

**Company number 02966320**

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

(adopted by Written Resolution on 28 April 2022)

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**ARTICLES OF ASSOCIATION**  
of  
**FINE & RARE WINES LIMITED**

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## **1. Introduction**

- 1.1. The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Date of Adoption (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2. Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("**Table A**") shall not apply to the Company.
- 1.3. In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.4. In these Articles:
  - 1.4.1. article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
  - 1.4.2. words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa; and
  - 1.4.3. Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company.

## **2. Definitions**

- 2.1. In these Articles the following words and expressions shall have the following meanings:

<b>"A Excess"</b>	has the meaning given in Article 5.2.3;
<b>"A Shareholder Consent"</b>	means the prior written consent of the holders of a majority of the A Shares;
<b>"A Shareholders"</b>	means the holders from time to time of the A Shares;
<b>"A Shares"</b>	means the A growth shares of £0.01 each in the capital of the Company;
<b>"A Threshold Amount"</b>	means the amount determined by the Board (with Ordinary Shareholder Consent) immediately prior to the issue of the A Shares to be the A Threshold Amount, such amount being notified by the Board to the A Shareholders and Ordinary Shareholders on or prior to the date on which the A Shares are issued,
<b>"Act"</b>	means the Companies Act 2006 (as amended from time to time);
<b>"Acting in Concert"</b>	has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to

	time);
<b>"Asset Sale"</b>	means the disposal by the Company of all or substantially all of its undertaking and assets;
<b>"Associate"</b>	in relation to any person means: <ul style="list-style-type: none"> <li>a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined); and</li> <li>b) any Member of the same Group;</li> </ul>
<b>"Auditors"</b>	means the auditors of the Company from time to time;
<b>"Available Profits"</b>	means profits available for distribution within the meaning of part 23 of the Act;
<b>"B Shareholder Consent"</b>	means the prior written consent of the holders of a majority of the B Shares;
<b>"B Shareholders"</b>	means the holders from time to time of the B Shares;
<b>"B Shares"</b>	means the B growth shares of £0.01 each in the capital of the Company;
<b>"B Threshold Amount"</b>	means the amount determined by the Board (with Ordinary Shareholder Consent) immediately prior to the issue of the B Shares to be the B Threshold Amount, such amount being notified by the Board to the B Shareholders and Ordinary Shareholders on or prior to the date on which the B Shares are issued;
<b>"Board"</b>	means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;
<b>"Business Day"</b>	means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);
<b>"CCP"</b>	means Conversion Capital Partners Limited (registered in England and Wales with company number 04802649);
<b>"Civil Partner"</b>	means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;
<b>"Commencement Date"</b>	means the date the relevant Employee commences his employment with the Company;

<b>"Company's Lien"</b>	has the meaning given in Article 31.1;
<b>"Connected"</b>	has the meaning given under sections 993 and 994, Income Tax Act 2007 or sections 1122 or 1123, Corporation Tax Act 2010;
<b>"Controlling Interest"</b>	means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;
<b>"CTA 2010"</b>	means the Corporation Tax Act 2010;
<b>"Date of Adoption"</b>	means 26 April 2022;
<b>"Deferred Share Price"</b>	means in respect of each Deferred Share, the nominal value of that Deferred Share;
<b>"Deferred Shares"</b>	means deferred shares of £0.01 each in the capital of the Company from time to time;
<b>"Director(s)"</b>	means a director or directors of the Company from time to time;
<b>"Effective Termination Date"</b>	means the date on which the Employee's employment or consultancy terminates;
<b>"electronic address"</b>	has the same meaning as in section 333 of the Act;
<b>"Eligible Director"</b>	means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors;
<b>"Employee"</b>	means an individual, excluding the Founder, who is employed by, or who provides consultancy services to, the Company or any member of the Group;
<b>"Employee Shares"</b>	<p>in relation to an Employee means all Shares in the Company held by:</p> <ul style="list-style-type: none"> <li>a) the Employee in question; and</li> <li>b) any Permitted Transferee of that Employee other than those Shares held by those persons that the Board declares itself satisfied were not acquired by the Permitted Transferee directly or indirectly from the Employee or by reason of his relationship with the Employee;</li> </ul>
<b>"Employee Trust"</b>	means a trust, the terms of which are approved by the Board, whose beneficiaries are the Employees;
<b>"Encumbrance"</b>	means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree,

judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

**"electronic form" and  
"electronic means"**

have the same meaning as in section 1168 of the Act;

**"Exit"**

means a Share Sale or an Asset Sale;

**"Expert Valuer"**

is as determined in accordance with Article 13.2;

**"Fair Value"**

is as determined in accordance with Article 13.3;

**"Family Trusts"**

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

**"Financial Year" and  
"Financial Period"**

means an accounting reference period (as defined by the Act) of the Company;

**"Fully Diluted Share  
Capital"**

means, at the relevant time, the number of Ordinary Shares in issue in the capital of the Company, including any options over Ordinary Shares in the capital of the Company which are capable of being exercised;

**"Group"**

means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **"Group Company"** shall be construed accordingly;

**"Founder"**

means Mark Carlo Bedini;

**"hard copy form"**

has the same meaning as in section 1168 of the Act;

**"Holding Company"**

means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding

company matches that of the Company immediately prior to the transfer of the issued share capital of the Company to such holding company;

**"IPO"**

means the admission of all or any of the Shares or the shares of a Parent Undertaking or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be admitted to or traded or quoted on Nasdaq or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

**"IPO Shares"**

means the issued equity share capital of the Company or a Parent Undertaking (excluding any equity share capital to be subscribed and issued on such IPO other than new shares to be paid up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of shares);

**"IPO Value"**

means, in the event of an IPO, the market value of the IPO Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the IPO, all as determined by the financial advisers to the Company or, if none, the broker appointed by the Board to advise in connection with the IPO;

**"ITEPA"**

means Income Tax (Earnings and Pensions) Act 2003;

**"Leaver"**

means a person who ceases to be an Employee at any time;

**"Lien Enforcement Notice"**

has the meaning given in Article 31.3;

**"Mark Appointees"**

has the meaning given in Article 23.3;

**"a Member of the same Group"**

means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

**"Nasdaq"**

means the Nasdaq National Stock Market of the Nasdaq OMX Group Inc.;

**"New Securities"**

means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of

	Adoption (other than shares or securities listed in Article 8.5);
<b>"Ordinary Shareholders"</b>	means the holders from time to time of the Ordinary Shares;
<b>"Ordinary Shares"</b>	means the ordinary shares of £1.00 each in the capital of the Company (excluding the A Shares and the B Shares);
<b>"Ordinary Shareholder Consent"</b>	means the prior written consent of the Ordinary Shareholder Majority;
<b>"Ordinary Shareholder Majority"</b>	means the holder(s) for the time being of over 75% in number of the Ordinary Shares for the time being in issue;
<b>"Permitted Transfer"</b>	means a transfer of Shares in accordance with Article 11;
<b>"Permitted Transferee"</b>	means: <ul style="list-style-type: none"> <li>a) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees; and</li> <li>b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act), any Member of the same Group;</li> </ul>
<b>"Priority Rights"</b>	means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 12.6 or Article <b>Error! Reference source not found.</b> (as the case may be);
<b>"Privileged Relation"</b>	in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);
<b>"Proceeds of Sale"</b>	means the consideration payable (including any deferred consideration or earn-out) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale after deduction of the expenses of such Share Sale;
<b>"Proposed Purchaser"</b>	means a proposed purchaser who at the relevant time has made an offer on arm's length terms;
<b>"Qualifying Person"</b>	has the meaning given in section 318(3) of the Act;
<b>"Relevant Condition"</b>	has the meaning given in clause 7.6 of the shareholders' agreement relating to the Company entered into on 21 February 2020;
<b>"Relevant Interest"</b>	has the meaning set out in Article 26.4;



<b>"Relevant Shareholder"</b>	means Gay Patricia Bedini or the personal representatives of the Founder;
<b>Remuneration Committee"</b>	means the committee established from time to time by the Board to advise on and decide remuneration and related issues;
<b>"Sale Shares"</b>	has the meaning set out in Article 12.2.1 of these Articles;
<b>"Seller"</b>	has the meaning set out in Article 12.2 of these Articles;
<b>"Share Sale"</b>	means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them in the purchasing company are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;
<b>"Shareholder"</b>	means any holder of any Shares;
<b>"Shares"</b>	means the shares in the capital of the Company from time to time;
<b>"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"</b>	have the respective meanings set out in sections 1159 and 1162 of the Act;
<b>"Threshold Amounts"</b>	means the A Threshold Amount and/or the B Threshold Amount;
<b>"Transfer Notice"</b>	shall have the meaning given in Article 12.2;
<b>"Transfer Price"</b>	shall have the meaning given in Article 12.2.3;
<b>"Trustees"</b>	in relation to a Shareholder means the trustee or the trustees of a Family Trust; and
<b>"Twyman Shares"</b>	means the Shares held by William Twyman Comfort III in his personal capacity and/or any Shares held by any company or entity which William Twyman Comfort III controls (by way of shareholding, voting rights or otherwise);
<b>"Twyman Shareholders"</b>	means the holder(s) of the Twyman Shares;
<b>"Twyman Shareholders"</b>	has the meaning given in Article 23.2; and

## **Appointees"**

### **"Winding Up"**

means the passing of any resolution for the winding up of the Company, or any other return of capital (on liquidation, capital reduction or otherwise).

## **3. Share capital**

- 3.1. In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.
- 3.2. Except as otherwise provided in these Articles, the Ordinary Shares, the A Shares and the B Shares shall rank pari passu in all respects but shall constitute separate classes of shares.
- 3.3. Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 3.4. When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution determine that, as between the Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others.
- 3.5. The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.
- 3.6. Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".
- 3.7. In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".

## **4. Dividends**

- 4.1. The rights as regards income attaching to each class of Shares shall be as set out in this Article 4.
- 4.2. Subject to the Board recommending payment of the same, any Available Profits which the Company may determine to distribute in respect of any Financial Year to the Ordinary Shareholders shall be distributed amongst the holders of the

Ordinary Shares pro rata to their respective holdings of Ordinary Shares (but not amongst the holders of the Deferred Shares, A Shares or B Shares).

4.3. Subject to Article 5, the holders of the Deferred Shares, A Shares and B Shares shall have no right to participate in any dividend or distribution in respect of such Shares.

4.4. Subject to the Act and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant financial period.

4.5. If:

4.5.1. a Share is subject to the Company's Lien; and

4.5.2. the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Money so deducted shall be used to pay any of the sums payable in respect of that Share. The Company shall notify the distribution recipient in writing of:

- a) the fact and sum of any such deduction;
- b) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and
- c) how the money deducted has been applied.

## **5. Distribution and Exit Rights**

5.1. In this Article 5, "**Distributable Assets**" means the surplus assets of the Company at the time of the applicable event referred to in this Article 5 which remain after payment of its liabilities.

5.2. On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the Distributable Assets shall be applied (to the extent that the Company is lawfully permitted to do so) as follows:

5.2.1. first, by paying each holder of Deferred Shares (if any) the Deferred Share Price;

5.2.2. second, the amount of the Distributable Assets which are equal to or less than the A Threshold Amount shall be distributed to the holders of the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them;

5.2.3. third, if applicable, in respect of the amount of the Distributable Assets which is greater than the A Threshold Amount but less than or equal to then B Threshold Amount (such amount being the, "**A Excess**"):

- a) the holders of the A Shareholders shall be entitled (pro rata to the number of A Shares held by them) to an amount equal to:

$$A \text{ Excess} \times \left[ \frac{\text{Number of A Shares in issue}}{\text{Fully Diluted Share Capital} + 4,080} \right]$$

- b) the holders of the Ordinary Shares shall be entitled (pro rata to the number of Ordinary Shares held by them) to the remainder of the A Excess after the entitlement under a) above;

5.2.4. fourth, if applicable, in respect of the amount of the Distributable Assets which is greater than the B Threshold Amount (such amount being the, "**B Excess**"):

- a) the holders of the A Shareholders shall be entitled (pro rata to the number of A Shares held by them) to an amount equal to:

$$B \text{ Excess} \times \left[ \frac{\text{Number of A Shares in issue}}{\text{Fully Diluted Share Capital} + 4,080} \right]$$

- b) the holders of the B Shareholders shall be entitled (pro rata to the number of B Shares held by them) to an amount equal to:

$$B \text{ Excess} \times \left[ \frac{\text{Number of B Shares in issue}}{\text{Fully Diluted Share Capital} + 4,080} \right]$$

- c) the holders of the Ordinary Shares shall be entitled (pro rata to the number of Ordinary Shares held by them) to the remainder of the B Excess after the entitlements under a) and b) above.

5.3. On a Share Sale, the Proceeds of Sale shall be distributed in accordance with the provisions set out in Article 5.2 (substituting reference to the Proceeds of Sale in place of the reference therein to the amount (if any) of the Distributable Assets) but only to those Shareholders who participate in such Share Sale and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed provided that if the Proceeds of Sale are not paid and received in their entirety upon completion of the Share Sale (whether due to consideration being deferred or subject to earn out arrangements or otherwise):

5.3.1. the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that have been paid and received have been distributed in accordance with the provisions set out in Article 5.2; and

5.3.2. the Shareholders shall take any action required by the Board to ensure that the Proceeds of Sale in their entirety are distributed in accordance with the provisions of Article 5.2.

5.4. On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in accordance with the provisions set out in Article 5.2 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall

take any action required by the Board (including, but without prejudice to the generality of this Article 5.4, actions that may be necessary to put the Company into voluntary liquidation so that Article 5.2 applies).

- 5.5. In the event of an Exit occurring where the Proceeds of Sale are to be received in whole or part in a form other than cash, the Shareholders (or the Company in the case of an Asset Sale) shall enter into such arrangements in relation to such Proceeds of Sale as they may agree or, in default of such agreement, as the Board may reasonably specify, to ensure that such non-cash consideration is allocated amongst the holders of Shares so as to achieve the same commercial effect as would be the case pursuant to Article 5.2 if such consideration had actually been received in cash (and as between such holders of Shares, such non-cash consideration shall be apportioned between the different classes of Shares in the same proportions as those proportions in which they are entitled to receive the overall Proceeds of Sale, unless the Shareholders holding Ordinary Shares, A Shares and B Shares should reach any agreement to the contrary).
- 5.6. Immediately prior to and conditionally upon an IPO the Shareholders shall enter into such reorganisation of the share capital of the Company or any Parent Undertaking as they may agree or, in default, as the Board may reasonably specify, to ensure that the IPO Value is allocated between the Shareholders in the same proportions as the provisions of Article 5.2 would provide on a Share Sale at that IPO Value.
- 5.7. If an Exit does not relate to all the issued Ordinary Shares in the case of a Share Sale or substantially all of the Company's undertaking and assets in the case of an Asset Sale or, prior to an Exit, a dividend or distribution is paid, or the Company sells part of its business or acquires another business, or in any other circumstances which the Board considers it to be appropriate, the Board may, with the prior written consent of a majority of the Shareholders, determine that the distribution mechanism set out in this Article 5 and/or the Threshold Amounts should be treated as adjusted for the purposes of the operation of Articles 5.2, 5.3 and/or 5.4 in order to reflect the fact that but for that event, the sums due to Shareholders would have been a greater or lesser amount. If the application of any of the provisions of Articles 5.3, 5.4, 5.5, 5.6 or this Article 5.7 cannot be agreed between the Shareholders, any such matters in dispute shall be referred by the Board to the Expert Valuer whose costs shall be borne by the Shareholders in such proportions as the Expert Valuer may determine having regard to the conduct of the Shareholders and the merits of their arguments in relation to the matter(s) in dispute (or in the absence of such determination, shall be borne by the Shareholders pro rata to their respective holdings of Shares) and whose decision shall be final and binding on all Shareholders (save in the case of manifest error).
- 5.8. For the purposes of this Article 5, where any agreement is required to be reached as between the Shareholders, then other than in relation to the Ordinary Shares the agreement of the holders of over 50% (by reference to nominal value) of any one class of Shares for the time being in issue shall be binding on all of the holders of Shares in such class.
- 5.9. In the event of an Exit approved by the Board in accordance with the terms of these Articles (the "**Proposed Exit**"), all Shareholders other than holders of the Ordinary Shares shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("**Actions**"). The Shareholders other than holders of the Ordinary Shares shall be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions

of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

## **6. Votes in general meeting**

- 6.1. The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 6.2. The Deferred Shares, A Shares and the B Shares shall not entitle the holders of the same to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 6.3. On a show of hands each holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote.

## **7. Variation of rights**

- 7.1. Notwithstanding any other provisions of these Articles, the rights attaching to any of the A Shares and/or the B Shares may be varied by a special resolution of the Company in general meeting.
- 7.2. No voting rights attached to a share which is nil paid may be exercised:
  - 7.2.1. at any general meeting, at any adjournment of it, or at any poll called at or in relation to it; or
  - 7.2.2. on any proposed written resolution,unless all of the amounts payable to the Company at that time in respect of that share have been paid.

## **8. Allotment of new shares or other securities: pre-emption**

- 8.1. In accordance with sections 567(1) and/or 570 of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of equity securities made by the Company.
- 8.2. Subject to Articles 8.5 and 8.6, unless otherwise agreed by Ordinary Shareholder Consent, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the Ordinary Shareholders on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Ordinary Shares held by those holders (as nearly as may be without involving fractions). The offer:
  - 8.2.1. shall be in writing, give details of the number and subscription price of the New Securities; and

- 8.2.2. may stipulate that any Shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities ("**Excess Securities**") for which they wish to subscribe.
- 8.3. Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 8.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 8.2 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Ordinary Shares held by the applicants immediately prior to the offer made to Shareholders in accordance with Article 8.2 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) and after that allotment, any Excess Securities remaining shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Shareholders.
- 8.4. Subject to Articles 8.2 and 8.3 and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 8.5. The provisions of Articles 8.2 to 8.4 shall not apply to the issue of up to an aggregate of 3,360 A Shares and 720 B Shares.
- 8.6. No issue of A Shares or B Shares may be made without a prior Ordinary Shareholder Consent.

## **9. Employee Share Provisions**

- 9.1. If any PAYE or income tax and/or employee's or employer's national insurance contribution (or similar or substituted tax) liability and/or related interest, penalties, fines, costs and expenses (together, "**employee related tax liability**") becomes payable by the Company and/or any Group Company by reference to any Shares issued to, held or disposed of by any Member (even if the employee or director or former employee or director of the Company or other Group Company by reference to which the relevant employee related tax liability arises or arose is a person other than that Member) then (except to the extent prohibited by law) the Member concerned shall be liable on demand by the Company, and without right of reimbursement from the Group, to make payment to the Company of such amount as will meet the employee related tax liability concerned and shall extend, as security for any such amount payable, to the shares concerned and to any proceeds for sale or other disposal thereof. On a Sale or IPO the Company shall, without limitation, be irrevocably appointed as attorney and authorised on behalf of any such Member to make such arrangements as are necessary for any such amounts payable by him under this Article 9.1 to be directly paid to the Company or relevant Group Company out of any proceeds of sale which are payable for such shares on such Sale or under the IPO arrangements.
- 9.2. The following provisions shall apply as regards Restricted Securities, except to the extent otherwise agreed the Board:
- 9.2.1. for the purposes of these Articles, "**Restricted Securities**" shall mean any restricted securities or interests in restricted securities as defined in Part 7 of ITEPA in the Company or any Group Company and other words

and expressions defined in such Part 7 shall bear the same meaning except where clearly inconsistent with the context;

- 9.2.2. 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 Group Company could make an election in respect thereof under Section 431(1) of ITEPA (an "**Up Front Election**"), unless the Board is satisfied that such election will be made in the manner and by the latest time provided by Sections 431(4) and (5) of ITEPA;
- 9.2.3. each Member who through employment by any Group Company becomes entitled to make an Up Front Election shall join with his employer member of the Group in duly making that election as and within the time limits provided in Sections 431(4) and (5) of ITEPA and such Member hereby irrevocably and as security for his due performance of such obligation appoints the Secretary for the time being of the Company as his attorney for the purposes of signing and making and submitting such election on his behalf;
- 9.2.4. each Member shall duly provide to the Company and relevant employer Group Company 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 delay after it occurs; and
- 9.2.5. the Company shall procure that any Up Front Elections required to be signed and made by it and/or any other employer Group Company 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 (5) of ITEPA.

## **10. Transfers of Shares – general**

- 10.1. In Articles 9 to 16 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 10.2. No Share may be transferred unless the transfer is made in accordance with these Articles.
- 10.3. If a Shareholder, other than a Founder, transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 10.4. Any transfer of a Share by way of sale which is required to be made under Articles 12 to 16 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 10.5. Unless express provision is made in these Articles to the contrary, no Deferred Shares, A Shares or B Shares shall be transferred without Ordinary Shareholder Consent.



- 10.6. The Directors may refuse to register a transfer if:
- 10.6.1. it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
  - 10.6.2. the transfer is to an Employee, Director or prospective Employee or prospective director of the Company and such person has not entered in a joint section 431 ITEPA election with the Company;
  - 10.6.3. it is a transfer of a Share which is not fully paid:
    - (a) to a person of whom the Directors do not approve; or
    - (b) on which Share the Company has a lien;
  - 10.6.4. the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
  - 10.6.5. the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
  - 10.6.6. the transfer is in respect of more than one class of Shares; or
  - 10.6.7. the transfer is in favour of more than four transferees.

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

- 10.7. The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 10.7 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 10.8. To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall

immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

10.8.1. the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:

- (a) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question); or
- (b) to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares; and

10.8.2. the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in 10.8.1 may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in 10.8.2.

10.9. In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:

10.9.1. the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

10.9.2. it does not include a Minimum Transfer Condition (as defined in Article 12.2.4); and

10.9.3. the Seller wishes to transfer all of the Shares held by it.

10.10. 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:

10.10.1. the transferor; and

10.10.2. (if any of the shares is partly or nil paid) the transferee.

10.11. No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company unless such person has entered into a joint section 431 ITEPA election with the Company and the provisions of Article 9 have been complied with.

## **11. Permitted Transfers**

- 11.1. With Ordinary Shareholder Consent, a Shareholder (other than a holder of Deferred Shares) (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 11.2. Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 11.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 11.3. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not, later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 11.4. Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 11.5. No transfer of Shares may be made to Trustees unless the Board is satisfied:
  - 11.5.1. with the terms of the trust instrument and in particular with the powers of the trustees;
  - 11.5.2. with the identity of the proposed trustees;
  - 11.5.3. the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - 11.5.4. that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 11.6. If a company to which a Share has been transferred under Article 11.4, ceases to be a Qualifying Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 11.7. If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
  - 11.7.1. execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the

Original Shareholder) for such consideration as may be agreed between them; or

- 11.7.2. give a Transfer Notice to the Company in accordance with Article 12.2, failing which he shall be deemed to have given a Transfer Notice.
- 11.8. On the death (subject to Article 11.2), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 11.9. A transfer of any Shares approved by an Ordinary Shareholder Majority may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.
- 11.10. Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by an Ordinary Shareholder Consent.

## **12. Transfers of Shares subject to pre-emption rights**

- 12.1. Save where the provisions of Articles 11, 14, 16 or 17 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 12.
- 12.2. A Shareholder who wishes to transfer Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:
- 12.2.1. the number of Shares which he wishes to transfer (the "**Sale Shares**");
- 12.2.2. if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- 12.2.3. the price (in cash) at which he wishes to transfer the Sale Shares (which save in the case of Ordinary Shares will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board) (the "**Transfer Price**"); and
- 12.2.4. whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").

12.3. Except with the written consent of the Board, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

12.4. A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

12.5. As soon as practicable following the later of:

12.5.1. receipt of a Transfer Notice; and

12.5.2. in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 13,

the Board shall offer the Sale Shares for sale to the Shareholders (other than the holders of Deferred Shares) in the manner set out in Articles 12.6.1 to 12.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

12.6. *Priority for offer of Sale Shares*

12.6.1. If the Sale Shares are Ordinary Shares, the Company shall offer them in the following priority (the "**Priority Rights**"):

(a) first, to the other Ordinary Shareholders;

(b) second, to any third party who wishes to acquire the same,

in each case on the basis as set out in Article 12.7.

12.6.2. If the Sale Shares are A Shares or B Shares, the Sale Shares shall be offered in the following priority:

(a) first, to any Employee Trust that the Board may nominate for this purpose; and

(b) second, to the Ordinary Shareholders,

in each case on the basis set out in Article 12.7.

12.7. *Transfers: First Offer*

12.7.1. The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders specified in the offer other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy.

12.7.2. If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 12.7 and 12.8 will be conditional on the fulfilment of the Minimum Transfer Condition.

12.7.3. If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class of Shares bears

to the total number of the relevant class of Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

- 12.7.4. If not all Sale Shares are allocated in accordance with Article 12.7.3 but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in Article 12.7.3.
- 12.7.5. If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with Article 12.8.

#### 12.8. *Transfers: Second Offer*

- 12.8.1. At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy.
- 12.8.2. If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.
- 12.8.3. If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with Article 12.9.5.

#### 12.9. *Completion of transfer of Sale Shares*

- 12.9.1. If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 12.7 and 12.8 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- 12.9.2. If:
  - (a) the Transfer Notice does not include a Minimum Transfer Condition; and

- (b) allocations have been made in respect of all the Sale Shares,
- the Board shall, when no further offers are required to be made under Articles 12.7 and 12.8, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 12.9.3. Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- 12.9.4. If the Seller fails to comply with the provisions of Article 12.9.3:
- (a) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
    - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (ii) receive the Transfer Price and give a good discharge for it; and
    - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
  - (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).
- 12.9.5. If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 12.9.6, the Seller may, within eight weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Conditions.
- 12.9.6. The right of the Seller to transfer Shares under Article 12.9.5 does not apply if the Board is of the opinion on reasonable grounds that:
- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

- (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

12.10. Notwithstanding the preceding provisions of this Article 12, before the registration of any transfer of Ordinary Shares equal to or greater than 25% of the total issued Ordinary Shares in the Company but less than a Controlling Interest (a "**Minority Sale**") to a Proposed Purchaser who is not already a Shareholder or Connected to a Shareholder, if the holders of the A Shares (as determined with A Shareholder Consent) and/or the holders of the B Shares (as determined with B Shareholder Consent) request, the holders of the A Shares and/or the B Shares (as the case may be) must each (as a class) first be offered the right to sell to the Proposed Purchaser a portion of their Shares equal to half the percentage of issued Ordinary Shares proposed to be transferred under the Minority Sale. The proceeds of the Minority Sale shall be calculated on the same basis as under Article 5.3, but taking into account the fact that it is a Minority Sale and the portion of Shares sold by the holders of the A Shares and/or B Shares. If the holders of either the A Shares and/or the holders of the B Shares decide to exercise their rights under this Article 12.10 then all the holders of that same class of A Shares and/or B Shares (as the case may be) shall be required to sell the same relevant portion of their Shares to the Proposed Purchaser.

### **13. Valuation of Shares**

13.1. If a Transfer Notice does not specify a Transfer Price or, subject to Article 10.9, if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

13.1.1. appoint expert valuers in accordance with Article 13.2 (the "**Expert Valuers**") to certify the Fair Value of the Sale Shares; or

13.1.2. (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

13.2. The Expert Valuers will be either:

13.2.1. the Auditors; or

13.2.2. (if so specified in the relevant Transfer Notice) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.

13.3. The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

13.3.1. valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;



- 13.3.2. if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 13.3.3. that the Sale Shares are capable of being transferred without restriction;
  - 13.3.4. valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking into account the class of Shares to which they belong; and
  - 13.3.5. reflect any other factors which the Expert Valuers reasonably believe should be taken into account.
- 13.4. If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 13.5. The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 13.6. The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 13.7. The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 13.8. The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 13.9. The cost of obtaining the certificate shall be paid by the Company unless:
- 13.9.1. the Seller cancels the Company's authority to sell; or
  - 13.9.2. the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the directors to the Seller for the Sale Shares before Expert Valuer was instructed,
- in which case the Seller shall bear the cost.

#### **14. Compulsory transfers – general**

- 14.1. A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 14.2. If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:

- 14.2.1. to effect a Permitted Transfer of such Share (including for this purpose an election to be registered in respect of the Permitted Transfer); or
- 14.2.2. to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 14.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

- 14.3. If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.
- 14.4. If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any company which is a holder of Shares other than Ordinary Shares, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

## **15. Compulsory transfer – employees**

- 15.1. If any Employee is a Leaver, unless and to the extent the Board (in its absolute discretion and acting with Ordinary Shareholder Consent) decides otherwise:
  - 15.1.1. all Employee Shares held by the relevant Leaver shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Employee Share held) on the Effective Termination Date; and
  - 15.1.2. upon conversion into Deferred Shares, the Company shall be entitled to enter the Leaver's name on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Effective Termination Date. On the Effective Termination Date, the Leaver shall deliver to the Company at its registered office the share certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for any lost certificates in a form acceptable to the Board) for the Employee Shares so converting and upon such delivery there shall be issued to him share certificate(s) for the number of Deferred Shares resulting from the relevant conversion.
- 15.2. Save with Ordinary Shareholder Consent, all voting rights attached to Employee Shares held by an Employee (the "**Restricted Member**"), if any, shall at the time he ceases to be an Employee be suspended.
- 15.3. Any Employee Shares in respect of which voting rights are suspended pursuant to Article 15.2 ("**Restricted Shares**") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended pursuant to Article 15.2 shall be automatically restored immediately prior to an IPO. If a Restricted

Member transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

## **16. Tag Along**

- 16.1. No sale or transfer of the legal or beneficial interest in any Shares may be made or validly registered if, as a result of such sale or transfer and registration thereof, a Controlling Interest is obtained in the Company:
- 16.1.1. by persons who were not beneficial or legal owners of shares in the capital of the Company on the Date of Adoption; or
  - 16.1.2. by a company in which one or more of the members of the Company, or persons Acting in Concert with any member of the Company has or, as a result of such sale or transfer, will have a Controlling Interest;
  - 16.1.3. unless the proposed transferees have offered to purchase a similar percentage of the Ordinary Shares, A Shares and B Shares then in issue, but not forming part of the sale or transfer resulting in the change of Controlling Interest, at the Specified Price defined in article 16.3.2 (the "**Offer**"). For the purposes of this Article 16, a similar percentage shall mean the total number of Shares agreed to be sold by the Sellers and purchased by the proposed transferees divided by the total number of Shares held by such Sellers, multiplied by 100.
- 16.2. The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser.
- 16.3. For the purpose of this Article:
- 16.3.1. the expression "**transfer**" and "**purchaser**" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively;
  - 16.3.2. "**Specified Price**" shall mean in respect of each Share, its par Value unless, upon the application of Article 5, a higher price would result for the Shares sold in which case it shall mean that higher price.
- 16.4. If any transferor fails to deliver stock transfer forms and share certificates (or indemnity) for its Shares in accordance with this Article, the Directors (or any of them) may authorise one of their number to execute a stock transfer form and indemnity for the Shares to the Proposed Purchaser (or as it may direct) and the Company may give a good receipt for the purchase price of such Shares and may register the Proposed Purchaser as holder thereof and issue to it (or as it may direct) certificates for the same. Such Shareholder shall be bound to deliver up its share certificate or a suitable indemnity in respect thereof for the Shares to the Company whereupon the Shareholder shall be entitled to receive the purchase price which shall in the meantime be held by the Company on trust for the Shareholder but without interest.

## **17. Drag-along**

- 17.1. If at any time, an Ordinary Shareholder Majority (the "**Selling Shareholders**"), wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares, and any holders of any options or other rights to acquire or convert an interest into Shares (which is fully and unconditionally exercisable) to exercise them (together, the "**Called Shareholders**") and, to sell and transfer all their Shares, including those allotted pursuant to such exercise or conversion, to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 17. If the Relevant Condition is satisfied, a Relevant Shareholder shall also be treated as being capable of constituting an Ordinary Shareholder Majority and a Selling Shareholder for the purpose of this article 17 and able to exercise the rights granted to the same under this article 17 accordingly.
- 17.2. The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares, including those allotted pursuant to an exercise or conversion of any options or other rights to acquire or convert an interest into Shares (which is fully and unconditionally exercisable) (the "**Called Shares**") under this Article 17, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 17) and the proposed date of transfer.
- 17.3. Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 17.4. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser (less expenses) were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5.2.
- 17.5. No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 17.
- 17.6. Within five Business Days of the Company serving a Drag Along Notice which it has received on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 17.4 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 17.4 shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 17.4 in trust for the Called Shareholders without any obligation to pay interest.

- 17.7. To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 17.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 16 in respect of their Shares.
- 17.8. If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 17.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 17.4.
- 17.9. Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 12.
- 17.10. On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice and such New Shareholder shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article 17 shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder irrespective of whether the consideration therefor is paid thereupon or at a later date.

## **18. General meetings**

- 18.1. If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 18.2. The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 25 per cent in nominal value of the Ordinary Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 18.3. If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be

deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.

- 18.4. If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 18.5. Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 18.6. No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 18.7. If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

## **19. Proxies**

- 19.1. Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)".
- 19.2. The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:
  - 19.2.1. be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
  - 19.2.2. be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director; or
  - 19.2.3. in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

- 19.2.4. and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

**20. Directors' borrowing powers**

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party.

**21. Alternate Directors**

- 21.1. Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "**Appointor**") may appoint any director or any other person as he thinks fit to be his alternate Director to:

- 21.1.1. exercise that Director's powers; and
- 21.1.2. carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

The appointment of an alternate Director shall not require approval by a resolution of the Directors.

- 21.2. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

- 21.3. The notice must:

- 21.3.1. identify the proposed alternate; and
- 21.3.2. in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

- 21.4. An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.

- 21.5. Except as these Articles specify otherwise, alternate directors:

- 21.5.1. are deemed for all purposes to be Directors;
- 21.5.2. are liable for their own acts and omissions;
- 21.5.3. are subject to the same restrictions as their Appointors; and
- 21.5.4. are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.

- 21.6. A person who is an alternate Director but not a Director:

- 21.6.1. may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
  - 21.6.2. may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).
  - 21.6.3. No alternate may be counted as more than one Director for such purposes.
- 21.7. A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision).
- 21.8. An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 21.9. An alternate Director's appointment as an alternate shall terminate:
- 21.9.1. when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - 21.9.2. on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
  - 21.9.3. on the death of the alternate's Appointor; or
  - 21.9.4. when the alternate's Appointor's appointment as a Director terminates.

## **22. Number of Directors**

The number of Directors shall be not less than three nor more than six.

## **23. Appointment of Directors**

- 23.1. Subject to the remainder of this Article 23, the powers of appointment under article 17(1) of the Model Articles shall apply.
- 23.2. For so long as the the Twyman Shares remain as Shares in the Company, the Twyman Shareholders shall have the right to appoint up to two directors to the Board, subject to Board approval of the identity of such new director (not to be unreasonably withheld or delayed) ("**Twyman Shareholders Appointees**") as follows: one director out of a board of three directors and two directors out of a board of four or more directors. The Board may resolve to remove a Twyman Shareholders Appointee only in circumstances constituting gross misconduct by such Twyman Shareholders Appointee (or, if the Twyman Shareholders Appointee is not an employee of the Company, circumstances which would constitute gross misconduct were the Twyman Shareholders Appointee an employee of the Company) or where such Twyman Shareholders Appointee has breached his director's fiduciary duties to the Company (including but not limited to those detailed in Chapter 2 of Part 10 of the Act) and such breach (if capable of



remedy) is not remedied to the reasonable satisfaction of the Board within a reasonable timeframe for the same; otherwise, only the Twyman Shareholders may remove or (subject to Board approval of the identity of such new director (not to be unreasonably withheld or delayed)) replace the Twyman Shareholders Appointee as a director.

- 23.3. For so long as the Founder or his Permitted Transferees remain a holder of Shares, the Founder or his Permitted Transferees shall have the right to appoint up to three directors to the Board (the "**Mark Appointees**") as follows: two directors out of a board of 3 or 4 directors and three directors out of a board of 5 directors. For so long as the Founder remains an employee of any Group Company, at least one of the Mark Appointees shall be the Founder himself. In respect of any additional Mark Appointees or, upon the Founder ceasing to be an employee of the Company, all of the Mark Appointees, he may choose to appoint a third party as a Mark Appointee, subject to the Twyman Shareholders' approval of the identity of the new director (not to be unreasonably withheld or delayed). The Board may resolve to remove a Mark Appointee (other than the Founder, whilst he remains an employee of the Company) only in circumstances constituting gross misconduct by such Mark Appointee (or, if the Mark Appointee is not an employee of the Company, circumstances which would constitute gross misconduct were the Mark Appointee an employee of the Company) or where such Mark Appointee has breached his director's fiduciary duties to the Company (including but not limited to those detailed in Chapter 2 of Part 10 of the Act) and such breach (if capable of remedy) is not remedied to the reasonable satisfaction of the Board within a reasonable timeframe for the same; otherwise, only the Founder or his successors may remove or (subject to the Twyman Shareholders' approval of the identity of such new director (not to be unreasonably withheld or delayed)) replace the Mark Appointee as a director.
- 23.4. The Shareholders shall exercise all voting rights and other powers of control available to them respectively in relation to the Company so as to procure (in their capacity as shareholders) that any person nominated by the Twyman Shareholders or the Founder and approved in accordance with Article 23.2 or Article 23.3 is appointed as a director of the Company.

## **24. Disqualification of Directors**

- 24.1. In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or
- 24.2. Other than in respect of a Twyman Shareholders Appointee or a Mark Appointee, if a majority of his co-Directors serve notice on him in writing, removing him from office.

## **25. Proceedings of Directors**

- 25.1. The quorum for Directors' meetings shall be two Directors of which at least one shall be a Twyman Shareholders Appointee (whilst a Twyman Shareholders Appointee is appointed) and at least one shall be the Mark Appointee (whilst a Mark Appointee is appointed). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

- 25.2. In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 25.3. If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 25.4. Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 25.5. Provided that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 25.6. Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 25.7. A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

## **26. Directors' interests**

### *Specific interests of a Director*

- 26.1. Subject to the provisions of the Act and provided that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- 26.1.1. where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- 26.1.2. where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any

body corporate promoted by the Company or in which the Company is in any way interested;

- 26.1.3. where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
- 26.1.4. where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- 26.1.5. where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- 26.1.6. where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- 26.1.7. an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 26.1.8. any other interest authorised by ordinary resolution.

*Interests of which a Director is not aware*

- 26.2. For the purposes of this Article 26, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

*Accountability of any benefit and validity of a contract*

- 26.3. In any situation permitted by this Article 26 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

*Terms and conditions of Board authorisation*

- 26.4. Other than in relation to any interest of a Twyman Shareholders Appointee in the business or affairs of the Twyman Shareholders or CCP or in any person or body corporate or unincorporated which is interested in or connected (within the meaning of sections 993 and 994, Income Tax Act 2007 or sections 1122 or 1123, Corporation Tax Act 2010) with the Twyman Shareholders or CCP, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt:

26.4.1. be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:

- (a) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
- (b) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
- (c) restricting the application of the provisions in Articles 26.5 and 26.6, so far as is permitted by law, in respect of such Interested Director;

26.4.2. be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time; and,

an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 26.

*Director's duty of confidentiality to a person other than the Company*

26.5. Without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 26, if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

26.5.1. to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or

26.5.2. otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

26.6. Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 26.5 shall apply only if the conflict arises out of a matter which falls within Article 26.1 or has been authorised under section 175(5)(a) of the Act.

*Additional steps to be taken by a Director to manage a conflict of interest*

26.7. Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:

- 26.7.1. absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
- 26.7.2. excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

*Requirement of a Director is to declare an interest*

- 26.8. Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 26.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
  - 26.8.1. falling under Article 26.1.7;
  - 26.8.2. if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
  - 26.8.3. if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

*Shareholder approval*

- 26.9. Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 26.
- 26.10. For the purposes of this Article 26:
  - 26.10.1. a conflict of interest includes a conflict of interest and duty and a conflict of duties;
  - 26.10.2. the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
  - 26.10.3. a general notice 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.

**27. Notices**

27.1. Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

27.1.1. in hard copy form;

27.1.2. in electronic form; or

27.1.3. (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 27.

*Notices in hard copy form*

27.2. Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):

27.2.1. to the Company or any other company at its registered office; or

27.2.2. to the address notified to or by the Company for that purpose; or

27.2.3. in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or

27.2.4. in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or

27.2.5. to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or

27.2.6. where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in 27.2.1 to 27.2.5 above, to the intended recipient's last address known to the Company.

27.3. Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

27.3.1. if delivered, at the time of delivery;

27.3.2. if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

*Notices in electronic form*

27.4. Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:

- 27.4.1. if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
  - 27.4.2. if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 27.2; or
  - 27.4.3. be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify:
    - (a) on its website from time to time; or
    - (b) by notice (in hard copy or electronic form) to all members of the Company from time to time.
- 27.5. Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:
- 27.5.1. if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
  - 27.5.2. if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
  - 27.5.3. if delivered in an electronic form, at the time of delivery; and
  - 27.5.4. if sent by any other electronic means as referred to in Article 27.4.3, at the time such delivery is deemed to occur under the Act.
- 27.6. Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

*Notice by means of a website*

- 27.7. Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.

*General*

- 27.8. In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**"). Notice so given shall constitute notice to all the joint holders.
- 27.9. Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

## **28. Indemnities and insurance**

28.1. Subject to the provisions of and so far as may be permitted by, the Act:

28.1.1. every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against:

- (a) any liability incurred by the director to the Company or any associated company; or
- (b) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
- (c) any liability incurred by the director:
  - (i) in defending any criminal proceedings in which he is convicted;
  - (ii) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
  - (iii) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 28.1.1(a), 28.1.1(c)(ii) and 28.1.1(c)(iii) applying;

28.1.2. the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer 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 of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.



- 28.2. The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

## **29. Data Protection**

Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a "**Recipient**") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group ("**Recipient Group Companies**") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

## **30. Secretary**

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

## **31. Lien**

- 31.1. The Company shall have a first and paramount lien (the "**Company's Lien**") over every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.

- 31.2. The Company's Lien over a Share:

- 31.2.1. shall take priority over any third party's interest in that Share; and
- 31.2.2. extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 31.2.3. The Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part.

- 31.3. Subject to the provisions of this Article 31, if:

- 31.3.1. a notice complying with Article 31.4 (a "**Lien Enforcement Notice**") has been given by the Company in respect of a Share; and
  - 31.3.2. the person to whom the notice was given has failed to comply with it,
  - 31.3.3. the Company shall be entitled to sell that Share in such manner as the Directors decide.
- 31.4. A Lien Enforcement Notice:
- 31.4.1. may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
  - 31.4.2. must specify the Share concerned;
  - 31.4.3. must require payment of the sum payable within 14 days of the notice;
  - 31.4.4. must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
  - 31.4.5. must state the Company's intention to sell the Share if the notice is not complied with.
- 31.5. Where any Share is sold pursuant to this Article 31:
- 31.5.1. the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser; and
  - 31.5.2. the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale.
- 31.6. The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 31.6.1. first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice;
  - 31.6.2. secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.

31.7. A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

31.7.1. shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

31.7.2. subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.

## **32. Call Notices**

32.1. Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "**Call Notice**") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "**call**") which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice.

32.2. A Call Notice:

32.2.1. may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);

32.2.2. shall state when and how any call to which it relates it is to be paid; and

32.2.3. may permit or require the call to be paid by instalments.

32.3. A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent.

32.4. Before the Company has received any call due under a Call Notice the Directors may:

32.4.1. revoke it wholly or in part; or

32.4.2. specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.

32.5. Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.

32.6. Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to:

32.6.1. pay calls which are not the same; or

32.6.2. pay calls at different times.

32.7. A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):

32.7.1. on allotment;

32.7.2. on the occurrence of a particular event; or

32.7.3. on a date fixed by or in accordance with the terms of issue.

32.8. If the due date for payment of such a sum as referred to in Article 32.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.

32.9. If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below):

32.9.1. the Directors may issue a notice of intended forfeiture to that person; and

32.9.2. until the call is paid, that person shall be required to pay the Company interest on the call from the call payment date at the Relevant Rate (as defined below).

32.10. For the purposes of Article 32.9:

32.10.1. the "**Call Payment Date**" shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "**Call Payment Date**" is that later date;

32.10.2. the "**Relevant Rate**" shall be:

(a) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;

(b) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors; or

(c) if no rate is fixed in either of these ways, five per cent. a year,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a).

32.11. The Directors may waive any obligation to pay interest on a call wholly or in part.

32.12. The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.

### **33. Forfeiture of Shares**

33.1. A notice of intended forfeiture:

- 33.1.1. may be sent in respect of any Share in respect of which a call has not been paid as required by a Call Notice;
- 33.1.2. shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- 33.1.3. shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice;
- 33.1.4. shall state how the payment is to be made; and
- 33.1.5. shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

33.2. If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

33.3. Subject to these Articles, the forfeiture of a Share extinguishes:

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

33.4. Any Share which is forfeited in accordance with these Articles:

- 33.4.1. shall be deemed to have been forfeited when the Directors decide that it is forfeited;
- 33.4.2. shall be deemed to be the property of the Company; and
- 33.4.3. may be sold, re-allotted or otherwise disposed of as the Directors think fit.

33.5. If a person's Shares have been forfeited then:

- 33.5.1. the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
- 33.5.2. that person shall cease to be a Shareholder in respect of those Shares;
- 33.5.3. that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
- 33.5.4. that person shall remain liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and

- 33.5.5. the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 33.6. At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit.
- 33.7. If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer.
- 33.8. A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date:
  - 33.8.1. shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - 33.8.2. subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 33.9. A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 33.10. If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which:
  - 33.10.1. was, or would have become, payable; and
  - 33.10.2. had not, when that Share was forfeited, been paid by that person in respect of that Share,
 but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds.

#### **34. Surrender of Shares**

- 34.1. A Shareholder shall be entitled to surrender any Share:
  - 34.1.1. in respect of which the Directors issue a notice of intended forfeiture;
  - 34.1.2. which the Directors forfeit; or
  - 34.1.3. which has been forfeited.
  - 34.1.4. The Directors shall be entitled to accept the surrender of any such Share.

- 34.2. The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.
- 34.3. The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited.