

Company Number: 03657403

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

of

**LONDON AND CAPITAL GROUP LIMITED**

(Adopted by written resolution passed on 15 December 2020)

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## 1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

<b>A Shares</b>	A ordinary shares of £0.10 each in the Company;
<b>Act</b>	the Companies Act 2006;
<b>Ancillary Deed</b>	an agreement made between the Company and a shareholder who was granted options over C Shares or D Shares in relation to such person's position as a shareholder of the Company which is so designated by the Board;
<b>Articles</b>	the Company's articles of association from time to time in force;
<b>B Shares</b>	B ordinary shares of £0.10 each in the Company;
<b>Board</b>	the board of directors from time to time of the Company;
<b>Business Day</b>	any day (other than a Saturday, Sunday or public holiday in England) on which clearing banks in the City of London are generally open for business;
<b>Called Shareholders</b>	has the meaning given in article 14.1;
<b>Company</b>	London and Capital Group Limited (no. 03657403);
<b>Control</b>	has the meaning given in section 1124 of the Corporation Tax Act 2010;
<b>C Shares</b>	C ordinary shares of £0.0001 each in the Company;
<b>C Threshold Amount</b>	£18,500,000 (eighteen million five hundred thousand pounds) less the amount (if any) paid from time to time by the Company after the adoption of these Articles to purchase A Shares and/or B Shares;
<b>Directors</b>	the directors of the Company from time to time;
<b>D1 Shares</b>	D1 ordinary shares of £0.0001 each in the Company;
<b>D2 Shares</b>	D2 ordinary shares of £0.0001 each in the Company
<b>D Shares</b>	together, the D1 Shares and the D2 Shares;
<b>D Threshold Amount</b>	£40,000,000 (forty million pounds) less: (i) the amount (if any) by which the C Threshold

	Amount is reduced from time to time; and (ii) the amount (if any) paid from time to time by the Company after the adoption of these Articles to purchase C Shares;
<b>Eligible Director</b>	a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);
<b>Employee Shareholder</b>	a holder of shares who is a Director or an employee of the Company or a Group Company other than Daniel Keith Freedman and Richard Warren Leigh or a Specified Person;
<b>Employee Trust</b>	a trust established, established at the direction of the Board, whose beneficiaries are bona fide employees of the Group;
<b>Fully Diluted Share Capital</b>	the aggregate of all shares in issue and all shares for which vested options have been granted or which are subject to warrants or convertible securities;
<b>Group</b>	the Company and its subsidiaries (if any) from time to time and <b>Group Company</b> shall be construed accordingly;
<b>Independent Expert</b>	the auditors or accountants for the time being of the Company or, if they decline the instruction, an independent firm of accounts appointed by the Company with Super Majority Approval. The Independent Expert shall act as expert and not arbitrator and in the absence of manifest error or fraud his decision shall be final and binding;
<b>Leaver</b>	an Employee Shareholder who ceases to be a Director or employee of any Group Company and who does not continue as, or become, a Director or employee of any other Group Company. Reference to a Leaver includes a person who is a Permitted Transferee of an Employee Shareholder where the latter becomes a Leaver;
<b>Member of the Same Group</b>	as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company;
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (S/2008/3229) as amended prior to the date of adoption of these Articles;
<b>Partial Sale</b>	a sale (or sales) of shares comprising less than the entire issued share capital of the Company;

<b>Partial Sale Threshold Price</b>	<p>£19.4755292 for each A Share and each B Share provided that, if:-</p> <ul style="list-style-type: none"> <li>(a) any B Shares in issue at 25 April 2018 (“<b>Existing B Shares</b>”) or any B Shares issued after 25 April 2018 pursuant to the options referred to in paragraph (b) below (“<b>Pipeline B Shares</b>”) are or have been subsequently purchased by the Company as unvested Shares; or</li> <li>(b) any options in respect of B Shares that had been granted at 25 April 2018 (“<b>Existing B Share Options</b>”) subsequently lapse or have lapsed,</li> </ul> <p>in each case prior to the time of the Partial Sale, the Partial Sale Threshold Price that would otherwise have been attributable to those B Shares if they had not been purchased or if they had been issued on exercise of the option shall be allocated equally among the A Shares and the B Shares and added to the amount per share stated above<sup>1</sup>;</p>
<b>Permitted Transfer</b>	a transfer of shares made in accordance with article 12.1;
<b>Permitted Transferee</b>	<p>in relation to:</p> <ul style="list-style-type: none"> <li>(a) a shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust; and</li> <li>(b) a shareholder which is a company, a Member of the Same Group as that company;</li> </ul>
<b>Privileged Relation</b>	in relation to a shareholder who is an individual shareholder (or a deceased or former individual shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), a child or grandchild (including step or adopted or illegitimate child and their issue);
<b>Proposed Buyer</b>	has the meaning given in article 14.1;
<b>Relevant Shares</b>	<p>in relation to an Employee Shareholder means all shares held by:</p> <ul style="list-style-type: none"> <li>(a) the Employee Shareholder in question; and</li> <li>(b) any Permitted Transferee of that Employee Shareholder;</li> </ul>
<b>Sale</b>	a sale of the entire issued share capital of the

	Company;
<b>Selling Shareholders</b>	has the meaning given in article 14.1;
<b>Shareholders Agreement</b>	an agreement made between the Company and its shareholders or at least a majority of them which is so designated by the Board;
<b>Shareholder Super Majority</b>	holders of shares representing more than 65 per cent of the C Shares and D1 Shares in issue at the relevant time;
<b>shares</b>	all issued shares in the capital of the Company, being as at the date of adoption of these Articles the A Shares, B Shares and C Shares and to include, following their issue, the D Shares;
<b>Specified Person</b>	an Employee Shareholder in respect of whose shares the Shareholders Agreement makes express provision different to that set out in these Articles or any other person specified by the Board with Super Majority Approval;
<b>Super Majority Approval</b>	the express prior written approval of a Shareholder Super Majority;
<b>Transfer Price</b>	the price per share payable for Relevant Shares on a Compulsory Employee Transfer.
1.2	Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
1.3	Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
1.4	A reference in these Articles to an <b>article</b> is a reference to the relevant article of these Articles unless expressly provided otherwise.
1.5	Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of: <ul style="list-style-type: none"> <li>1.5.1 any subordinate legislation from time to time made under it; and</li> <li>1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.</li> </ul>
1.6	Any phrase introduced by the terms <b>including, include, in particular</b> or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
1.7	The Model Articles and articles 52 to 62 (inclusive) of the model articles for public companies contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 shall apply to the Company, except in so far as they are modified or excluded by these Articles. In the event of any conflict between these Articles and any provision of the Model Articles which is not modified or excluded by these Articles, these Articles will prevail.
1.8	Articles 8, 11(2), 13, 14(1), (2), (3) and (4), 17(2), 21, 24(2)(c), 26(5), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.

- 1.9 Article 7 of the Model Articles shall be amended by:
- 1.9.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - 1.9.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.10 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.11 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1.12 Article 26(1) of the Model Articles shall be amended by the insertion of the words "and, unless the share is fully paid, the transferee", after the word "transferor".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.14 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 1.15 Articles 31 (a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".

## **DIRECTORS**

### **2 UNANIMOUS DECISIONS**

- 2.1 A decision of the Directors is taken in accordance with this article 2 when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision 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.
- 2.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

### **3 QUORUM FOR DIRECTORS' MEETINGS**

- 3.1 The quorum necessary for the transaction of business of the Directors may be fixed from time to time by the shareholders and, unless so fixed at any other number or there is only one Eligible Director (when the quorum shall be, respectively, the number so fixed or one Eligible Director), shall be four Eligible Directors.
- 3.2 A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 3.3 If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- 3.3.1 to appoint further Directors; or
  - 3.3.2 to call a general meeting so as to enable the shareholders to appoint further Directors.

### **4 NO CASTING VOTE**

The chairman or any other Director chairing a Director's meeting shall not have a casting vote.

## **5 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

5.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his Interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

5.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

5.1.2 shall not be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested;

5.1.3 shall not be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;

5.1.4 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and

5.1.5 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **6 DIRECTORS' CONFLICTS OF INTEREST**

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

6.2 Any authorisation under this article 6 will be effective only if;

6.2.1 to the extent permitted by the Companies Acts, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;

6.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

6.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

6.3 Any authorisation of a Conflict under this article 6 may (whether at the time of giving the authorisation or subsequently):

6.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;

6.3.2 provide that the Interested Director be excluded from the receipt of documents and



information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;

- 6.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
  - 6.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - 6.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 6.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 6.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 6.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 6.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **7 RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent, hard copy form.

## **8 NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.

## **9 APPOINTMENT OF DIRECTORS AND ALTERNATE DIRECTORS**

### **9.1 Appointment of Directors**

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no Directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a Director.

### **9.2 Alternate Directors**

- 9.2.1 Any Director (other than an alternate director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- 9.2.2 An alternate director shall be entitled to:
  - 9.2.2.1 receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member and to attend and vote and count as participating for the purposes of determining whether a quorum is present at any such meeting at which the Director appointing him is not personally present (and a Director acting as an alternate director has a separate vote at meetings and committee meetings for each Director for whom he acts as alternate director, but he counts as only one for the purpose of determining whether a quorum is present);
  - 9.2.2.2 sign a written resolution of the Directors that has not been signed and is not to be signed by the Director appointing him; and
  - 9.2.2.3 generally to perform all the functions of his appointor as a Director in the absence of his appointor,

but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.
- 9.2.3 An alternate director shall cease to be an alternate director if:
  - 9.2.3.1 he resigns his office by written notice to the Company (which need not also be signed by his appointor);
  - 9.2.3.2 his appointor removes him from office in accordance with articles 9.2.1 and 9.2.4;
  - 9.2.3.3 his appointor ceases to be a Director; or
  - 9.2.3.4 on the occurrence in relation to him of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's appointment as a Director.
- 9.2.4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment and, for a notice of appointment, accompanied by a statement from the alternate director that he is willing to act as such, or in any other manner approved by the Directors.
- 9.2.5 Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, but any interest of his appointor shall be treated as the interest of the alternate director in addition to any interest which the alternate director otherwise may have for the purposes of articles 5 (transactions or other arrangements with the Company) and 6 (Directors' conflicts of interest).

## 10 SECRETARY

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

## **SHARES AND DISTRIBUTIONS**

### **11 SHARE CAPITAL AND RIGHTS**

- 11.1 The share capital of the Company at the date of adoption of these Articles is divided into A Shares, B Shares, C Shares and shall include, following their issue, D Shares. Save as set out in these Articles each class of share shall have the same rights. The special rights and provisions applicable to these classes of share are set out below:

#### **11.2 Dividends**

- 11.2.1 Subject to article 11.2.2, dividends or distributions may be declared or paid in the discretion of the Directors in respect of the C Shares and the D Shares. The holders of the A Shares and the B Shares shall have no right to receive any dividend or other distribution other than pursuant to the provisions of articles 11.4 or 11.5.
- 11.2.2 All dividends and distributions in respect of the C Shares and the D Shares must be declared and paid as if the C Shares and the D Shares constituted a single class.

#### **11.3 Voting**

- 11.3.1 The holders of the C Shares and the D1 Shares shall be entitled to receive notice of and to attend at general meetings of the Company and shall be entitled to vote upon any resolution at general meetings of the Company, each C Share and D1 Share having one vote capable of being cast on the resolution.
- 11.3.2 The holders of all other classes of shares shall not be entitled to receive notice of or to attend at general meetings of the Company and shall not be entitled to vote upon any resolution at general meetings of the Company or proposed as a written resolution.

#### **11.4 Capital**

- 11.4.1 On a return of assets on liquidation or otherwise up to the C Threshold Amount, the holders of the A Shares and B Shares shall rank *pari passu* as if the shares were all of a single class and shall participate rateably (to the exclusion of any other class of shares) in the amount so returned.
- 11.4.2 On a return of assets on liquidation or otherwise, and to the extent only that the amount so returned exceeds the C Threshold Amount, the holders of the C Shares alone shall participate in the excess amount so returned up to the D Threshold Amount. The holders of the C Shares shall not participate in the assets returned up to the C Threshold Amount even where the assets returned exceed the C Threshold Amount, but only in the excess.
- 11.4.3 On a return of assets on liquidation or otherwise, and to the extent only that the amount so returned exceeds the D Threshold Amount, the holders of the C Shares and the D Shares shall rank *pari passu* as if the shares were all of a single class and shall participate rateably (to the exclusion of any other class of shares) in the excess amount so returned. The holders of the D Shares shall not participate in the assets returned up to the D Threshold Amount even where the assets returned exceed the D Threshold Amount, but only in the excess.

#### **11.5 Sale**

- 11.5.1 On a Sale and in respect of the Sale price up to the C Threshold Amount the holders of the A Shares and B Shares shall rank *pari passu* as if the shares were all of a single class and shall participate rateably (to the exclusion of any other class of shares) in the Sale price.

- 11.5.2 On a Sale, and to the extent only that the Sale price exceeds the C Threshold Amount, the holders of the C Shares alone shall participate in the excess amount of the Sale price up to the D Threshold Amount. The holders of the C Shares shall not participate in the Sale price up to the C Threshold Amount even where the Sale price exceeds the C Threshold Amount, but only in the excess.
- 11.5.3 On a Sale, and to the extent only that the Sale price exceeds the D Threshold Amount, the holders of the C Shares and the D Shares shall rank pari passu as if the shares were all of a single class and shall participate rateably (to the exclusion of any other class of shares) in the excess amount of the Sale price. The holders of the D Shares shall not participate in the Sale price up to the D Threshold Amount even where the Sale price exceeds the D Threshold Amount, but only in the excess.
- 11.5.4 For the purpose of this article 11.5, the Sale price shall include all amounts payable by way of consideration for the Sale whether in cash, securities or otherwise and whether on completion of the Sale or at a later date and, in case of doubt as to the value of the consideration, the matter shall be referred by the Board (at the request of any Shareholder affected) to the Independent Expert.

#### **Partial Sale**

- 11.6 On a Partial Sale, the A and B Shares being sold shall rank pari passu and shall each receive the Partial Sale Threshold Price and any other shares being sold shall, subject to the other provisions of these Articles, receive the balance of the proceeds as agreed between the relevant parties.

#### **Issue of New Securities**

- 11.7 Sections 561 and 562 of the Act shall not apply to the Company.
- 11.8 All equity securities which the Directors propose to issue shall, unless otherwise agreed by Super Majority Approval, first be offered to all shareholders holding C Shares and/or D1 Shares in proportion as nearly as may be to the number of the existing C Shares and D1 Shares held by them respectively or as the Company shall with Super Majority Approval otherwise direct. The offer shall be made by notice specifying the number of equity securities offered and the terms of such offer, and limiting a period (not being less than 15 Business Days) within which if the offer is not accepted, the offer will be deemed to be declined. The offer shall further invite each shareholder holding C Shares and/or D1 Shares to state in his reply the number of additional shares (if any) in excess of his proportion for which he desires to subscribe and if all the shareholders holding C Shares and D1 Shares do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares held by the applicants prior to the offer. Any equity securities released from the provision of this article by such agreement as aforesaid shall (subject to the remaining provisions of these Articles) be under the control of the Directors who may allot, grant options over or otherwise dispose within 3 months to such persons on such terms and in such manner as they think fit, provided that in the case of equity securities not accepted as aforesaid, such equity securities shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms in which they were offered to the shareholders holding C Shares and D1 Shares.
- 11.9 Unless otherwise agreed, any person becoming entitled to the allotment of any shares must, prior to such allotment, be or become a party to any Shareholders Agreement or to an Ancillary Deed.

### **12 TRANSFER AND TRANSMISSION OF SHARES**

#### **Permitted Transfers**

- 12.1 The Directors shall register the transfer or, as the case may be, transmission of any shares:

- 12.1.1 in the case of a shareholder being a company to a Member of the Same Group on terms that should the transferee cease to be a Member of the Same Group it shall re-transfer the shares in question to the original transferor;
  - 12.1.2 to a nominee of the shareholder or where the shareholder is a nominee for any other person to that person or to another nominee for him provided that the transferor certifies to the Company that no beneficial interest in the shares passes by reason of the transfer;
  - 12.1.3 in the case of a shareholder being an individual and where the Board so agrees to a Privileged Relation or the trustees of a Family Trust provided that should the transferee cease to be a Privileged Relation, he shall re-transfer the shares in question to the original transferor;
  - 12.1.4 in the case of a shareholder being the trustee(s) of a Family Trust, to a new trustee, upon any change of trustees provided that the transferor certifies to the Directors in that no beneficial interest has passed by reason of the transfer;
  - 12.1.5 to the personal representatives of a deceased shareholder where under the provisions of his will or the laws as to intestacy the persons beneficially entitled to any such shares, whether immediately or contingently, are Privileged Relations of the deceased shareholder and by the personal representatives of a deceased shareholder to such Privileged Relations.
- 12.2 Where the Permitted Transferees are trustees and the Board so requires, they shall grant an irrevocable power of attorney to the transferor permitting him to exercise the voting power attaching to the shares transferred in such form as the Board may approve.
- 12.3 For the purpose of articles 12.1 and 12.13 but not any other article the word ‘**shareholder**’ shall not include a person who holds shares only in the capacity of trustee, personal representative or trustee in bankruptcy, but shall include a former shareholder in any case where the person concerned ceased to be shareholder as the result of the creation of the relevant trust or on his death.

### **Prohibited Transfers**

- 12.4 Notwithstanding the provisions of these Articles, the Directors shall decline to register (and such shares not be transferable accordingly) any transfer or transmission of a share which would otherwise be permitted hereunder without assigning any reason therefor, if it is a transfer or transmission of a share (whether or not it is fully paid):
- 12.4.1 over which the Company has a lien;
  - 12.4.2 to a bankrupt or person who has entered into arrangements or composition with his creditors;
  - 12.4.3 to any person who has not reached the age of majority; or
  - 12.4.4 to any person who is suffering from mental disorder when any of the circumstances in article 16 of the Model Articles apply.

### **Pre-emption Process**

- 12.5 Subject to the provisions of this article 12 and article 13 and save where a transfer is a Permitted Transfer, a transfer to a Proposed Buyer by Selling Shareholders, Called Shareholders and/or Accepting Shareholders in accordance with Articles 14 and 15 or unless otherwise agreed by the Board, any person (hereinafter called the **Proposing Transferor**) proposing to transfer any shares or otherwise dispose of any share or any interest therein shall give notice in writing (hereinafter called the **Transfer Notice**) to the Company that he desires to transfer the same and specifying the price per share which he is willing to accept

for the shares comprised therein) (hereinafter referred to as the **Prescribed Price**). The Transfer Notice shall constitute the Company the agent of the Proposing Transferor for the sale of all (but not some of) the shares contained in the Transfer Notice to any shareholder or shareholders willing to purchase the same at the Prescribed Price. A Transfer Notice shall not be revocable except with the sanction of the Directors.

- 12.6 The Company may (subject to the Articles) elect to purchase at the Prescribed Price all or any of the shares subject to a Transfer Notice by giving notice to that effect to the Proposing Transferor within 15 Business Days after its receipt of the Transfer Notice and if the Company does so, it shall not be required to offer the shares in accordance with article 12.7 except for any shares it does not itself elect to purchase. Articles 12.8, 12.9 and 12.11 shall apply where the Company elects to purchase shares under this article.
- 12.7 Subject to article 12.6, the shares contained in any Transfer Notice described in article 12.5 shall be offered to those holders determined by the Board (**Qualifying Holders**) of the shares of the same class (other than the Proposing Transferor) as nearly as may be in proportion to the number of shares of that class in issue (**Qualifying Shares**) held by them respectively, but so that in each case the C Shares and the D1 Shares shall be treated as a single class of shares for such purposes. Such offer shall be made by notice in writing (hereinafter called the **Offer Notice**) within 20 Business Days after the receipt by the Company of the Transfer Notice. The Offer Notice shall state the Prescribed Price and shall limit the time in which the offer may be accepted, not being more than 15 Business Days after the date of the Offer Notice. For the purposes of this article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. The Offer Notice shall further invite each Qualifying Holder of Qualifying Shares to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the holders of Qualifying Shares do not accept the offer in respect of their respective proportions in full, the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares held by the applicants prior to the offer respectively, provided that no shareholder shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the Qualifying Holders of the Qualifying Shares in proportion to their existing holdings of Qualifying Shares, the same shall be offered to the Qualifying Holders of the Qualifying Shares, or some of them, in such proportions or in such manner as may be determined by the Directors.
- 12.8 The Directors shall forthwith give notice in writing to the Proposing Transferor of the identify of any Qualifying Holder or Holders of Qualifying Shares (**purchaser** or **purchasers**) accepting the offer, and of the number of Qualifying Shares agreed to be purchased, and upon receipt of that notice and subject to the provisions of article 12, the Proposing Transferor shall be bound, upon payment of the Prescribed Price, to transfer such shares to the purchaser or respective purchasers thereof. The purchase shall be completed within 15 Business Days of receipt of that notice by the Proposing Transferor at a place and time to be appointed by the Directors. If the Proposing Transferor, after becoming bound as aforesaid, defaults in transferring any shares, the Company may receive the purchase price on his behalf and may authorise any person to execute a transfer of such shares in favour of the purchaser or purchasers. The receipt of the Company for the purchase price shall be a good discharge to the purchaser or purchasers, the Company shall forthwith pay the purchase price into a separate bank account in the Company's name and shall hold the purchase price and any interest earned thereon in trust for the Proposing Transferor.
- 12.9 If the number of shares agreed to be purchased is less than all the shares comprised in the Transfer Notice, the Proposing Transferor may, within 10 Business Days of receipt of the Directors' notice given under article 12.7, withdraw the Transfer Notice by notice in writing to the Directors.

- 12.10 If the offer is not duly accepted in respect of all the shares comprised in the Transfer Notice, the Proposing Transferor shall at any time within 60 Business Days after the expiry of the offer be entitled (unless the Transfer Notice is withdrawn pursuant to article 12.9) to transfer all or any of the shares comprised in the Transfer Notice in respect of which the offer is not duly accepted on a bona fide sale to any shareholder at any price not being less than the Prescribed Price.
- 12.11 Where a Transfer Notice is given or deemed to be given under this article 12 and no price per share is specified therein, the Transfer Notice shall be deemed to specify such sum per share as may be agreed upon between the personal representatives or trustee in bankruptcy of the Proposing Transferor and the Directors or, in the event of no such agreement being reached within fourteen days of receipt of the relevant Transfer Notice by the Company, as may be determined by an Independent Expert who shall determine the amount that would have been payable under article 11.5 in respect of the shares comprised in the Transfer Notice if there had been a Sale of the whole of the Fully Diluted Share Capital of the Company at the Open Market Value on the date the Transfer Notice was given or deemed to have been given. The costs of appointing such accountant shall be borne between the transferor and the transferee in such proportions as the Independent Expert directs.
- 12.12 The Directors may not decline to register the transfer of any share made pursuant to the foregoing provisions of this article save only where the Directors have substantial reasons for believing that a transfer purporting to be a Permitted Transfer should have been, on the facts, the subject of a Transfer Notice.
- 12.13 In the application of Regulations 65 to 68 of the Model Articles (to the extent adopted under these Articles) to the Company:
- 12.13.1 save where the proposed transfer or transmission is a Permitted Transfer any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder shall give a Transfer Notice before he elects in respect of any share to be registered himself or to execute a transfer; and
- 12.13.2 if a person so becoming entitled shall not have executed a Permitted Transfer or given a Transfer Notice in respect of any share within six months of the death or bankruptcy, the Directors may at any time thereafter upon resolution passed by them give notice requiring such person within 30 to execute Permitted Transfers or give a Transfer Notice in respect of all the shares to which he has so become entitled and for which he has not previously done so and if he does not do so he shall at the end of such 20 Business Days be deemed to have given a Transfer Notice pursuant to article 12.5 relating to those shares in respect of which he has still not executed Permitted Transfers or given a Transfer Notice.

### 13 COMPULSORY TRANSFERS

- 13.1 If an Employee Shareholder becomes a Leaver, the Directors shall (unless otherwise determined by the Board) serve on the Leaver no later than 120 Business Days after the relevant Termination Date a notice in writing (a **Leaver Notice**) requiring the transfer of his Relevant Shares in accordance with articles 13.2 to 13.4 (a **Compulsory Employee Transfer**).
- 13.2 The Leaver Notice shall state:
- 13.2.1 the number of Relevant Shares the Leaver is required to transfer;
- 13.2.2 the transferees of the Relevant Shares which may comprise one or more of the following:
- 13.2.2.1 subject to the Act, the Company;
- 13.2.2.2 an Employee Trust;

- 13.2.2.3 one or more Employee Shareholders (excluding the Leaver);
  - 13.2.2.4 an individual who has replaced or will replace the Leaver;
  - 13.2.2.5 the shareholders pro rata to their respective holdings of C Shares;
- 13.2.3 the Transfer Price per Relevant Share proposed to be paid to the Leaver; and
- 13.2.4 a date for completion of the transfer and (where appropriate) the cancellation of the Relevant Shares (being not less than 30 Business Days after the Leaver Notice and not more than 40 Business Days after the date of the Leaver Notice (or if later, 10 Business Days after the determination of purchase price per Relevant Share as set out below).
- 13.3 The Transfer Price shall be either:
  - 13.3.1 the amount subscribed and paid by the Leaver for the Relevant Shares; or
  - 13.3.2 if and to the extent specified as such in an Ancillary Deed entered into by the relevant Leaver, the amount that would have been payable for the Relevant Shares under article 11.5 if there had been a Sale of the whole of the Fully Diluted Share Capital of the Company at the open market value of the Company on the relevant date on a sale on arms' length terms between a willing seller and a willing buyer where the parties each act knowledgeably, prudently and without compulsion, as such value is decided by the Directors, subject to such minority discount as the Directors consider is appropriate, as set out in the Ancillary Deed.
- 13.4 Forthwith upon a Leaver Notice being served all of the Leaver's Relevant Shares (subject to it (**Restricted Shares**)) shall cease to confer on the holder of them any rights:
  - 13.4.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
  - 13.4.2 to receive dividends or other distributions otherwise attaching to those Shares; or
  - 13.4.3 to participate in any future issue of Shares issued in respect of those Shares.

The Directors may reinstate the rights referred to in article 13.4 at any time and, in any event, such rights shall be reinstated a) on completion of a transfer made pursuant to article 13.1 and b) in respect to clause 13.4.2, if the Relevant Shares are not acquired pursuant to a Leaver Notice.
- 13.5 Completion of the transfer of the applicable Shares shall occur at the Company's registered office on the date set out in the Leaver Notice, unless otherwise agreed. At completion:
  - 13.5.1 the Leaver shall agree to sell the applicable Shares to the person(s) notified in the Leaver Notice with full title guarantee free from all encumbrances and sign (in each case in a form acceptable to the Company) an agreement accordingly together with the appropriate stock transfer form(s) and an indemnity for a lost share certificate (to the extent a share certificate is not available); and
  - 13.5.2 the Leaver shall be paid the Transfer Price for the Relevant Shares.
- 13.6 If the Leaver fails to comply with article 13.5:
  - 13.6.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Leaver and his Permitted Transferees;
    - 13.6.1.1 complete, execute and deliver in his name the documents referred to in



Article 13.5 and all other documents necessary to give effect to the transfer of the Relevant Shares;

13.6.1.2 receive the Transfer Price and give a good discharge for it (and no transferee shall be obliged to see to the distribution of the Transfer Price); and

13.6.1.3 (subject to the transfer being duly stamped) enter the transferee in the register of Shareholders as the holders of the Shares purchased by them; and

13.6.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Leaver until he has delivered his certificate(s) for the Relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

#### 14 **DRAG ALONG**

14.1 If the holders of more than 50 per cent of the A Shares (being holders who also hold C Shares or D1 Shares) or 65 per cent of the aggregate number of C Shares and D1 Shares (**Selling Shareholders**) wish to transfer all of their shares of whatever class to a bona fide third party purchaser (**Proposed Buyer**) on arm's-length terms, they shall have the option (**Drag Along Option**) to require all the other holders of shares of every class on the date of the request (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this article 14.

14.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of their shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

14.2.1 that the Called Shareholders are required to transfer all their shares (Called Shares) pursuant to this article 14;

14.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

14.2.3 the consideration payable for the Called Shares calculated in accordance with article 14.4;

14.2.4 the proposed date of completion of transfer of the Called Shares.

14.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all their shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

14.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Selling Shareholders' Shares in accordance with article 11.5.

14.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 14.

- 14.6 At completion of the sale and purchase of the Called Shares the Called Shareholders shall agree to sell their shares with full title guarantee free from all encumbrances and sign (in each case in a form acceptable to the Company) an agreement accordingly together with the appropriate stock transfer form and an indemnity for a lost share certificate (to the extent a share certificate is not available).
- 14.7 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Selling Shareholders' shares unless all of the Called Shareholders and the Selling Shareholders otherwise agree.
- 14.8 If at completion pursuant to Article 14.7 any Called Shareholder fails to deliver to the Company the agreement and documents referred to in Article 14.6 the defaulting Called Shareholder shall be deemed to have appointed any Director nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all such agreements and documents necessary to effect the transfer on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of shares under this article 14.
- 14.9 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to a share option scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 14 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.
- 15 **TAG ALONG**
- 15.1 The provisions of this article 15 shall apply if Selling Shareholders wish to sell to a Proposed Buyer 35 per cent or more of the aggregated number of issued C Shares and D1 Shares.
- 15.2 Before making any transfer of shares to the Proposed Buyer, the Selling Shareholders shall procure that the Proposed Buyer makes an offer (**Offer**) to the other shareholders to purchase all of the shares held by them or the same proportion of their shares as are being sold by the Selling Shareholders on equivalent terms having regard to the entitlement of those shareholders on a Sale under article 11.5 (**Specified Price**).
- 15.3 The Offer shall be made by written notice (**Offer Notice**), at least 20 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

- 15.3.1 the identity of the Proposed Buyer;
  - 15.3.2 the Specified Price and other terms and conditions of payment;
  - 15.3.3 the Sale Date; and
  - 15.3.4 the number of shares proposed to be purchased by the Buyer (**Offer Shares**).
- 15.4 If the Buyer fails to make the Offer to all of the holders of shares in the Company in accordance with Article 15.2 and Article 15.3, the Selling Shareholders shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 15.5 If the Offer is accepted by any shareholder (**Accepting Shareholder**) in writing within 15 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

## **DECISION MAKING BY SHAREHOLDERS**

### **16 POLL VOTES**

- 16.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 16.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

### **17 PROXIES**

- 17.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 17.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

## **ADMINISTRATIVE ARRANGEMENTS**

### **18 MEANS OF COMMUNICATION TO BE USED**

- 18.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 18.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or 5 (five) Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address, within the United Kingdom, if (in each case) sent by airmail addressed to the intended recipient),
  - 18.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 18.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

- 18.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 18.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Companies Acts.

## 19 INDEMNITY

- 19.1 Subject to article 19.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled;

- 19.1.1 each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:

19.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

19.1.1.2 in relation to the Company's (or any Group Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

19.1.1.3 including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

19.1.1.4 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 19.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 19.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

- 19.3 In this article and article 20:

- 19.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

- 19.3.2 a **relevant officer** means any Director or other officer or former Director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a Director or other officer), to the extent he acts in his capacity as auditor).

## 20 INSURANCE

The Directors may decide to purchase and maintain Insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties

or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.