

Company Number: 03699814



ARTICLES OF ASSOCIATION of

HALEWOOD WINES AND SPIRITS PLC

(Adopted by Special Resolution passed on 3 August 2016 and amended by a special resolution
passed on *2 August* 2017)

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Company Number: 03699814

THE COMPANIES ACT 2006
PUBLIC COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
HALEWOOD WINES AND SPIRITS PLC
("Company")

(Adopted by special resolution passed on 3 August 2016 and amended by a special resolution
passed on *2 August* 2017)

1. Definitions and Interpretation

1.1 In these Articles, unless the context requires otherwise:

"A Ordinary Shareholders"	the Holders of the A ordinary Shares from time to time.
"A Ordinary Shares"	means A Ordinary Shares of £1.00 each in the capital of the Company.
"Acceptance Period"	has the meaning given in Article 65.6.
"Act"	the Companies Act 2006.
"Adoption Date"	the date of the adoption of the Articles.
"Alternate"	an alternate director.
"Appointor"	has the meaning given in Article 30.1.
"Articles"	means the Company's articles of association.
"Available Shares"	has the meaning given in Article 65.6.
"B Ordinary Shares"	means B ordinary shares of £1.00 each in the capital of the Company.
"Bad Leaver"	a Leaver who is not a Good Leaver.
"Bankruptcy"	includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy.
"Base Value"	has the meaning set out in Article 5.2.
"Business Day"	a day other than a Saturday or Sunday on which bank are open for general business in London.

"C Ordinary Shares"	means C ordinary shares of £1.00 each in the capital of the Company.
"Call Notice"	has the meaning given in Article 56.1.
"Call"	has the meaning given in Article 56.1.
"certificate"	means a paper certificate (other than a share warrant) evidencing a person's title to specified Shares or other securities.
"certificated"	in relation to a Share, means that it is not an uncertificated Share or a Share in respect of which a share warrant has been issued and is current.
"Chairman of the Meeting"	has the meaning given in Article 36.3.
"Chairman"	has the meaning given in Article 17.2.
"Company's Lien"	has the meaning given in Article 54.1.
"Completion"	completion of the sale of the relevant Leaver Shares in accordance with these Articles.
"Connected Person"	a person connected with another within the meaning of section 1122 of the Corporation Tax Act 2010.
"Controlling Interest"	an interest in A Ordinary Shares giving the holder or holders control over 51% or more of the issued A Ordinary Shares.
"D Ordinary Shares"	means D ordinary shares of £1.00 each in the capital of the Company.
"director"	means a director of the Company, and includes any person occupying the position of director, by whatever name called.
"Disposal"	the non-ordinary course disposal by the Company or any Group Company of all of the Group's business and assets (including the sale of a subsidiary company (whether in one transaction or as a series of related transactions) or as a result of a series of Partial Disposals).
"Distribution Recipient"	has the meaning given in Article 78.2.
"document"	includes, unless otherwise specified, any document sent or supplied in electronic form.

"Drag Along Buyer"	has the meaning given in Article 66.1.
"Drag Along Notice"	has the meaning given in Article 66.1.
"Drag Along Sale"	has the meaning given in Article 66.1.
"Drag Majority"	member(s) holding (in aggregate) A Ordinary Shares granting the right to exercise at least 75% of the voting rights attaching to all A Ordinary Shares from time to time.
"Dragged Seller"	has the meaning given in Article 66.1.
"electronic form"	has the meaning given in section 1168 of the Act.
"Employee Shareholder Representatives"	means three Employee Shareholders (acting by majority), being initially Stewart Hainsworth, Alan Robinson and Andrew Murray together (in each case <i>only whilst any such person is not a Leaver</i>), or otherwise such other Employee Shareholder(s) as may be notified to the Company in writing from time to time by Employee Shareholders holding not less than 50% in aggregate of the Employee Shareholders' aggregate right to share in the Growth Value of the Shares.
"Employee Shareholders"	together the Holders of B Ordinary Shares, C Ordinary Shares and D Ordinary Shares from time to time.
"Employee Shares"	together the B Ordinary Shares, C Ordinary Shares and D Ordinary Shares.
"Employee"	any employee and/or Director of, or consultant to, any Group Company.
"Encumbrance"	any mortgage, charge (fixed or floating), pledge, lien, hypothecation, guarantee, trust, right of set-off or other third party right or interest (legal or equitable) including any assignment by way of security, reservation of title or other security interest of any kind, howsoever created or arising, or any other agreement or arrangement (including a sale and repurchase agreement) having similar effect.
"Exit"	means a Sale or a Disposal or a Listing.

"Expert"

a firm of chartered accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to the nomination for a period of seven days, nominated on the application of any of the parties concerned by the President for the time being of the Institute of Chartered Accountants in England and Wales. The costs of the Expert shall be borne by the Company unless otherwise determined by the Expert. The parties concerned shall co-operate in relation to the nomination and subsequent appointment of the firm of chartered accountants and shall not unreasonably withhold their consent to the nomination or subsequent appointment, or the terms of engagement for the appointment, of the firm of chartered accountants. In the event that after nomination there is disagreement between the parties concerned as to the terms of engagement of the nominated firm of chartered accountants for a period of seven days, the Founder Shareholders are unconditionally and irrevocably authorised to appoint any person as agent of those parties to sign the latest version of those terms of engagement on behalf of those parties, who shall then be bound by those terms of engagement.

"Founder Shareholder Representative"

means such person as notified in writing to the Company by the Founder Shareholders Majority.

"Founder Shareholders Consent" or "the consent of the Founder Shareholders"

means the prior consent in writing of the Founder Shareholder Majority.

"Founder Shareholders Majority"

means the Shareholders holding not less than a majority of the A Ordinary Shares.

"Founder Shareholders"

means the holders of a majority of the A Ordinary Shares from time to time.

"fully paid"

in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company.

"Good Leaver"	<p>a Leaver who either becomes a Leaver as a result of:</p> <ul style="list-style-type: none"> (a) death at any time; or (b) permanent disability or permanent incapacity through ill health at any time; or (c) termination of his employment after 30 June 2017 for any reason (except in circumstances justifying summary dismissal for fraud and/or gross misconduct or resignation), <p>or a Leaver who does not fall within any of paragraphs (a) or (b) or (c) of this definition but who the directors determine, at their absolute discretion with the consent of the Founder Shareholders shall be a Good Leaver for the purposes of the Articles.</p>
"Group Company"	any member of the Group.
"Group"	<ul style="list-style-type: none"> (a) the Company; (b) any subsidiary; and (c) any company of which the Company is a subsidiary from time to time (its holding company) or any other subsidiaries of any such holding company from time to time.
"Growth Value"	has the meaning as set out in Article 5.2.
"hard copy form"	has the meaning given in section 1168 of the Act.
"Holder"	in relation to a Share, the person whose name is entered in the register of members as the holder of that Share from time to time.
"instrument"	means a document in hard copy form.
"Leaver Notice"	has the meaning given in Article 65.1.
"Leaver Shares"	has the meaning given in Article 65.1.
"Leaver"	has the meaning given in Article 65.1.
"Lien Enforcement Notice"	a notice served in accordance with Article 55.2.

"Listing Proceeds"	in the event of a Listing, the market value of the Listing 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 Listing, all as determined by the financial advisers to the Company or, if none, the broker appointed by the directors to advise in connection with the Listing.
"Listing Shares"	the issued equity share capital of the Company (excluding any equity share capital to be subscribed and issued on such Listing 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).
"Listing"	the admission of all or any of the share capital of the Company to the Official List or the High Growth Segment of the London Stock Exchange or the admission of the same to trading on the AIM market operated by London Stock Exchange plc or the admission of the same to, or the grant of permission by any like authority for the same to be traded on, any recognised investment exchange as defined in section 258 of the Financial Services and Markets Act 2000.
"member"	has the meaning given in section 112 of the Act.
"Offer Notice"	has the meaning given in Article 65.6.
"Offer Price"	means the price offered where a Leaver's Share is to be sold in accordance with Article 65.3.
"Offer"	means an offer from a Third Party on terms on which all of the issued share capital of the Company shall be acquired for cash consideration payable on completion and otherwise on normal commercial terms.
"Offeree"	has the meaning given in Article 65.5.
"ordinary resolution"	has the meaning given in section 282 of the Act.
"paid"	means paid or credited as paid.
"Partial Disposal"	the non-ordinary course disposal of any part of the Group's business and assets (which does not constitute a Disposal).
"Partial Share Sale"	has the meaning given in Article 5.2.

"participate"	in relation to a directors' meeting, has the meaning given in Article 14.1.
"partly paid"	in relation to a Share means that part of that Share's nominal value or any premium at which it was issued has not been paid to the Company.
"Permitted Employee Transfer"	has the meaning given in Article 4.13.
"Proxy Notice"	has the meaning given in Article 43.
"Relevant Director"	any director or former director of any Group Company.
"Relevant Loss"	any loss or liability which has been or may be incurred by a Relevant Director in connection with his duties or powers in relation to any Group Company or any pension fund or employees' share scheme of any Group Company.
"Respective Proportion"	<p>in relation to:</p> <p>the B Ordinary Shares, means 35%;</p> <p>the C Ordinary Shares, means 45%; and</p> <p>the D Ordinary Shares, means 20%;</p> <p>provided that such Respective Proportions may be amended in accordance with Article 65 and following any such amendment, such amended Respective Proportion shall become the Respective Proportion for the purpose of these Articles.</p>
"Sale"	the sale of any Shares (in one transaction or as a series of related transactions) which would, if completed, result in the buyer (not being the holder of any A Ordinary Shares on the Adoption Date) of those Shares (or grantee of that right) and persons acting in concert with him (as defined in the City Code on Takeovers and Mergers) acquiring 51% or more of the issued A Ordinary Shares.
"Sale Notice"	has the meaning given in Article 65.11.
"Sale Proceeds"	has the meaning as set out in Article 5.2.
"Second Acceptance Period"	has the meaning given in Article 65.8.

"Second Available Shares"	has the meaning given in Article 65.8.
"Second Offer Notice"	has the meaning given in Article 65.8.
"Securities Seal"	has the meaning given in Article 51.7.
"Shareholder"	a person who is the Holder of a Share.
"Shareholders Agreement"	means any agreement from time to time entered into between inter alia the Founder Shareholders and the Employee Shareholders.
"Shares"	means shares in the Company, of any class.
"special resolution"	has the meaning given in section 283 of the Act.
"Start Date"	in respect of Leaver Shares, the date of the Leaver Notice given in relation to them.
"subsidiary"	has the meaning given in section 1159 of the Act.
"Third Party"	any person who is not a Shareholder or a Connected Person of any Shareholder.
"Transfer"	means a sale or transfer of any interest in Shares (whether legal, beneficial or otherwise including any Encumbrance granted concerning Shares).
"Transmittee"	means a person entitled to a Share by reason of the death or bankruptcy of a member or otherwise by operation of law.
"uncertificated"	in relation to a Share means that, by virtue of legislation (other than section 778 of the Act) permitting title to shares to be evidenced and transferred without a certificate, title to that Share is evidenced and may be transferred without a certificate.
"writing"	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

1.2 A reference to:

1.2.1 a **"person"** includes a reference to:

- (i) any individual, firm, partnership, unincorporated association or company wherever incorporated or situate; and

- (ii) that person's legal personal representatives, trustees in bankruptcy and successors;

1.2.2 **"bankruptcy"** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy; and

1.2.3 a **"document"** includes, unless otherwise specified, any document sent or supplied in electronic form.

1.3 Unless the context otherwise requires:

1.3.1 words denoting the singular shall include the plural and vice versa;

1.3.2 words denoting a gender shall include all genders; and

1.3.3 references to (or to any specified provision of) these Articles or any other document shall be construed as references to these Articles, that provision or that document as in force and as amended from time to time.

1.4 Unless stated to the contrary, a reference to a statute, statutory provision or subordinate legislation includes a reference to it as modified, replaced, amended and/or re-enacted from time to time (before or after the date of these Articles) and any prior or subsequent legislation made under it but this Article 1.4 shall not operate so as to impose on any person any greater obligation than would otherwise apply.

1.5 Unless the context otherwise requires, words or expressions used in these Articles shall have the same meaning as in the Act.

1.6 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. **Model Articles Shall Not Apply**

Neither the model articles for public companies limited by shares prescribed pursuant to the Act, nor any other articles of association (whether prescribed pursuant to the Act or set out in any other statute, statutory instrument or other subordinate legislation concerning companies) shall apply to the Company.

3. **Liability of Members**

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

4. **Share Rights**

4.1 The A Ordinary Shares shall rank pari passu among themselves in all respects.

4.2 The B Ordinary Shares shall rank pari passu among themselves in all respects.

4.3 The C Ordinary Shares shall rank pari passu among themselves in all respects.

- 4.4 The D Ordinary Shares shall rank *pari passu* among themselves in all respects.
- 4.5 The A Ordinary Shares shall confer on any Holder of such Shares the right to cast one vote for each A Ordinary Share of which he is the Holder, regardless whether the vote is taken by show of hands or a poll and shall equally apply to determine whether a written resolution shall be treated as being passed by the requisite majority or not.
- 4.6 Subject to Article 4.11 and Article 72.2 the B Ordinary Shares, C Ordinary Shares and D Ordinary Shares shall confer on any Holder of such Shares the right to cast such number of votes which is calculated in aggregate at 5% of the aggregate number of votes that may be cast by all Shareholders (irrespective of the number of such Shares of which he is the holder and/or if he is the holder of Employee Shares of more than one class, such that he shall not have any additional voting rights above that aggregate of 5% of the aggregate number of votes that may be cast by all the Shareholders by virtue of holding more than one class of Employee Shares and shall not acquire any greater number of voting rights by acquiring any greater number of Employee Shares).
- 4.7 The provisions of Article 4.6 above shall apply regardless of whether the vote is taken by show of hands or a poll and shall equally apply to determine whether a written resolution shall be treated as being passed by the requisite majority or not.
- 4.8 At a class meeting of the B Ordinary Shares, each holder of B Ordinary Shares shall be entitled to vote on a show of hands and, on a poll or written resolution of the B Ordinary Shares, shall be entitled to cast one vote per B Ordinary Share held.
- 4.9 At a class meeting of the C Ordinary Shares, each holder of C Ordinary Shares shall be entitled to vote on a show of hands and, on a poll or written resolution of the C Ordinary Shares, shall be entitled to cast one vote per C Ordinary Share held.
- 4.10 At a class meeting of the D Ordinary Shares, each holder of D Ordinary Shares shall be entitled to vote on a show of hands and, on a poll or written resolution of the D Ordinary Shares, shall be entitled to cast one vote per D Ordinary Share held.
- 4.11 If the Founder Shareholders (acting by Founder Shareholders Majority) so direct, any Share currently the subject of a Leaver Notice shall not confer the right to receive notice of, attend or vote at any general meeting of the Company (or meeting of any class of Shareholder) and that Share shall not:
- 4.11.1 be counted:
- (i) in determining the total number of votes which may be cast at that meeting;
 - (ii) for the purposes of a written consent of any Shareholder or class of Shareholders; or
- 4.11.2 entitle the Shareholder who holds that Share to participate in any allotment of Shares pursuant to Article 9.
- 4.12 The B Ordinary Shares, C Ordinary Shares and D Ordinary Shares shall not confer on the Holders of such Shares any right to receive any distribution or dividend paid by the Company,

other than in circumstances where a distribution or dividend is paid immediately following a Disposal in accordance with Article 5.5.

4.13 None of the B Ordinary Shares, C Ordinary Shares and/or D Ordinary Shares shall be capable of Transfer, other than:

4.13.1 to a Transmitten; or

4.13.2 pursuant to Article 55; or

4.13.3 as required by Article 65; or

4.13.4 as required by Article 66; or

4.13.5 pursuant to Article 67; or

4.13.6 with Founder Shareholders Consent,

(each a "**Permitted Employee Transfer**").

4.14 The A Ordinary Shares are freely transferable without restriction to any person or persons.

5. **Distribution of Proceeds**

5.1 On a return of assets on liquidation, the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the order of priority set out in Article 5.2 and as if the assets to be distributed were Sale Proceeds.

5.2 On a Sale, the total gross consideration (before the deduction of any professionals fees relating to the Sale) payable (including any deferred consideration) whether in cash or otherwise to those members selling Shares in the Sale (the "**Sale Proceeds**") shall, notwithstanding anything to the contrary in the terms and conditions governing such a Sale and subject to Article 5.3 and Article 5.4, be distributed in accordance with the order of priority set out below:

5.2.1 first, in paying to Employee Shareholders out of the Sale Proceeds, in their Respective Proportions of Employee Shares, an aggregate amount (if any) equal to the Exit Percentage of the Growth Value:

where:

"Exit Percentage" means the relevant percentage figure specified in Column B of the Appendix against the relevant Growth Value achieved by such Sale, provided that such percentage shall be reduced by the corresponding amount shown in Column C of the Appendix for each and every £100,000 (or part thereof, provided such part exceeds £50,000) by which the Growth Value achieved by such Sale exceeds the relevant Base Growth Value (but is not yet equal to or more than the next Base Growth Value). By way of example only, if the Growth Value was £45,760,000, the entitlement of the Employee Shareholders to the Sale Proceeds would be calculated as (18.4615% less (0.0260% x 3)) of £45,760,000;

"Base Growth Value" means the amounts at which each band of Growth Value starts, as specified in Column A of the Appendix;

"Base Value" means the amount determined by the Founder Shareholders and notified in writing to and agreed in writing by the Employee Shareholder Representatives on or prior to the Adoption Date as representing the base value of the Company for the purposes of the calculation as set out in this Article 5.2; and

"Growth Value" means, subject to Article 5.4, the amount by which the Sale Proceeds exceeds the Base Value;

In the event of a Sale involving less than 100% of the issued Shares (**"Partial Share Sale"**), no such Sale shall be permitted to occur, unless subject to Article 5.9, the terms of the Sale provide for the sale of 100% of the Employee Shares. In the event of a Partial Share Sale in respect of which no notice has been given by the Employee Shareholder Representatives pursuant to Article 5.9, for the purpose of calculating the amount payable to the Employee Shareholders under this Article 5.2.1, the following shall apply:

- (i) it shall be assumed that the relevant offer being made is made to the A Ordinary Shareholders only and that there are no Employee Shares in issue;
- (ii) the Sale Proceeds shall be grossed up by the number found by dividing 100 by the percentage of the A Ordinary Shares to be sold. By way of example if the offer is £75,000,000 for 50 per cent of the equity of the Company, it shall be assumed that this offer is to acquire 50 per cent of the A Ordinary Shares (and that there are no other shares in issue). The Sale Proceeds shall then be grossed up by 100/50 for the purposes of calculating the overall Growth Value, thereby creating a deemed Sale Proceeds of £150,000,000 for this calculation;
- (iii) the proportion of the Sale Proceeds payable to the Employee Shareholders on such Sale shall be calculated on this basis (ie as if the Sale Proceeds were £150,000,000 and not £75,000,000) with the effect that the amount of the Sale Proceeds payable to the A Ordinary Shareholders for the sale of 50 per cent of the A Ordinary Shares shall reduce by the same amount as would have been payable to the Employee Shareholders if there had been a sale of all Shares with Sale Proceeds of £150,000,000; and
- (iv) at 12:01am on the date after the day of the Sale of the Employee Shares, the Employee Shares shall be reclassified as worthless deferred shares without any rights to share in any future exit proceeds or to receive any dividend and without any rights to vote,

- 5.2.2 thereafter, in distributing the balance of the Sale Proceeds among the holders of the A Ordinary Shares, pro rata to the number of A Ordinary Shares held by them.

- 5.3 To the extent that the Growth Value is less than £40,500,000 the aggregate consideration on any Sale payable to the Employee Shareholders in respect of any of the Employee Shares shall be deemed to be £1 and the remaining Sale Proceeds shall be distributed among the holders of the A Ordinary Shares pro rata to the number of A Ordinary Shares held by them.
- 5.4 If the Sale Proceeds relating to a Sale are not to be settled in their entirety upon completion of the Sale in cash the directors shall register the transfer of the relevant Shares, provided that:
- 5.4.1 where any amount of the Sale Proceeds is variable or contingent, the Sale Proceeds due on the date of completion of the Sale are distributed in the order of priority set out in Article 5.2 and subject to Article 5.3 on the basis only of the estimate of the Founder Shareholder Majority of the total amount of Sale Proceeds that will be received and that the Founder Shareholders Majority may in their absolute discretion determine that no value shall be placed on any consideration not received in cash on completion of the Sale unless and until such consideration has been received in cash;
- 5.4.2 any Sale Proceeds not distributed in accordance with Article 5.4.1 and subsequently received in cash shall as soon as reasonably practicable after the date such proceeds are received in cash be distributed so as to ensure that the balance of the Sale Proceeds shall be distributed (as nearly as possible) so as to achieve the order of priority set out in Article 5.2 and subject to Article 5.3 on the basis of the total amount of Sale Proceeds received, provided that no member shall be obliged to return any amount distributed to him pursuant to this Article 5.4.
- 5.5 On a Disposal as a consequence of which all of the Group's business and assets have been disposed of, the surplus assets of the Company remaining after payment or providing for its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 5.2 and subject to Article 5.3, and on the basis that the surplus assets are the Sale Proceeds provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each member shall (to the extent lawful) take any action lawfully required by the Founder Shareholders (including such action as may be necessary to buy back shares of the Company or to put the Company into voluntary liquidation) to ensure that the balance of the surplus assets is distributed in, or as nearly as possible in, the order of priority set out in Article 5.2 and subject to Article 5.3.
- 5.6 Immediately prior to and conditionally upon a Listing, the members shall agree to and effect such reorganisation of the Company's share capital and such bonus issue(s) of Shares as shall be required to ensure that the Listing Proceeds are or would be allocated between the members in the same proportions as the provisions of Article 5.2 and subject to Article 5.3 would provide on a Sale where the Sale Proceeds were of an amount equal to the Listing Proceeds.
- 5.7 As between the Shareholders of any class of Shares any proceeds to be distributed to such class of Shares under this Article 5 shall be distributed pro-rata to the respective number of Shares held by them of that class.

- 5.8 In the event that any dividend is paid within 6 months prior to a Sale, there shall be an appropriate and reasonable adjustment (as agreed between the Founder Shareholders Representative and Employee Shareholder Representatives (each acting reasonably)) to the Sale Proceeds to take account of the value of the dividend already received by the selling Shareholders save to the extent such dividend relates to ordinary course profits made in the previous financial year.
- 5.9 In the event of a Partial Share Sale, the Employee Shareholder Representatives may, by notice to the Company given prior to such Partial Share Sale, decide that none, but not some only, of the Employee Shares shall be the subject of such Sale, in which case the provisions of Article 5.2 and 5.3 shall not apply and the Sale Proceeds shall be paid to those members selling Shares.
- 5.10 In the event of a Partial Share Sale in respect of which no notice has been given by the Employee Shareholder Representatives pursuant to Article 5.9, if any Employee Shareholder defaults in transferring his Employee Shares the Company is unconditionally and irrevocably authorised to appoint any person as agent of any such defaulting Employee Shareholder and to execute the required transfer forms for the defaulting Employee Shareholder's Employee Shares in the name and on behalf of that defaulting Employee Shareholder and to do such other things as are necessary to transfer such Shares.

6. Directors' General Authority

Subject to the other provisions of these Articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

7. Members' Reserve Power

- 7.1 The members may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 7.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

8. Directors May Delegate

- 8.1 Subject to these Articles, the directors may delegate any of the powers which are conferred on them under the Articles:

- 8.1.1 to such person or committee;
- 8.1.2 by such means (including by power of attorney);
- 8.1.3 to such an extent;
- 8.1.4 in relation to such matters or territories; and
- 8.1.5 on such terms and conditions;
- as they think fit.

8.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

8.3 The directors may at any time revoke any delegation in whole or part, or alter its terms and conditions.

9. Unissued Shares

9.1 The directors of the Company are generally and unconditionally authorised in accordance with section 551 of the Act to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £51,156 with Founder Shareholders Consent provided that this authority shall, unless renewed, varied or revoked by the Company, expire on fifth anniversary of the Adoption Date save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority revokes and replaces all unexercised authorities previously granted to the directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

9.2 In accordance with section 570 of the Act with Founder Shareholders Consent, the directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Article 9.1 above, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £51,156 and shall expire on the fifth anniversary of the Adoption Date (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

10. Variation of class rights

10.1 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this Article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

10.2 Each of the following shall be deemed to constitute a variation of the rights attached to the A Ordinary Shares:

10.2.1 any alteration in the Articles;

- 10.2.2 any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital;
- 10.2.3 any issue of any Shares in the Company;
- 10.2.4 any resolution to put the Company into liquidation;
- 10.2.5 the payment of any dividend or other distribution save with Founder Shareholders Consent; or
- 10.2.6 the sale of all or a substantial part of the business and assets of the Company; and
- 10.2.7 the entering into of any agreement or arrangement between the Company and any Shareholder or director of the Company.

11. Committees

- 11.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far (as they are applicable) on those provisions of the Articles which govern the taking of decisions by directors.
- 11.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

12. Directors to Take Decisions Collectively

- 12.1 *Decisions of the directors may be taken:*
 - 12.1.1 at a directors' meeting, or
 - 12.1.2 in the form of a directors' written resolution.

13. Calling a Directors' Meeting

- 13.1 Any director may call a directors' meeting.
- 13.2 The Company secretary must call a directors' meeting if a director so requests.
- 13.3 A directors' meeting is called by giving notice of the meeting to the directors.
- 13.4 *Notice of any directors' meeting must indicate:*
 - 13.4.1 its proposed date and time;
 - 13.4.2 where it is to take place; and
 - 13.4.3 if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 13.5 Notice of a directors' meeting must be given to each director, but need not be in writing.

- 13.6 Notice of a directors' meeting need not be given to any director who waives his entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days 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.

14. Participation in Directors' Meetings

- 14.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

14.1.1 *the meeting has been called and takes place in accordance with the Articles, and*

14.1.2 *they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.*

- 14.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

- 14.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

15. Quorum for Directors' Meetings

- 15.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

- 15.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

16. Meetings Where Total Number of Directors Less Than Quorum

- 16.1 This Article applies where the total number of directors for the time being is less than the quorum for directors' meetings.

- 16.2 If there is only one director, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.

- 16.3 If there is more than one director:

16.3.1 *a directors' meeting may take place, if it is called in accordance with these Articles and at least two directors participate in it, with a view to appointing sufficient directors to make up a quorum or calling a general meeting to do so, and*

16.3.2 *if a directors' meeting is called but only one director attends at the appointed date and time to participate in it, that director may appoint sufficient directors to make up a quorum or call a general meeting to do so.*

17. Chairing Directors' Meetings

- 17.1 The directors may appoint a director to chair their meetings.

- 17.2 The person so appointed for the time being is known as the Chairman.

- 17.3 The directors may appoint other directors as deputy or assistant chairmen to chair directors' meetings in the Chairman's absence.
- 17.4 The directors may terminate the appointment of the Chairman, deputy or assistant chairman at any time.
- 17.5 If neither the Chairman nor any director appointed generally to chair directors' meetings in the Chairman's absence is participating in a meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.
18. **Voting At Directors' Meetings: General Rules**
- 18.1 Subject to the Articles, a decision is taken at a directors' meeting by a majority of the votes of the participating directors.
- 18.2 Subject to the Articles, each director participating in a directors' meeting has one vote.
- 18.3 Subject to the Articles, if a director has an interest in an actual or proposed transaction or arrangement with the Company:
- 18.3.1 that director and that director's Alternate may not vote on any proposal relating to it, but
- 18.3.2 this does not preclude the Alternate from voting in relation to that transaction or arrangement on behalf of another Appointor who does not have such an interest.
19. **Chairman's Casting Vote at Directors' Meetings**
- 19.1 If the numbers of votes for and against a proposal are equal, the Chairman or other director chairing the meeting has a casting vote.
- 19.2 Article 19.1 shall not apply if, in accordance with these Articles, the Chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.
20. **Alternates Voting at Directors' Meetings**
- A director who is also an Alternate has an additional vote on behalf of each Appointor who is:
- 20.1.1 not participating in a directors' meeting, and
- 20.1.2 would have been entitled to vote if they were participating in it.
21. **Situational Conflicts of Interest**
- 21.1 Subject to the other provisions of these Articles, the directors may, in accordance with (but subject to) the provisions of section 175 of the Act and this Article 21, authorise any matter which would, if not authorised, result in a director (the "**Conflicted Director**") being in breach of his duty under section 175 of the Act to avoid a situation in which he has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (a "**Conflict**").

- 21.2 An authorisation given under Article 21.1 (an "**Authorisation**") (and any subsequent variation or termination of that Authorisation) will only be effective if:
- 21.2.1 any requirement as to the quorum at the directors' meeting at which the matter is considered is met without counting the Conflicted Director (or any other interested director); and
 - 21.2.2 the matter was agreed to without the Conflicted Director (or any other interested director) voting or would have been agreed to if his (or any other interested director's) vote had not been counted.
- 21.3 The directors may at any time:
- 21.3.1 make any Authorisation subject to such terms and conditions as they think fit; and
 - 21.3.2 vary or terminate any Authorisation (provided that this will not affect anything done by the relevant Conflicted Director or the Company in accordance with that Authorisation before any such variation or termination).
- 21.4 The members may also authorise a Conflict by ordinary resolution (a "**Shareholder Authorisation**") and may at any time, by ordinary resolution:
- 21.4.1 make any Shareholder Authorisation subject to such terms and conditions as they think fit; and
 - 21.4.2 vary or terminate any Shareholder Authorisation (provided that this will not affect anything done by the relevant Conflicted Director or the Company in accordance with that Shareholder Authorisation before any such variation or termination).
- 21.5 If the Conflicted Director receives an Authorisation or Shareholder Authorisation in respect of a Conflict then (unless that Authorisation or Shareholder Authorisation provides otherwise) the Conflicted Director:
- 21.5.1 may vote at any future directors' meeting (or meeting of a committee of the directors) on any resolution in respect of that Conflict (and if he does vote his vote shall be counted) and he shall be taken into account in determining whether a quorum is Participating at that meeting;
 - 21.5.2 may absent himself from the whole or any part of any directors' meeting (or meeting of a committee of the directors) at which anything relating to that Conflict may be discussed;
 - 21.5.3 shall not be required to disclose to the Company (or use for its benefit) any confidential information he obtains otherwise than in his capacity as a director, as a result of that Conflict where to do so would be a breach of any duty of confidence owed by him to a third party; and
 - 21.5.4 shall not be liable to account to the Company for any benefit he or any of his *Connected Persons* derive as a result of that Conflict.

21.6 The members hereby authorise any Conflict which arises solely by virtue of any director also being a director or other officer of, employed by any member of the Group and the provisions of Article 21.5 shall apply to any such director as if he had received a Shareholder Authorisation with no conditions attaching to it.

22. Transactional Conflicts of Interest

22.1 If a director (the "**Transaction Director**") is in any way directly or indirectly interested in a proposed or existing transaction or arrangement with the Company (the "**Transaction**") he must declare the nature and extent of that interest to the other directors in accordance with the provisions of the Act.

22.2 Subject to the provisions of the Act, Article 22.1 and the terms of any relevant Authorisation or Shareholder Authorisation, the Transaction Director:

22.2.1 may be a party to, or otherwise be interested in, the Transaction;

22.2.2 may vote at any directors' meeting (or meeting of a committee of the directors) on any resolution in respect of the Transaction (and if he does vote his vote shall be counted) and he shall be taken into account in determining whether a quorum is Participating in that meeting; and

22.2.3 shall not be liable to account to the Company for any benefit he or any of his Connected Persons derive as a result of the Transaction and the Transaction shall not be liable to be avoided on the ground of his interest.

23. Proposing Directors' Written Resolutions

23.1 Any director may propose a directors' written resolution.

23.2 The company secretary must propose a directors' written resolution if a director so requests.

23.3 A directors' written resolution is proposed by giving notice of the proposed resolution to the directors.

23.4 *Notice of a proposed directors' written resolution must indicate:*

23.4.1 the proposed resolution, and

23.4.2 the time by which it is proposed that the directors should adopt it.

23.5 Notice of a proposed directors' written resolution must be given in writing to each director.

23.6 Any decision which a person giving notice of a proposed directors' written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

24. Adoption of Directors' Written Resolutions

24.1 A proposed directors' written resolution is adopted when all the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.

24.2 It is immaterial whether any director signs the resolution before or after the time by which the notice proposed that it should be adopted.

24.3 Once a directors' written resolution has been adopted, it must be treated as if it had been a decision taken at a directors' meeting in accordance with the Articles.

24.4 The company secretary must ensure that the Company keeps a record, in writing, of all directors' written resolutions for at least ten years from the date of their adoption.

25. Directors' Discretion to Make Further Rules

Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

26. Methods of Appointing Directors

26.1 Any person who is willing to act as a director, and is permitted by law to do so, shall be appointed to be a director by ordinary resolution.

26.2 In any case where, as a result of death or bankruptcy, the Company has no members and no directors, the Transmitttee(s) of the last member to have died or have a bankruptcy order made against him (as the case may be) have the right, by notice in writing to the Company, to appoint a natural person to be a director.

26.3 For the purposes of Article 26.2, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

26.4 Any person who is willing to act as a director, and is permitted by law to do so, shall be appointed by written notice to the Company from the Founder Shareholders Majority and such appointment shall take place with immediate effect following the serving of such notice upon the Company.

27. Termination of Director's Appointment

A person ceases to be a director as soon as:

27.1.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;

27.1.2 a bankruptcy order is made against that person;

27.1.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;

27.1.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;

27.1.5 notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms; and

27.1.6 written notice requesting such Director's termination of appointment has been received by the Company from the Founder Shareholders Majority and such director shall immediately cease to hold office with effect from the date of such notice.

28. Directors' Remuneration

28.1 Directors may undertake any services for the Company that the directors decide.

28.2 Directors are entitled to such remuneration as the directors determine:

28.2.1 for their services to the Company as directors, and

28.2.2 for any other service which they undertake for the Company.

28.3 Subject to the Articles, a director's remuneration may:

28.3.1 take any form, and

28.3.2 include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

28.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

28.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

29. Directors' Expenses

29.1 The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

29.1.1 meetings of directors or committees of directors,

29.1.2 general meetings, or

29.1.3 separate meetings of the holders of any class of Shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

30. Appointment and Removal of Alternates

30.1 Any director (the "**Appointor**") may appoint as an Alternate any other director, or any other person approved by resolution of the directors, to:

30.1.1 exercise that director's powers, and

30.1.2 carry out that director's responsibilities, in relation to the taking of decisions by the directors in the absence of the Alternate's Appointor.

30.2 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.

30.3 The notice must:

30.3.1 identify the proposed Alternate, and

30.3.2 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.

31. Rights and Responsibilities of Alternates

31.1 An Alternate has the same rights, in relation to any directors' meeting or directors' written resolution, as the Alternate's Appointor.

31.2 *Except as the Articles specify otherwise, Alternates:*

31.2.1 are deemed for all purposes to be directors;

31.2.2 are liable for their own acts and omissions;

31.2.3 are subject to the same restrictions as their Appointors; and

31.2.4 are not deemed to be agents of or for their Appointors.

31.3 A person who is an Alternate but not a director:

31.3.1 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

31.3.2 may sign a written resolution (but only if it is not signed or to be signed by that person's Appointor).

No Alternate may be counted as more than one director for such purposes.

31.4 An Alternate is not entitled to receive any remuneration from the Company for serving as an Alternate except such part of the Alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

32. Termination of Alternate Directorship

An Alternate's appointment as an Alternate terminates:

32.1.1 when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

32.1.2 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;

32.1.3 on the death of the Alternate's Appointor; or

32.1.4 when the Alternate's Appointor's appointment as a director terminates.

33. Members Can Call General Meeting If Not Enough Directors

If:

33.1.1 the Company has fewer than two directors, and

33.1.2 the director (if any) is unable or unwilling to appoint sufficient directors to make up a quorum or to call a general meeting to do so,

then two or more members may call a general meeting (or instruct the company secretary to do so) for the purpose of appointing one or more directors.

34. Attendance and Speaking At General Meetings

34.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

34.2 A person is able to exercise the right to vote at a general meeting when:

34.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

34.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

34.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

34.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

34.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

35. Quorum for General Meetings

35.1 The quorum for a general meeting shall be two members.

35.2 No business other than the appointment of the Chairman of the Meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

36. Chairing General Meetings

36.1 If the directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so.

36.2 If the directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

36.2.1 the directors present, or

- 36.2.2 (if no directors are present), the meeting, must appoint a director or member to chair the meeting, and the appointment of the Chairman of the Meeting must be the first business of the meeting.
- 36.3 The person chairing a meeting in accordance with this Article is referred to as **"the Chairman of the Meeting"**.
37. **Attendance and Speaking by Directors and Non-Members**
- 37.1 Directors may attend and speak at general meetings, whether or not they are members.
- 37.2 The Chairman of the Meeting may permit other persons who are not:
- 37.2.1 members of the Company, or
- 37.2.2 otherwise entitled to exercise the rights of members in relation to general meetings, to attend and speak at a general meeting.
38. **Adjournment**
- 38.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the Chairman of the Meeting must adjourn it.
- 38.2 The Chairman of the Meeting may adjourn a general meeting at which a quorum is present if:
- 38.2.1 the meeting consents to an adjournment, or
- 38.2.2 it appears to the Chairman of the Meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 38.3 The Chairman of the Meeting must adjourn a general meeting if directed to do so by the *meeting*.
- 38.4 When adjourning a general meeting, the Chairman of the Meeting must—
- 38.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
- 38.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 38.5 *If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):*
- 38.5.1 to the same persons to whom notice of the Company's general meetings is required to be given, and
- 38.5.2 containing the same information which such notice is required to contain.

38.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

39. **Voting: General**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

40. **Errors and Disputes**

40.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

40.2 Any such objection must be referred to the Chairman of the Meeting whose decision is final.

41. **Demanding a Poll**

41.1 A poll on a resolution may be demanded:

41.1.1 in advance of the general meeting where it is to be put to the vote, or

41.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

41.2 A poll may be demanded by:

41.2.1 the Chairman of the Meeting;

41.2.2 the directors;

41.2.3 two or more persons having the right to vote on the resolution; or

41.2.4 a person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

41.3 A demand for a poll may be withdrawn if:

41.3.1 the poll has not yet been taken, and

41.3.2 the Chairman of the Meeting consents to the withdrawal.

42. **Procedure on a Poll**

42.1 Subject to the Articles, polls at general meetings must be taken when, where and in such manner as the Chairman of the Meeting directs.

42.2 The Chairman of the Meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared.

42.3 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

42.4 A poll on:

- 42.4.1 the election of the Chairman of the Meeting, or
- 42.4.2 a question of adjournment, must be taken immediately.
- 42.5 Other polls must be taken within 30 days of their being demanded.
- 42.6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded.
- 42.7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded.
- 42.8 In any other case, at least 7 days' notice must be given specifying the time and place at which the poll is to be taken.
- 43. **Content of Proxy Notices**
- 43.1 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which:
 - 43.1.1 states the name and address of the member appointing the proxy;
 - 43.1.2 identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
 - 43.1.3 is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - 43.1.4 is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.
- 43.2 The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.
- 43.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 43.4 Unless a Proxy Notice indicates otherwise, it must be treated as:
 - 43.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - 43.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.
- 44. **Delivery of Proxy Notices**
- 44.1 Any notice of a general meeting must specify the address or addresses ("**proxy notification address**") at which the Company or its agents will receive Proxy Notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- 44.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even

though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.

44.3 Subject to Articles 44.4 and 44.5, a Proxy Notice must be delivered to a proxy notification address not less than 48 hours before the general meeting or adjourned meeting to which it relates.

44.4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.

44.5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the Proxy Notice must be delivered:

44.5.1 in accordance with Article 44.3, or

44.5.2 at the meeting at which the poll was demanded to the Chairman, secretary or any director.

44.6 An appointment under a Proxy Notice may be revoked by delivering a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given to a proxy notification address.

44.7 A notice revoking a proxy appointment only takes effect if it is delivered before:

44.7.1 the start of the meeting or adjourned meeting to which it relates, or

44.7.2 (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.

44.8 If a Proxy Notice is not signed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

45. Amendments to Resolutions

45.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

45.1.1 notice of the proposed amendment is given to the Company secretary in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the Chairman of the Meeting may determine), and

45.1.2 the proposed amendment does not, in the reasonable opinion of the Chairman of the Meeting, materially alter the scope of the resolution.

45.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

45.2.1 the Chairman of the Meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

- 45.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 45.3 If the Chairman of the Meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.
46. **No Voting Of Shares On Which Money Owed To Company**
- No voting rights attached to a Share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the Company in respect of that Share have been paid.
47. **Class Meetings**
- The provisions of these Articles relating to general meetings apply, with any necessary modifications, to meetings of the holders of any class of Shares.
48. **Powers to Issue Different Classes Of Share**
- 48.1 Subject to the Articles, but without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution.
- 48.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such Shares.
49. **Payment of Commissions on Subscription For Shares**
- 49.1 The Company may pay any person a commission in consideration for that person:
- 49.1.1 subscribing, or agreeing to subscribe, for Shares, or
- 49.1.2 procuring, or agreeing to procure, subscriptions for Shares.
- 49.2 Any such commission may be paid:
- 49.2.1 in cash, or in fully paid or partly paid Shares or other securities, or partly in one way and partly in the other, and
- 49.2.2 in respect of a conditional or an absolute subscription.
50. **Company Not Bound By Less Than Absolute Interests**
- Except as required by law, no person is to be recognised by the Company as holding any Share upon any trust, and except as otherwise required by law or these Articles, the Company is not in any way to be bound by or recognise any interest in a Share other than the holder's absolute ownership of it and all the rights attaching to it.
51. **Certificates to Be Issued Except In Certain Cases**
- 51.1 The Company must issue each member with one or more certificates in respect of the Shares which that member holds.

- 51.2 This Article does not apply to:
- 51.2.1 Uncertificated Shares;
 - 51.2.2 Shares in respect of which a share warrant has been issued; or
 - 51.2.3 Shares in respect of which the Act permits the Company not to issue a certificate.
- 51.3 Except as otherwise specified in these Articles, all certificates must be issued free of charge.
- 51.4 No certificate may be issued in respect of Shares of more than one class.
- 51.5 If more than one person holds a Share, only one certificate may be issued in respect of it.
- 51.6 Every certificate must specify:
- 51.6.1 in respect of how many Shares, of what class, it is issued;
 - 51.6.2 the nominal value of those Shares;
 - 51.6.3 the amount paid up on them; and
 - 51.6.4 *any distinguishing numbers assigned to them.*
- 51.7 Certificates must:
- 51.7.1 have affixed to them the Company's common seal or an official seal which is a facsimile of the Company's common seal with the addition on its face of the word "Securities" (a "**Securities Seal**"), or
 - 51.7.2 be otherwise executed in accordance with the Act.
- 51.8 When a member's holding of Shares of a particular class increases, the Company may issue that member with:
- 51.8.1 a single, consolidated certificate in respect of all the Shares of a particular class which that member holds, or
 - 51.8.2 a separate certificate in respect of only those Shares by which that member's holding has increased.
- 51.9 When a member's holding of Shares of a particular class is reduced, the Company must ensure that the member is issued with one or more certificates in respect of the number of Shares held by the member after that reduction. But the Company need not (in the absence of a request from the member) issue any new certificate if:
- 51.9.1 all the Shares which the member no longer holds as a result of the reduction, and
 - 51.9.2 none of the Shares which the member retains following the reduction, were, immediately before the reduction, represented by the same certificate.
- 51.10 A member may request the Company, in writing, to replace:
- 51.10.1 the member's separate certificates with a consolidated certificate, or

- 51.10.2 the member's consolidated certificate with two or more separate certificates representing such proportion of the Shares as the member may specify.
- 51.11 When the Company complies with such a request it may charge such reasonable fee as the directors may decide for doing so.
- 51.12 A consolidated certificate must not be issued unless any certificates which it is to replace have first been returned to the Company for cancellation.
- 51.13 If a certificate issued in respect of a member's Shares is:
- 51.13.1 damaged or defaced, or
 - 51.13.2 said to be lost, stolen or destroyed, that member is entitled to be issued with a replacement certificate in respect of the same Shares.
- 51.14 A member exercising the right to be issued with such a replacement certificate:
- 51.14.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - 51.14.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - 51.14.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.
- 52. Uncertificated Shares**
- 52.1 In this Article, "**the relevant rules**" means:
- 52.1.1 any applicable provision of the Act about the holding, evidencing of title to, or transfer of Shares other than in certificated form, and
 - 52.1.2 any applicable legislation, rules or other arrangements made under or by virtue of such provision.
- 52.2 The provisions of this Article have effect subject to the relevant rules.
- 52.3 Any provision of the Articles which is inconsistent with the relevant rules must be disregarded, to the extent that it is inconsistent, whenever the relevant rules apply.
- 52.4 The directors have power to take such steps as they think fit in relation to:
- 52.4.1 the evidencing of and transfer of title to uncertificated Shares (including in connection with the issue of such Shares);
 - 52.4.2 any records relating to the holding of uncertificated Shares;
 - 52.4.3 the conversion of certificated Shares into uncertificated Shares; or
 - 52.4.4 the conversion of uncertificated Shares into certificated Shares.

- 52.5 The Company may by notice to the holder of a Share require that Share:
- 52.5.1 if it is uncertificated, to be converted into certificated form, and
 - 52.5.2 if it is certificated, to be converted into uncertificated form, to enable it to be dealt with in accordance with these Articles.
- 52.6 If:
- 52.6.1 the Articles give the directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of Shares, and
 - 52.6.2 uncertificated Shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument, the directors may take such action as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated Shares.
- 52.7 In particular, the directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated Share or otherwise to enforce a lien in respect of it.
- 52.8 Unless the directors otherwise determine, Shares which a member holds in uncertificated form must be treated as separate holdings from any Shares which that member holds in certificated form.
- 52.9 A class of Shares must not be treated as two classes simply because some Shares of that class are held in certificated form and others are held in uncertificated form.
53. **Share Warrants**
- 53.1 The directors may issue a Share warrant in respect of any fully paid Share.
- 53.2 Share warrants must be:
- 53.2.1 issued in such form, and
 - 53.2.2 executed in such manner, as the directors decide.
- 53.3 A Share represented by a share warrant may be transferred by delivery of the warrant representing it.
- 53.4 The directors may make provision for the payment of dividends in respect of any Share represented by a share warrant.
- 53.5 Subject to these Articles, the directors may decide the conditions on which any share warrant is issued. In particular, they may:
- 53.5.1 decide the conditions on which new warrants are to be issued in place of warrants which are damaged or defaced, or said to have been lost, stolen or destroyed;
 - 53.5.2 decide the conditions on which bearers of warrants are entitled to attend and vote at general meetings;

- 53.5.3 decide the conditions subject to which bearers of warrants may surrender their warrant so as to hold their Shares in certificated or uncertificated form instead; and
- 53.5.4 vary the conditions of issue of any warrant from time to time, and the bearer of a warrant is subject to the conditions and procedures in force in relation to it, whether or not they were decided or specified before the warrant was issued.
- 53.6 Subject to the conditions on which the warrants are issued from time to time, bearers of share warrants have the same rights and privileges as they would if their names had been included in the register as holders of the Shares represented by their warrants.
- 53.7 The Company must not in any way be bound by or recognise any interest in a Share represented by a share warrant other than the absolute right of the bearer of that warrant to that warrant.
- 54. **Company's Lien Over Partly Paid Shares**
 - 54.1 The Company has a lien ("**the Company's Lien**") over every Share which is partly paid for any part of:
 - 54.1.1 that Share's nominal value, and
 - 54.1.2 any premium at which it was issued,
 which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a Call Notice has been sent in respect of it.
 - 54.2 The Company's Lien over a Share:
 - 54.2.1 takes priority over any third party's interest in that Share, and
 - 54.2.2 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.
 - 54.3 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.
- 55. **Enforcement of the Company's Lien**
 - 55.1 Subject to the provisions of this Article, if:
 - 55.1.1 a Lien Enforcement Notice has been given in respect of a Share, and
 - 55.1.2 the person to whom the notice was given has failed to comply with it, the Company may sell that Share in such manner as the directors decide.
 - 55.2 A "**Lien Enforcement Notice**":
 - 55.2.1 may only be given 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;

- 55.2.2 must specify the Share concerned;
 - 55.2.3 must require payment of the sum payable within 14 days of the notice;
 - 55.2.4 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
 - 55.2.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 55.3 Where Shares are sold under this Article:
- 55.3.1 the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser, and
 - 55.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 55.4 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:
- 55.4.1 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,
 - 55.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable in respect of the Shares after the date of the Lien Enforcement Notice.
- 55.5 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:
- 55.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
 - 55.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.
56. **Call Notices**
- 56.1 Subject to these Articles and the terms on which Shares are allotted, the directors may send a notice (a "**Call Notice**") to a member requiring the member to pay the Company a specified sum of money (a "**Call**") which is payable in respect of Shares which that member holds at the date when the directors decide to send the Call Notice.
- 56.2 A Call Notice:
- 56.2.1 may not require a member to pay a Call which exceeds the total sum unpaid on that member's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium);

- 56.2.2 must state when and how any Call to which it relates it is to be paid; and
- 56.2.3 may permit or require the Call to be paid by instalments.
- 56.3 A member must comply with the requirements of a Call Notice, but no member is obliged to pay any Call before 14 days have passed since the notice was sent.
- 56.4 Before the Company has received any Call due under a Call Notice the directors may:
- 56.4.1 revoke it wholly or in part, or
- 56.4.2 specify a later time for payment than is specified in the notice, by a further notice in writing to the member in respect of whose Shares the Call is made.
- 57. Liability to Pay Calls**
- 57.1 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 57.2 Joint holders of a Share are jointly and severally liable to pay all Calls in respect of that Share.
- 57.3 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:
- 57.3.1 to pay Calls which are not the same, or
- 57.3.2 to pay Calls at different times.
- 58. When Call Notice Need Not Be Issued**
- 58.1 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):
- 58.1.1 on allotment;
- 58.1.2 on the occurrence of a particular event; or
- 58.1.3 on a date fixed by or in accordance with the terms of issue.
- 58.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.
- 59. Failure to Comply With Call Notice: Automatic Consequences**
- 59.1 If a person is liable to pay a Call and fails to do so by the Call payment date:
- 59.1.1 the directors may issue a notice of intended forfeiture to that person, and
- 59.1.2 until the Call is paid, that person must pay the Company interest on the Call from the Call payment date at the relevant rate.

59.2 For the purposes of this Article:

59.2.1 the **"Call payment date"** is 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;

59.2.2 the **"relevant rate"** is:

- (i) the rate fixed by the terms on which the Share in respect of which the Call is due was allotted;
- (ii) such other rate as was fixed in the Call Notice which required payment of the Call, or has otherwise been determined by the directors; or
- (iii) if no rate is fixed in either of these ways, 5 per cent per annum.

59.3 The relevant rate must not exceed by more than 5 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.

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

60. **Notice of Intended Forfeiture**

60.1 A notice of intended forfeiture:

- 60.1.1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
- 60.1.2 must be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- 60.1.3 must require payment of the Call and any accrued interest by a date which is not less than 14 days after the date of the notice;
- 60.1.4 must state how the payment is to be made; and
- 60.1.5 must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.

61. **Directors' Power to Forfeit Shares**

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

62. **Effect of Forfeiture**

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

- 62.1.1 all interests in that Share, and all claims and demands against the Company in respect of it, and

- 62.1.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
- 62.2 Any Share which is forfeited in accordance with these Articles:
- 62.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;
- 62.2.2 is deemed to be the property of the Company; and
- 62.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.
- 62.3 If a person's Shares have been forfeited:
- 62.3.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- 62.3.2 that person ceases to be a member in respect of those Shares;
- 62.3.3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- 62.3.4 that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- 62.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 62.4 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all Calls and interest due in respect of it and on such other terms as they think fit.
- 63. Procedure Following Forfeiture**
- 63.1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.
- 63.2 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:
- 63.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- 63.2.2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.
- 63.3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

63.4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:

63.4.1 was, or would have become, payable, and

63.4.2 had not, when that Share was forfeited, been paid by that person in respect of that Share, but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

64. **Surrender of Shares**

64.1 A member may surrender any Share:

64.1.1 in respect of which the directors may issue a notice of intended forfeiture;

64.1.2 which the directors may forfeit; or

64.1.3 which has been forfeited.

64.2 The directors may accept the surrender of any such Share.

64.3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

64.4 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

65. **Leaver Provisions**

65.1 If any holder of Employee Shares (the "**Leaver**") who is an Employee has his employment terminated or otherwise ceases to be an Employee in circumstances where he is:

65.1.1 a Bad Leaver; or

65.1.2 a Good Leaver and continues to hold Shares as at 31 December 2018,

the Company shall (unless otherwise directed by Founder Shareholders Majority) subject to Article 65.2, be entitled to serve a notice in writing on the Leaver or, if applicable, his Transmittée (the "**Leaver Notice**") which shall require the Leaver or his Transmittée to transfer all of the Shares that he holds at such time (the "**Leaver Shares**") in each case in accordance with and subject to the provisions of this Article 65. If it is determined that the Leaver is a Bad Leaver, the directors of the Company shall be entitled to (and shall if requested by the Founder Shareholder Representative) serve the Leaver Notice within thirty days following the date of such termination or cessation.

65.2 If it is determined that the Leaver is a Good Leaver, the Leaver shall be entitled to hold his Shares until 31 December 2018 and to benefit from any Sale or Disposal or Listing that may occur at any time before 31 December 2018. In the event that a Good Leaver holds Shares at 31 December 2018 the Company shall (unless otherwise directed by Founder Shareholders Majority), be entitled to serve a notice in writing on the Leaver or, if applicable, his Transmittée (the "**Leaver Notice**") within 30 days of 31 December 2018 which shall require the Leaver or his Transmittée to transfer all of the Shares that he holds at such time

(the "**Leaver Shares**") in each case in accordance with and subject to the provisions of this Article 65.

65.3 The Leaver Notice shall state that the price payable per Leaver Share, shall be:

65.3.1 £1 in aggregate for all of the Shares of a Leaver if the Leaver is a Bad Leaver; and

65.3.2 £1 in aggregate for all of the Shares of a Leaver if the Leaver is a Good Leaver who holds any Shares at 31 December 2018,

(the "**Offer Price**").

65.4 A copy of the Leaver Notice shall be sent to each A Ordinary Shareholder at the time it is sent to the Leaver or his Transmitttee.

65.5 The Founder Shareholders (acting by Founder Shareholders Majority) may, within 30 days of the Start Date direct the Company to, and in the event of such direction the Company shall, offer at the Offer Price such number of the Leaver Shares to such person or persons (being the Company or a person or persons intended to take the place of the Leaver) (each an "**Offeree**") as may be specified by them. If an Offeree applies for any of those Leaver Shares within six weeks after the Start Date, the Company shall (with the consent of the Founder Shareholders) within seven days after receipt of that application, allocate to that Offeree the number of Leaver Shares applied for. If all of the Leaver Shares are so allocated, the provisions of Articles 65.6 to 65.9 (inclusive) shall not apply. If none or some only of the Leaver Shares are so allocated, all the remaining provisions of this Article 65 shall have effect.

65.6 The Company shall:

65.6.1 (if a direction has not been given by the Founder Shareholders pursuant to Article 65.5) on the day which is 31 days after the Start Date; or

65.6.2 (if a direction has been given by the Founder Shareholders pursuant to Article 65.5) on the day immediately following the expiry of the six week period referred to in Article 65.5;

(or, if that day is not a Business Day, on the next Business Day) give notice in Writing (the "**Offer Notice**") to the A Ordinary Shareholders that not all the Leaver Shares have been allocated pursuant to Article 65.5 (the "**Available Shares**") offering for sale at the Offer Price the Available Shares. The Offer Notice shall specify that those A Ordinary Shareholders shall have a period of 25 days from the date of the Offer Notice (the "**Acceptance Period**") within which to apply for some or all of the Available Shares.

65.7 On the expiry of the Acceptance Period the Company shall allocate the Available Shares as follows:

65.7.1 if the total number of Available Shares applied for is equal to or less than the total number of Available Shares (the number by which the number of Available Shares applied for is less than the total number of Available Shares being the "**Second**

Available Shares"), each A Ordinary Shareholder shall be allocated the number of Available Shares he applied for; or

- 65.7.2 if the total number of Available Shares applied for is greater than the total number of Available Shares, the Available Shares shall be allocated to the A Ordinary Shareholders (as nearly as possible without involving fractions) to their existing holdings of A Ordinary Shares (but without allocating to anyone a greater number of Available Shares than the maximum number applied for by him) and any remaining Available Shares shall be allocated by applying this Article 65.7.2 without taking account of any A Ordinary Shareholder whose application has already been satisfied in full.
- 65.8 If the provisions of Article 65.7.1 apply (save where the total number of Available Shares applied for is equal to the total number of Available Shares), the Company shall give notice in Writing (the **"Second Offer Notice"**) to each Employee Shareholder who is not a Leaver or a Transmtee of a Leaver the Second Available Shares) offering for sale at the Offer Price the Second Available Shares. The Second Offer Notice shall specify that those Employee Shareholders shall (unless the Founder Shareholders direct otherwise by Founder Shareholders Majority) have a period of 25 days from the date of the Second Offer Notice (the **"Second Acceptance Period"**) within which to apply for some or all of the Second Available Shares.
- 65.9 On the expiry of the Second Acceptance Period the Company shall allocate the Second Available Shares as follows:
- 65.9.1 if the total number of Second Available Shares applied for is equal to or less than the total number of Second Available Shares, each Employee Shareholder shall be allocated the number of Second Available Shares he applied for (if any); or
- 65.9.2 if the total number of Second Available Shares applied for is greater than the total number of Second Available Shares, the Second Available Shares shall be allocated to the Employee Shareholders in proportion (as nearly as possible without involving fractions) to their Shareholder Proportion (but without allocating to any Employee Shareholder a greater number of Second Available Shares than the maximum number applied for by him) and any remaining Second Available Shares shall be allocated by applying this Article 65.9.2 without taking account of any holder whose application has already been satisfied in full.
- 65.10 Allocations of Leaver Shares made by the Company pursuant to this Article 65 shall constitute the acceptance by any Offeree and any Shareholder to whom they are allocated (each an **"Allocated Person"**) of the offer to acquire those Leaver Shares on the terms offered to them (provided that no person shall be obliged to take more than the maximum number of Leaver Shares that he has indicated to the Company he is willing to purchase).
- 65.11 The Company shall immediately on allocating any Leaver Shares, give notice in Writing (each a **"Sale Notice"**) to the Leaver and to each Allocated Person of the number of Leaver Shares allocated to that Allocated Person and the aggregate price payable for them. Completion shall take place within five days after the date of the Sale Notices. On Completion:

65.11.1 each Allocated Person (other than the Company) shall pay the purchase price in respect of the relevant Leaver Shares:

- (i) to the Leaver; or
- (ii) if the Leaver is not present at Completion, to the Company to be held on trust (without interest) for the Leaver (and the receipt of the Company for the purchase price shall be a good discharge to that Allocated Person (who shall not be bound to see to the application of it));

65.11.2 if the Company is an Allocated Person, it shall:

- (i) pay the purchase price for the relevant Leaver Shares to the Leaver; or
- (ii) if the Leaver is not present at Completion, hold the purchase price for the relevant Leaver Shares on trust (without interest) for the Leaver; and

65.11.3 the Leaver shall transfer the relevant Leaver Shares to the relevant Allocated Person and deliver the relevant share certificates.

65.12 If the Leaver defaults in transferring any Leaver Shares to an Allocated Person pursuant to Article 65.11, the Company is unconditionally and irrevocably authorised to appoint any person as agent of the Leaver to execute a transfer form for those Leaver Shares in the name, and on behalf, of the Leaver (and to do such other things as are necessary to transfer the relevant Sale Shares pursuant to this Article 65) and, when that transfer form has been duly stamped:

65.12.1 where the Allocated Person is not the Company, the Company shall cause the name of that Allocated Person to become the Holder of those Leaver Shares; and

65.12.2 where the Allocated Person is the Company, the Company shall cause those Sale Shares to be immediately cancelled in accordance with the Act;

and after that the validity of the proceedings shall not be questioned by any person.

65.13 Any money held on trust by the Company for the Leaver in respect of any Leaver Shares shall only be released to the Leaver on production of the relevant share certificates (or an appropriate indemnity for any lost share certificates) for the Leaver Shares that have been transferred to Allocated Persons.

65.14 If not all of the Leaver Shares are sold under the provisions of Articles 65.5 to 65.13 (inclusive), the Company shall (immediately on the exhaustion of those provisions) notify the Leaver who shall not be entitled to sell or otherwise transfer any of the remaining Leaver Shares.

65.15 In the event that any Shares are bought by the Company in accordance with Article 65 from a Leaver, the Respective Proportion of each class of Employee Shares as set out in the definition of Respective Proportion shall be amended as set out in Articles 65.16 to 65.18 (inclusive) and in the following order of events:

- 65.16 the Respective Proportion of the class of Employee Shares transferred by the Leaver shall be reduced by the amount of D%.

D% shall be calculated as

$$\left(\frac{A}{B}\right) \times C$$

Where:

A is the number of Shares of the relevant class of Employee Shares acquired by the Company from the Leaver;

B is the total number of Shares in such relevant class of Employee Shares (including the Employee Shares acquired by the Company from the Leaver and all other Shares in that class); and

C is the Respective Proportion for the class of Employee Shares of the Leaver.

- 65.17 the Respective Proportion of each class of Employee Share including, unless the Leaver was the only holder of Shares of that class, the class of Employee Share held by the Leaver shall be increased by the amount of E%:

E% shall be calculated as

$$E = \left(\frac{F}{G}\right) \times D$$

D is calculated in accordance with Article 65.16; and

F is the Respective Proportion of the relevant class of Employee Share in accordance with the definitions, after any adjustment required under Article 65.16; and

G is 100% - D%.

- 65.18 In the event that a Leaver holds two classes of Employee Shares the order in which the provisions of Article 65.16 shall be applied to those classes of Employee Shares shall be determined by the Founder Shareholders Majority in their absolute discretion.

66. **Drag-along**

- 66.1 Subject to the provisions of Article 66.2, if a Drag Majority shall approve in writing or in a meeting a transaction or series of related transactions in which a person or a group of related persons (the "**Drag Along Buyer**") wishes to acquire all of the Shares or a Controlling Interest (a "**Drag Along Sale**") then the Company shall provide written notice of such approval to all of the other members (each a "**Dragged Seller**"), which notice (the "**Drag Along Notice**") shall specify:

66.1.1 that the Dragged Sellers are required to transfer their Shares to the Drag Along Buyer;

66.1.2 the price the Drag Along Buyer will pay for the acquisition of all the Shares or a Controlling Interest (which shall be calculated in accordance with Article 5);

- 66.1.3 the name of the Drag Along Buyer; and
- 66.1.4 the proposed date for completion of the transfer of the Shares (which shall be at least seven days after the date of the Drag Along Notice).
- 66.2 In the event of a Drag Along Sale involving less than 100% of the issued Shares, no such Sale shall be permitted to occur unless the terms of the Sale provide for the sale of 100% of the Employee Shares and the Drag Along Notice shall be prepared accordingly. In the event of a Sale involving less than 100% of the issued Shares, for the purpose of calculating the amount payable to the Employee Shareholders under Article 5.2(a) the following shall apply:
- 66.2.1 it shall be assumed that the relevant offer being made is made to the A Ordinary Shareholders only and that there are no Employee Shares in issue;
- 66.2.2 the Sale Proceeds shall be grossed up by the number found by dividing 100 by the percentage of the A Ordinary Shares to be sold. By way of example if the offer is £75,000,000 for 50 per cent of the equity of the Company, it shall be assumed that this offer is to acquire 50 per cent of the A Ordinary Shares (and that there are no other shares in issue). The Sale Proceeds shall then be grossed up by 100/50 for the purposes of calculating the overall Growth Value, thereby creating a deemed Sale Proceeds of £150,000,000 for this calculation;
- 66.2.3 the proportion of the Sale Proceeds payable to the Employee Shareholders on such Sale shall be calculated on this basis (ie as if the Sale Proceeds were £150,000,000 and not £75,000,000) with the effect that the amount of the Sale Proceeds payable to the A Ordinary Shareholders for the sale of 50 per cent of the A Ordinary Shares shall reduce by the same amount as would have been payable to the Employee Shareholders if there had been a sale of all Shares with Sale Proceeds of £150,000,000; and
- 66.2.4 immediately following this sale of all of the Employee Shares, the Employee Shares shall be reclassified as worthless deferred shares without any rights to share in any future exit proceeds or to receive any dividend and without any rights to vote.
- 66.3 The proportion of the Sale Proceeds payable to the Employee Shareholders on such Sale shall be calculated on this basis with the effect of reducing the balance of the Sale Proceeds to be distributed to the holders of A Ordinary Shares.
- 66.4 In the event of a Drag Along Sale proceeding, then unless the Drag Majority and the Dragged Sellers agree otherwise, the transfer of the Shares including the Dragged Shares (including payment of the consideration) shall take place on the same day.
- 66.5 Subject to Article 66.6, on the date specified in the Drag Along Notice each of the Dragged Sellers shall:
- 66.5.1 sell, transfer and deliver, or cause to be sold, transferred and delivered, to the Drag Along Buyer all of the Shares held by such Dragged Seller on the terms set out in the Drag Along Notice;

- 66.5.2 deliver certificates for such Shares at such closing, free and clear of all liens and other Encumbrances; and
- 66.5.3 if member approval of the Drag Along Sale is required, vote, or provide an irrevocable proxy directing the holder of such proxy to vote, in each case in favour thereof.
- 66.6 The obligations of each Dragged Seller are subject to the satisfaction of the following conditions, unless waived in writing by that Dragged Seller:
- 66.6.1 any representations and warranties to be made by such Dragged Seller in connection with the Drag Along Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Dragged Seller's Shares, including, without limitation, representations and warranties that:
- (i) the Dragged Seller holds all right, title and interest in and to the Shares such Dragged Seller purports to hold, free and clear of all liens and Encumbrances;
 - (ii) the obligations of the Dragged Seller in connection with the transaction have been duly authorised, if applicable;
 - (iii) the documents to be entered into by the Dragged Seller have been duly executed by the Dragged Seller and delivered to the acquiror and are enforceable against the Dragged Seller in accordance with their respective terms; and
 - (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Dragged Seller's obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency to or by which such Dragged Seller is subject or bound; and
- 66.6.2 the total aggregate liability of the Dragged Seller shall be limited to at most the proceeds of the Drag Along Sale actually received by that Dragged Seller, or deposited into an escrow established for the purpose, at a given time, except with respect to claims related to fraud by such Dragged Seller, the liability for which need not be limited.
- 66.7 The Company is unconditionally and irrevocably authorised to appoint any person as agent of each Dragged Seller to execute the required transfer forms for the Dragged Seller's Shares in the name and on behalf of that Dragged Seller and to do such other things as are necessary to transfer such Shares pursuant to this Article 66.
67. **Employee Shareholder Exit**
- 67.1 In the event that in the period from 1 July 2016 to 30 June 2018 the Founder Shareholders receive an Offer for a consideration ("**Offer Consideration**") involving a Growth Value in excess of £40,500,000 (or any figure substituted therefor pursuant to any Shareholders Agreement), and they elect not to accept such Offer (save where they decline such Offer in circumstances where the Employee Shareholders have not complied or agreed to comply

with their obligations under any Shareholders Agreement), they shall promptly advise the Employee Shareholder Representatives in writing of such event and provide copies of all relevant documentation in respect of the Offer and the provisions of Article 67.2 shall apply.

67.2 The Employee Shareholders Representatives shall be entitled to require the Founder Shareholders (or at the election of the Founder Shareholders, the Company or any third party) to purchase all of the Employee Shares for:

67.2.1 in the event the Offer includes a Growth Value of £80,500,000 or more, the same price that would have applied to the Employee Shares under the proceeds distribution as set out in Article 5.2 if the Offer had resulted in an Exit at the Offer Consideration; or

67.2.2 in the event the Offer involves a Growth Value of £40,500,000 or more and less than £80,500,000 for the price which is X% of the same price that would have applied to the Employee Shares under the proceeds distribution as set out in Article 5.2 if the Offer had resulted in an Exit at the Offer Consideration, where X is calculated as follows:

$$X = 50 + \left(\left(\frac{Y}{40,000,000} \right) \times 50 \right); \text{ and}$$

Y = the amount by which the Growth Value exceeds £40,500,000,

in each case by giving written notice to the Founder Shareholders in the period of 1 month of the Employee Shareholder Representatives being advised of the Offer.

67.3 Completion of any such sale and purchase pursuant to Article 67.1 and 67.2 shall take place 28 days after the giving of the relevant notice. At completion the purchase price shall be paid to the Employee Shareholders who shall comply with the provisions of Articles 66.4 and 66.5 to effect the transfer of the Employee Shares. The sale and purchase agreement shall include the giving of full title, capacity and free from Encumbrances warranties by the Employee Shareholders.

68. Put option provisions in respect of Employee Shares

Any person holding Employee Shares has the right at any time during the 6 months period commencing on the Adoption Date to require the holders of the A Ordinary Shares (pro rata to the number of A Ordinary Shares held by them) to acquire all (but not some only) of the Employee Shares held by that person subject to the following provisions of this Article 68, namely:

68.1 the price payable to each holder of such Employee Shares shall be £2,200 in aggregate for his entire holding of Employee Shares;

68.2 should any holder of Employee Shares wish to exercise his right pursuant to this Article 68 he shall serve notice in writing to this effect upon each of the holders of the A Ordinary Shares provided that no notice may be validly served by an Employee Shareholder who is an employee and who is serving a notice period or who has become a Leaver;

68.3 completion of the sale and purchase of the Employee Shares (as relevant) shall take place on the tenth Business Day following the service of the notice(s) referred to at Article 68.2 when:

68.3.1 the relevant holder of Employee Shares shall deliver the relevant stock transfer form(s) duly executed in favour of the relevant A Ordinary Shareholders together with the relevant share certificate (or indemnity satisfactory to the Founder Shareholders in respect of any lost certificate); and

68.3.2 subject to the compliance by the holders of the Employee Shares with their obligations pursuant to Article 68.3.1 above the relevant A Ordinary Shareholders shall satisfy the purchase price by cheque made payable to the relevant holder (or in such other manner as shall be agreed) and following completion of such transfer the Company's register of members shall promptly be written up to reflect such transfer.

69. Transfers of Certificated Shares

69.1 Certificated 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:

69.1.1 the transferor, and

69.1.2 if any of the Shares is partly paid) the transferee.

69.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.

69.3 The Company may retain any instrument of transfer which is registered.

69.4 The transferor remains the holder of a certificated Share until the transferee's name is entered in the register of members as holder of it.

69.5 The directors may refuse to register the transfer of a certificated Share if:

69.5.1 the Share is not fully paid;

69.5.2 the transfer is not lodged at the Company's registered office or such other place as the directors have appointed;

69.5.3 the transfer is not accompanied by the certificate for the Shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;

69.5.4 the transfer is in respect of more than one class of Share; or

69.5.5 the transfer is in favour of more than four transferees.

69.6 The directors shall refuse to register any transfer of Employee Shares which is not a Permitted Employee Transfer.

69.7 If the directors refuse to register the transfer of a Share, 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.

70. Transfer of Uncertificated Shares

70.1 The directors shall refuse to register any transfer of an uncertificated Share:

70.1.1 in favour of more than four transferees; or

70.1.2 where the uncertificated Share is an Employee Share, any transfer which is not a Permitted Employee Transfer.

71. Transmission of Shares

71.1 If title to a Share passes to a Transmitttee, the Company may only recognise the Transmitttee as having any title to that Share.

71.2 Nothing in these Articles releases the estate of a deceased member from any liability in respect of a Share solely or jointly held by that member.

72. Transmitttees' Rights

72.1 Without prejudice to Article 65 which shall take precedence over this Article 71, a Transmitttee who produces such evidence of entitlement to Shares as the directors may properly require:

72.1.1 may, subject to these Articles, choose either to become the holder of those Shares or to have them transferred to another person, and

72.1.2 subject to these Articles, and pending any transfer of the Shares to another person, has the same rights as the holder had.

72.2 But Transmitttees do not have the right to attend or vote at a general meeting in respect of Shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those Shares. In the event that a deceased member holding B Ordinary Shares, C Ordinary Shares and/or D Ordinary Shares has more than one Transmitttee, the voting rights attached to all such Shares of which he was the holder (being 5% of the aggregate number of votes that may be cast by all the Shareholders) shall be exercisable by his Transmitttees pro rata to the number of his Shares of which each becomes the holder.

73. Exercise of Transmitttees' Rights

73.1 Transmitttees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.

73.2 If the Share is a certificated Share and a Transmitttee wishes to have it transferred to another person, the Transmitttee must execute an instrument of transfer in respect of it.

73.3 If the Share is an uncertificated Share and the Transmitttee wishes to have it transferred to another person, the Transmitttee must:

- 73.3.1 procure that all appropriate instructions are given to effect the transfer, or
- 73.3.2 procure that the uncertificated Share is changed into certificated form and then execute an instrument of transfer in respect of it.
- 73.4 Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.
- 74. Transmitttees Bound by Prior Notices**
- If a notice is given to a member in respect of Shares and a Transmitttee is entitled to those Shares, the Transmitttee is bound by the notice if it was given to the member before the Transmitttee's name has been entered in the register of members.
- 75. Procedure for Disposing Of Fractions Of Shares**
- 75.1 This Article applies where:
- 75.1.1 there has been a consolidation or division of Shares, and
- 75.1.2 as a result, members are entitled to fractions of Shares.
- 75.2 The directors may:
- 75.2.1 sell the Shares representing the fractions to any person including the Company for the best price reasonably obtainable;
- 75.2.2 in the case of a certificated Share, authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser; and
- 75.2.3 distribute the net proceeds of sale in due proportion among the holders of the Shares.
- 75.3 Where any holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.
- 75.4 The person to whom the Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- 75.5 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.
- 76. Procedure for Declaring Dividends**
- 76.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 76.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

- 76.3 No dividend may be declared or paid unless it is in accordance with members' respective rights.
- 76.4 Unless the members' resolution to declare or directors' decision to pay a dividend, or the *terms on which Shares are issued, specify otherwise, it must be paid by reference to each member's holding of Shares on the date of the resolution or decision to declare or pay it.*
- 76.5 If the Company's Share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 76.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 76.7 *If the directors act in good faith, they do not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights.*

77. Calculation of Dividends

- 77.1 Except as otherwise provided by the Articles or the rights attached to Shares, all dividends must be:-
- 77.1.1 declared and paid according to the amounts paid up on the Shares on which the dividend is paid, and
- 77.1.2 apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid.
- 77.2 If any Share is issued on terms providing that it ranks for dividend as from a particular date, that Share ranks for dividend accordingly.
- 77.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a Share in advance of the due date for payment of that amount.

78. Payment of Dividends and Other Distributions

- 78.1 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:
- 78.1.1 transfer to a bank or building society account specified by the Distribution Recipient either in writing or as the directors may otherwise decide;
- 78.1.2 sending a cheque made payable to the Distribution Recipient by post to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is a holder of the Share), or (in any other case) to an address specified by the Distribution Recipient either in writing or as the directors may otherwise decide;
- 78.1.3 sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified either in writing or as the directors may otherwise decide; or

78.1.4 any other means of payment as the directors agree with the Distribution Recipient either in writing or by such other means as the directors decide.

78.2 In these Articles, "**the Distribution Recipient**" means, in respect of a Share in respect of which a dividend or other sum is payable:

78.2.1 the holder of the Share; or

78.2.2 if the Share has two or more joint holders, whichever of them is named first in the register of members; or

78.2.3 if the holder is no longer entitled to the Share by reason of death or bankruptcy, or otherwise by operation of law, the Transmittree.

79. Deductions from Distributions in Respect of Sums Owed to the Company

79.1 If:

79.1.1 a Share is subject to the Company's Lien, and

79.1.2 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.

79.2 Money so deducted must be used to pay any of the sums payable in respect of that Share.

79.3 The Company must notify the Distribution Recipient in writing of:

79.3.1 the fact and amount of any such deduction;

79.3.2 any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and

79.3.3 how the money deducted has been applied.

80. No Interest on Distributions

The Company may not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

80.1.1 the terms on which the Share was issued, or

80.1.2 the provisions of another agreement between the holder of that Share and the Company.

81. Unclaimed Distributions

81.1 All dividends or other sums which are:

81.1.1 payable in respect of Shares, and

- 81.1.2 unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.
- 81.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 81.3 If:
- 81.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment, and
- 81.3.2 *the Distribution Recipient has not claimed it, the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.*

82. Non-Cash Distributions

- 82.1 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, Shares or other securities in any Company).
- 82.2 If the Shares in respect of which such a non-cash distribution is paid are uncertificated, any *Shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated.*
- 82.3 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
- 82.3.1 fixing the value of any assets;
- 82.3.2 paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and
- 82.3.3 vesting any assets in trustees.

83. Waiver of Distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if:

- 83.1.1 the Share has more than one holder, or
- 83.1.2 more than one person is entitled to the Share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the Share.

84. Authority to Capitalise and Appropriation of Capitalised Sums

- 84.1 Subject to these Articles, the directors may, if they are so authorised by an ordinary resolution:

- 84.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- 84.1.2 appropriate any sum which they so decide to capitalise (a "**capitalised sum**") to the persons who would have been entitled to it if it were distributed by way of dividend (or if directed by an ordinary resolution to some only of those persons) (the "**persons entitled**") and in the same proportions (or as otherwise directed by an ordinary resolution).
- 84.2 Save as otherwise directed by an ordinary resolution, capitalised sums must be applied:
 - 84.2.1 on behalf of the persons entitled, and
 - 84.2.2 in the same proportions as a dividend would have been distributed to them.
- 84.3 Any capitalised sum may be applied in paying up new Shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 84.4 A capitalised sum which was appropriated from profits available for distribution may be applied:
 - 84.4.1 in or towards paying up any amounts unpaid on existing Shares held by the persons entitled, or
 - 84.4.2 in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.
- 84.5 Subject to the Articles the directors may:
 - 84.5.1 apply capitalised sums in accordance with Articles 84.3 and 84.4 partly in one way and partly in another;
 - 84.5.2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and
 - 84.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this Article.
- 85. **Means of Communication to be Used**
 - 85.1 Subject to these Articles, anything sent or supplied by or to the Company under these Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
 - 85.2 Subject to these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the

means by which that director has asked to be sent or supplied with such notices or documents for the time being.

- 85.3 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

86. Failure to Notify Contact Details

- 86.1 If:

86.1.1 the Company sends two consecutive documents to a member over a period of at least 12 months, and

86.1.2 each of those documents is returned undelivered, or the Company receives notification that it has not been delivered, that member ceases to be entitled to receive notices from the Company.

- 86.2 A member who has ceased to be entitled to receive notices from the Company becomes entitled to receive such notices again by sending the Company:

86.2.1 a new address to be recorded in the register of members, or

86.2.2 if the member has agreed that the Company should use a means of communication other than sending things to such an address, the information that the Company needs to use that means of communication effectively.

87. Company Seals

- 87.1 Any common seal may only be used by the authority of the directors.

- 87.2 The directors may decide by what means and in what form any common seal or Securities Seal is to be used.

- 87.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

- 87.4 For the purposes of this Article, an authorised person is:

87.4.1 any director of the Company;

87.4.2 the company secretary; or

87.4.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

- 87.5 If the Company has an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, has been authorised by a decision of the directors.

- 87.6 If the Company has a Securities Seal, it may only be affixed to securities by the Company secretary or a person authorised to apply it to securities by the company secretary.

87.7 For the purposes of these Articles, references to the Securities Seal being affixed to any document include the reproduction of the image of that seal on or in a document by any *mechanical or electronic means which has been approved by the directors in relation to that document or documents of a class to which it belongs.*

88. Destruction of Documents

88.1 The Company is entitled to destroy:

88.1.1 all instruments of transfer of Shares which have been registered, and all other documents on the basis of which any entries are made in the register of members, from six years after the date of registration;

88.1.2 all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address, from two years after they have been recorded;

88.1.3 all certificates which have been cancelled from one year after the date of the cancellation;

88.1.4 all paid dividend warrants and cheques from one year after the date of actual payment; and

88.1.5 all Proxy Notices from one year after the end of the meeting to which the Proxy Notice relates.

88.2 If the Company destroys a document in good faith, in accordance with these Articles, and without notice of any claim to which that document may be relevant, it is conclusively presumed in favour of the Company that:

88.2.1 entries in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed were duly and properly made;

88.2.2 any instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;

88.2.3 any certificate so destroyed was a valid and effective certificate duly and properly cancelled; and

88.2.4 any other document so destroyed was a valid and effective document in accordance with its recorded particulars in the books or records of the Company.

88.3 This Article does not impose on the Company any liability which it would not otherwise have if it destroys any document before the time at which this Article permits it to do so.

88.4 In this Article, references to the destruction of any document include a reference to its being disposed of in any manner.

89. No Right to Inspect Accounts And Other Records

Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a member.

90. Provision for Employees On Cessation Of Business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

91. Directors' Indemnity

91.1 Subject to Article 91.2, a Relevant Director may be indemnified out of the Company's assets against:

91.1.1 any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust in relation to any Group Company;

91.1.2 any liability incurred by him in connection with the activities of any Group Company in its capacity as a trustee of any occupational pension scheme (as defined in section 235(6) of the Act);

91.1.3 any other liability incurred by him as an officer of any Group Company.

91.2 Article 91.1 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

92. Directors' Insurance

The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.

APPENDIX

(A) Growth Value equal to or exceeding £m	(B) % of Growth Value to be received in aggregate by the Employee Shareholders %	(C) Reduction in % of Growth Value (as set out opposite in column (B)) to be received by the Employee Shareholder for every £0.1m or part thereof (provided such part exceeds £50,000) of additional Growth Value above the entry Growth Value as set out in Column (A) %
205.5	14.5985%	0.0000%
203.0	14.6552%	0.0023%
200.5	14.7132%	0.0023%
198.0	14.7727%	0.0024%
195.5	14.8338%	0.0024%
193.0	14.8964%	0.0025%
190.5	14.9606%	0.0026%
188.0	15.0266%	0.0026%
185.5	15.0943%	0.0027%
183.0	15.1639%	0.0028%

(A)		(B)		(C)
Growth Value equal to or exceeding		% of Growth Value to be received in aggregate by the Employee Shareholders	Reduction in % of Growth Value (as set out opposite in column (B)) to be received by the Employee Shareholder for every £0.1m or part thereof (provided such part exceeds £50,000) of additional Growth Value above the entry Growth Value as set out in Column (A)	
£m		%	%	
180.5		15.2355%		0.0029%
178.0		15.3090%		0.0029%
175.5		15.3846%		0.0030%
173.0		15.4624%		0.0031%
170.5		15.5425%		0.0032%
168.0		15.6250%		0.0033%
165.5		15.7100%		0.0034%
163.0		15.7975%		0.0035%
160.5		15.8879%		0.0036%
158.0		15.9810%		0.0037%
155.5		16.0772%		0.0038%
153.0		16.1765%		0.0040%
150.5		16.2791%		0.0041%

(A)	(B)	(C)
Growth Value equal to or exceeding	% of Growth Value to be received in aggregate by the Employee Shareholders	Reduction in % of Growth Value (as set out opposite in column (B)) to be received by the Employee Shareholder for every £0.1m or part thereof (provided such part exceeds £50,000) of additional Growth Value above the entry Growth Value as set out in Column (A)
£m	%	%
148.0	16.3851%	0.0042%
145.5	16.4948%	0.0044%
143.0	16.6084%	0.0045%
140.5	16.7260%	0.0047%
138.0	16.8478%	0.0049%
135.0	16.9742%	0.0051%
133.0	17.1053%	0.0052%
130.5	17.2414%	0.0054%
128.0	17.3828%	0.0057%
125.5	17.5299%	0.0059%
123.0	17.6829%	0.0061%
120.5	17.8423%	0.0064%
118.0	16.2076%	0.0060%

(A)		(B)		(C)
Growth Value equal to or exceeding		% of Growth Value to be received in aggregate by the Employee Shareholders		Reduction in % of Growth Value (as set out opposite in column (B)) to be received by the Employee Shareholder for every £0.1m or part thereof (provided such part exceeds £50,000) of additional Growth Value above the entry Growth Value as set out in Column (A)
£m		%		%
115.5		16.3636%		0.0062%
113.0		16.5265%		0.0065%
110.5		16.6968%		0.0068%
108.0		16.8750%		0.0071%
105.5		17.0616%		0.0075%
103.0		17.2573%		0.0078%
100.5		17.4627%		0.0082%
98.0		15.7143%		0.0077%
95.5		15.9162%		0.0081%
93.0		16.1290%		0.0085%
90.5		16.3536%		0.0090%
88.0		16.5909%		0.0095%
85.5		16.8421%		0.0100%

(A)	(B)	(C)
Growth Value equal to or exceeding	% of Growth Value to be received in aggregate by the Employee Shareholders	Reduction in % of Growth Value (as set out opposite in column (B)) to be received by the Employee Shareholder for every £0.1m or part thereof (provided such part exceeds £50,000) of additional Growth Value above the entry Growth Value as set out in Column (A)
£m	%	%
83.0	17.1084%	0.0107%
80.5	17.3913%	0.0113%
78.0	15.4808%	0.0105%
75.5	15.7616%	0.0112%
73.0	16.0616%	0.0120%
70.5	16.3830%	0.0129%
68.0	16.7279%	0.0138%
65.5	17.0992%	0.0149%
63.0	17.5000%	0.0160%
60.5	17.9339%	0.0174%
58.0	15.7759%	0.0162%
55.5	16.2162%	0.0176%
53.0	16.6981%	0.0193%

(A)	(B)	(C)
Growth Value equal to or exceeding	% of Growth Value to be received in aggregate by the Employee Shareholders	Reduction in % of Growth Value (as set out opposite in column (B)) to be received by the Employee Shareholder for every £0.1m or part thereof (provided such part exceeds £50,000) of additional Growth Value above the entry Growth Value as set out in Column (A)
£m	%	%
50.5	17.2277%	0.0212%
48.0	17.8125%	0.0234%
45.5	18.4615%	0.0260%
43.0	19.1860%	0.0290%
40.5	20.0000%	0.0326%