclose to the Company, or use in relation to the Company's affairs, any confidential information obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under Article 28.1.1 or 28.1.2 if his doing so would result in a breach of a duty or an obligation of confidence owed by him in that connection;
  - 28.2.4 be required to disclose to the Company, or use in relation to the Company's affairs, any confidential information (or, if he is engaged in advising the relevant A Ordinary Shareholder as to investment decisions, information of a sensitive nature) obtained by him in connection with any office, employment, transaction, arrangement or interest that is authorised under Article 28.1.3, or through his dealings with the relevant A Ordinary Shareholder, if his doing so would result in a breach of a duty or an obligation of confidence owed by him or by the A Ordinary Shareholder in that connection or in relation to those dealings; or
  - 28.2.5 be in breach of his duties as a Director by reason only of his passing information belonging to the Company or relating to its business or affairs to the A Ordinary Shareholder or member of the A Shareholder Group.
- 28.3 A general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 28.4 The Directors may, if the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a Director breaching his duty under the Act to avoid

conflicts of interest, and any Director (including the Director concerned) may propose that the Director concerned be authorised in relation to any matter the subject of such a conflict provided that:

28.4.1 such proposal and any authority given by the Directors shall be effected in the same way that any other matter may be proposed to and resolved upon by the Directors under the provisions of these Articles, except that the Director concerned and any other Director with a similar interest:

- (a) shall not count towards the quorum at the meeting at which the conflict is considered,
- (b) may, if the other Directors so decide, be excluded from any meeting of the Directors while the conflict is under consideration; and
- (c) shall not vote on any resolution authorising the conflict except that, if he does vote, the resolution will still be valid if it would have been agreed to if his vote had not been counted; and

28.4.2 where the Directors give authority in relation to such a conflict:

- (a) they may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Director concerned and any other Director with a similar interest as they may determine, including the exclusion of that Director and any other Director with a similar interest from the receipt of information, or participation in discussion (whether at meetings of the Directors or otherwise) related to the conflict;
- (b) the Director concerned and any other Director with a similar interest will be obliged to conduct himself in accordance with any terms imposed by the Directors from time to time in relation to the conflict but will not be in breach of his duties as a Director by reason of his doing so;
- (c) the authority may provide that, where the Director concerned obtains information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- (d) the authority may also provide that the Director concerned shall not be accountable to the Company for any benefit that he receives as a result of the conflict;
- (e) the receipt by the Director concerned of any remuneration or benefit as a result of the conflict shall not constitute a breach of the duty under the Act not to accept benefits from third parties;
- (f) the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded), and
- (g) the Directors may withdraw such authority at any time.

28.5 Except to the extent that Article 18.10, Article 28.4, or the terms of any authority given under Article 28.4, may otherwise provide, and without prejudice to his obligation of disclosure in accordance with the Act, a Director (including an alternate Director) shall be counted for the

purposes of calculating whether there is a quorum and shall be entitled to vote at a meeting of the Directors or a committee of the Directors on any resolution concerning a matter in which he has directly or indirectly an interest or duty which is material and which conflicts or may conflict with the interests of the Company.

## **29. BORROWING POWERS OF DIRECTORS**

Subject as otherwise provided in these Articles, the Directors may exercise all the powers of the Company to borrow and raise money and to accept money on deposit, whether in excess of the nominal amount of the share capital of the Company for the time being issued or not, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of these Articles and of the Act, to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **30. THE SEAL**

The seal of the Company (if any) shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary (if any) or by a second Director.

## **31. DIVIDENDS**

- 31.1 Subject to the provisions of the Act, these Articles and any Subscription Agreement, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Directors.
- 31.2 Subject to the provisions of the Act, these Articles and any Subscription Agreement, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. The Directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on Shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith and in accordance with these Articles and any Subscription Agreement, they shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.
- 31.3 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid, but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly
- 31.4 A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

- 31.5 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- 31.5 1 transfer to a bank or building society account specified by the distribution recipient either in writing or as the Directors may otherwise decide;
  - 31 5.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the Share), or (in any other case) to an address specified by the distribution recipient either in writing or as the Directors may otherwise decide;
  - 31.5 3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the Directors may otherwise decide; or
  - 31.5.4 any other means of payment as the Directors agree with the distribution recipient either in writing or by such other means as the Directors decide
- 31.6 In the Articles, "the distribution recipient" means, in respect of a Share in respect of which a dividend or other sum is payable the holder of the Share or if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the Transmitttee. If the Share has two or more joint holders, whichever of them is named first in the register of members shall be the distribution recipient
- 31.7 No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
32. n/a
33. **NOTICES**
- 33.1 Every Director of the Company and every alternate Director shall, upon supplying the Company with an address for the giving of notices therefor, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any Director or alternate Director shall not invalidate the proceedings at the general meeting convened by such notice.
- 33.2 A notice may be given (i) by the Company to any member or Director either personally or by sending it by first class post (airmail if abroad) or Royal Mail special delivery post or by facsimile or other means of visible communication to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him or (ii) to the Company for the purpose of these Articles by like method at its registered office for the time being.
- 33.3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of forty-eight hours after the letter containing the same is posted. Where a notice is sent by facsimile or other means of visible communication, service of the notice shall be deemed to be effected forthwith.
- 33 4 Notwithstanding anything else provided in these Articles, any Director who has not given an address for service to the Company shall not be entitled to notices hereunder.
34. **INDEMNITY**
- 34 1 Subject to and to the fullest extent permitted by the Act, but without prejudice to any indemnity to which he may be otherwise entitled.



- (a) every Director and alternate Director shall be entitled to be indemnified out of the assets of the Company against all costs and liabilities incurred by him in relation to any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as a Director or alternate Director save that no Director or alternate Director shall be entitled to be indemnified:
  - (i) for any liability incurred by him to the Company or any associated company of the Company;
  - (ii) for any fine imposed in criminal proceedings which have become final;
  - (iii) for any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;
  - (iv) for any costs for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final,
  - (v) for any costs for which he has become liable in defending any civil proceedings brought by the Company or an associated company in which a final judgment has been given against him; and
  - (vi) for any costs for which he has become liable in connection with any application under sections 144(3) or 144(4) of the Companies Act 1985 or section 1157 of the Act in which the court refuses to grant him relief and such refusal has become final.
- (b) every Director and alternate Director shall be entitled to have funds provided to him by the Company to meet expenditure incurred or to be incurred in any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a Director or alternate Director, provided that he will be obliged to repay such amounts no later than:
  - (i) in the event he is convicted in proceedings, the date when the conviction becomes final,
  - (ii) in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or
  - (iii) in the event of the court refusing to grant him relief on any application under sections 144(3) or 144(4) of the Companies Act 1985 or section 1157 of the Act, the date when the refusal becomes final

34.2 The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust or which he may be guilty in relation to the Company.

### **35. TRANSFER OF SHARES – BANKS OR INSTITUTIONS**

35.1 Notwithstanding anything contained in these Articles:

- 35.1.1 the directors of the Company may not decline to register any transfer of shares in the Company nor suspend registration of any such shares; and

- 35.1.2 a holder of shares in the Company is not required to comply with any provision of the Articles which restricts the transfer of shares or which requires any such shares to be first offered to all or any current shareholders of the Company before any transfer may take place,
- 35.2 where in any such case the transfer is or is to be:
- 35.2.1 executed by a bank or institution to which such shares have been mortgaged, charged or pledged by way of security (or by any nominee of such bank or institution) pursuant to a power of sale under such security;
  - 35.2.2 executed by a receiver or manager appointed by or on behalf of any such bank or institution under any such security,
  - 35.2.3 to any such bank or institution (or to its nominee) pursuant to any such security; or
  - 35.2.4 delivered to the Company for registration by any such bank or institution in order to perfect its security over the shares.
- 35.3 A certificate by any officer of such bank or institution that the shares were so charged and the transfer was so executed shall be conclusive evidence of such facts.