

No. 04333049

THE COMPANIES ACT 2006

WRITTEN RESOLUTION

of

WASTED TALENT LIMITED

(the "Company")

Circulation date: **5 OCTOBER 2018**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the directors of the Company propose that the resolution 1 is passed as an ordinary resolution and resolution 2 is passed as a special resolution (together the "**Resolutions**");

ORDINARY RESOLUTION

1. **THAT**, pursuant to article 551 of the Act, the directors of the Company be generally and unconditionally authorised to allot an additional 6,812 Ordinary Shares of £0.10 each in the capital of the Company to Tosca Penta Media Limited pursuant to the proposed subscription and shareholders agreement between the Company, the various shareholders of the Company and Tosca Penta Media Limited.

SPECIAL RESOLUTION

2. **THAT**, pursuant to section 21(1) of the Act subject to, but with immediate effect from the time of, completion of the Subscription and Shareholders' Agreement occurring in accordance with its terms the existing articles of association of the Company (the "**Existing Articles**") be deleted in their entirety and the articles of association contained in the document appended to the Resolutions hereto be approved and adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the Existing Articles. For the purposes of this resolution, the phrase "**Subscription and Shareholders' Agreement**" means the subscription and shareholders' agreement relating to the Company proposed to be entered into between Tosca Penta Media Limited, the Company and each of the existing shareholders of the Company and which was circulated to the shareholders of the Company at or around the same time as this written resolution.

AGREEMENT

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

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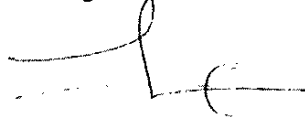
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26/10/2018

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COMPANIES HOUSE

We, the undersigned, being the members of the Company entitled to vote on the Resolutions hereby irrevocably agree to the Resolutions and, for the avoidance of doubt, we hereby irrevocably approve all matters contemplated by the Resolutions notwithstanding anything to the contrary contained in the Existing Articles.



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JEREMY PERKINS

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8/10/2018.....

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DAVID HEPWORTH

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PETER STRONG

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SIR DAVID ARCULUS

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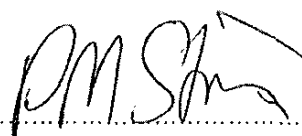
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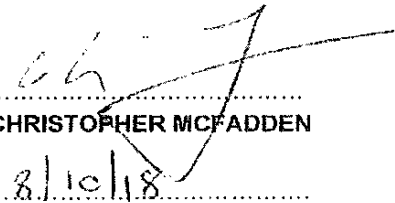
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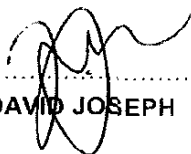
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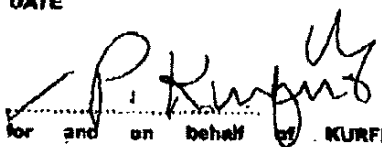
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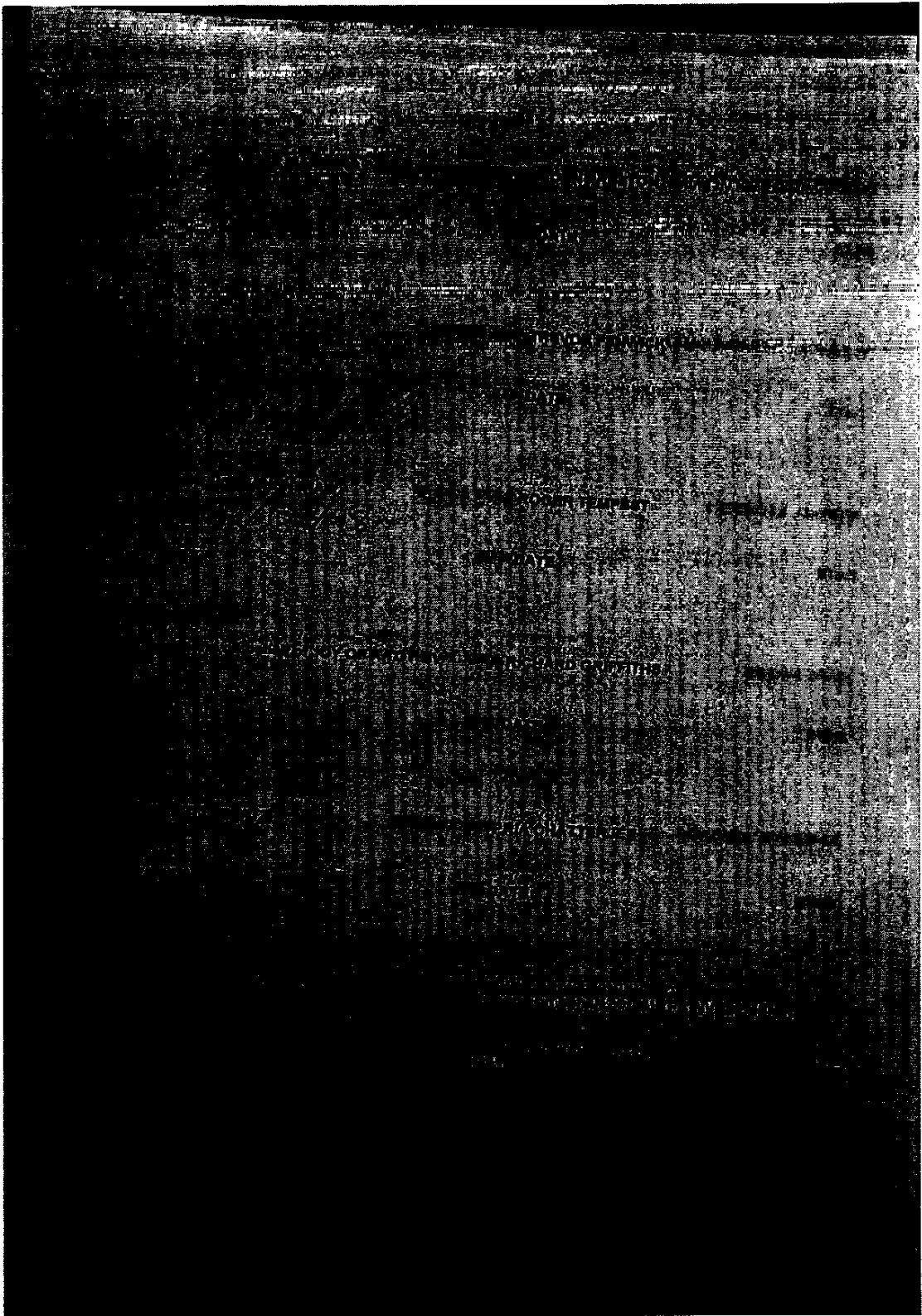
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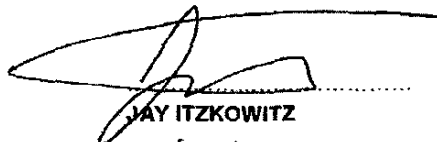
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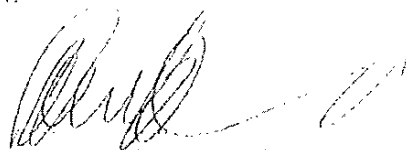
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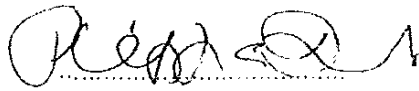
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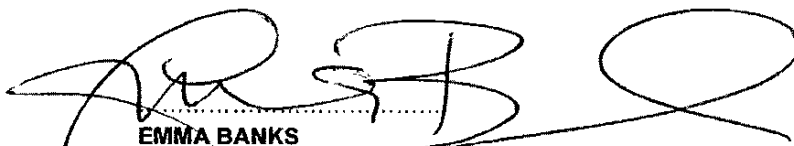
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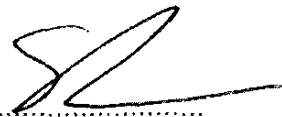
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Company number 04333049

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
WASTED TALENT LIMITED

(adopted by a special resolution passed on 16 October 2018)

13/11/18
JBS

Clintons



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1. INTRODUCTION

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

2. DEFINITIONS

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

Act means the Companies Act 2006 (as amended from time to time);

Acting in Concert has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

Asset Sale means the disposal by the Company of all or substantially all of its undertaking and assets or the grant of an exclusive licence over all or substantially all of the intellectual property of a Group Company;

Associate in relation to any person means:

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);
- (b) any Member of the same Group;
- (c) any Member of the same Fund Group;

Board means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

Board Approval means the prior consent or approval in writing of the Board (including any conditions to which such consent or approval is subject);

Business Day means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

Civil Partner means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;

Company means Wasted Talent Limited (company number 04333049);

Company's Lien has the meaning given in Article 29.1;

Controlling Interest means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;

CTA 2010 means the Corporation Tax Act 2010;

Date of Adoption means the date on which these Articles were adopted;

Deemed Transfer Notice means a Transfer Notice that is required or deemed to have been served under articles 9.3, 9.7.2, 10.5, 10.6, 10.7 or 13;

Director(s) means a director or directors of the Company from time to time;

electronic address has the same meaning as in section 333 of the Act;

electronic form and electronic have the same meaning as in section 1168 of the Act;

Eligible Director means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors;

Employee means an individual who is employed by the Company or any member of the Group;

Encumbrance means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

Event means any of the following events:

- (a) in relation to any Shareholder who is a natural person, his death or his being declared bankrupt;
- (b) the Shareholder (being a Company), becoming subject to an administration order, entering into liquidation or ceasing trading;
- (c) a Shareholder committing what the Board consider to be a material breach of this Agreement or the Articles or of any service agreement between a Shareholder and the Company;
- (d) if, being a Shareholder, either Mr Hepworth and / or Mr Perkins, ceases to be at least one of an employee or director of any Group Company;
- (e) if a Shareholder fails to comply with any pre-emption rights of the Company in these Articles;
- (f) if a Shareholder becomes a Patient;

Exit means a Share Sale or an Asset Sale;

Expert Valuer is as determined in accordance with Article 12.2;

Fair Value is as determined in accordance with Article 12.3;

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

Financial Event means:

- (d) a bankruptcy petition being presented for the bankruptcy of a Shareholder Director; or
- (e) an arrangement or composition with any of the Shareholder Director's creditors being proposed; or
- (f) any Shareholder Director convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
- (g) any Shareholder Director being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986;

Financial Year and Financial Period means an accounting reference period (as defined by the Act) of the Company;

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

hard copy form has the same meaning as in section 1168 of the Act;

Holding Company means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company immediately prior to the transfer of the issued share capital of the Company to such holding company;

IF Director means a director of the Company appointed by Mr Flooks in accordance with Article 21.1, for as long as he is a director of the Company;

Investor Consent where any matter requires Investor Consent pursuant to these Articles, this shall mean that such matter requires the prior consent or approval in writing of: (i) for so long as the Investor satisfies the Shareholding Condition, the Investor; and (ii) for so long as Mr Flooks satisfies the Shareholding Condition, Mr Flooks. Where Investor Consent is given

it shall be treated as being subject to any conditions to which such consent is made subject by such persons;

Investor Director means a director appointed by the Investor in accordance with Article 21.1, for as long as he is a director of the Company;

Investor means Tosca Penta Media Limited;

Listing means either:

- (h) the unconditional granting of permission for any of the Shares to be dealt in on any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000); or
- (i) the unconditional granting of permission for any of the equity shares of a holding company of the Company formed for the purpose of a listing to be dealt in on any such recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

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

Lien Enforcement Notice has the meaning given in Article 29.4;

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

Minimum Price Per Share has the meaning given in a Shareholders' Agreement;

New Securities means any shares or other securities convertible into, or carrying the right to subscribe for, such shares which are issued by the Company after the Date of Adoption other than shares or securities issued as a result of the events set out in Article 8.6 and excluding for the avoidance of doubt any treasury shares transferred by the Company after the Date of Adoption;

Offer has the meaning set out in Article 14.2;

Offer Period has the meaning set out in Article 14.3;

Ordinary Shares means ordinary shares of 10 pence each in the capital of the Company;

Paid Up Amount means the amount paid up or credited as paid up (including any premium on issue) on a Share;

Patient means a person who lacks capacity as defined in the Mental Capacity Act 2005, section 2;

Permitted Transfer means a transfer of Shares in accordance with Article 10;

Permitted Transferee means:

- (j) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees;

- (k) in relation to the Investor, to any nominee of the Investor or its Parent Undertaking or any Subsidiary Undertaking of the Investor or its Parent Undertaking;

Preference Shares means the preference shares of 10 pence each in the capital of the Company having the limited rights set out in article 4.3;

Preference Share Redemption Amount means the sum of £367,004 comprising a capital amount of £170,004 and a fixed coupon payable on redemption of £197,000;

Privileged Relation in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue);

Proposed Purchaser means a proposed purchaser who at the relevant time has made an offer to acquire Shares;

Proposed Sale Date has the meaning given in Article 14.3;

Proposed Sale Notice has the meaning given in Article 14.3;

Proposed Sale Shares has the meaning given in Article 14.3;

Proposed Seller means any person proposing to transfer any shares in the capital of the Company;

Proposed Transfer has the meaning given in Article 14.1;

Relevant Interest has the meaning set out in Article 24.4;

Relevant Shares has the meaning given in a Shareholders' Agreement;

Sale Shares has the meaning set out in Article 11.2.1;

Seller has the meaning set out in Article 11.2;

Shareholder means any holder of any Shares;

Shareholders' Agreement means any shareholders' agreement entered into between the Company and (inter alia) each of the holders of Ordinary Shares from time to time;

Share Option Scheme means the Company's Enterprise Management Incentive share option scheme adopted under the Wasted Talent Limited EMI Share Option Scheme Rules dated 10 October 2017 or any other employee share option plan(s) adopted by the Company, the terms of which have been approved with Board Approval;

Shareholding Condition: means in respect of any Shareholder that such Shareholder and/or its Permitted Transferees hold for the time being in aggregate a number of Shares representing 7.5% or more in number of the total aggregate number of all issued Shares;

Shares means shares in the capital of the Company of any class from time to time;

Share Sale means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where

following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;

Subscription Shares means 6,812 Ordinary Shares to be subscribed for by the Investor on or around the Date of Adoption;

Subsidiary, Subsidiary Undertaking and Parent Undertaking have the respective meanings set out in sections 1159 and 1162 of the Act;

Transfer Notice shall have the meaning given in Article 11.2;

Transfer Price shall have the meaning given in Article 11.2.3; and

Trustees in relation to a Shareholder means the trustee or the trustees of a Family Trust.

3. **POWERS TO ISSUE DIFFERENT CLASSES OF SHARE**

- 3.1 Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue Ordinary Shares and Preference Shares with the rights and restrictions set out in these Articles and any other Shares with such rights or restrictions as may be determined by ordinary resolution with Investor Consent (including for the avoidance of doubt, rights to income and/or capital ranking in priority, *pari passu* or otherwise to any other class of Shares).
- 3.2 With Investor Consent, 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.
- 3.3 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.
- 3.4 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".
- 3.5 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".
- 3.6 Subject to the Act, the Company may, with prior Investor Consent purchase its own Shares with cash to the extent permitted by section 692(1)(b) of the Act.
- 3.7 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.
- 3.8 Shares need not be issued as fully paid and may be issued as nil paid or partly paid.

4. **CLASSES OF SHARES**

- 4.1 At the Date of Adoption, the share capital of the Company comprises Ordinary Shares and Preference Shares only.

- 4.2 The holders of Ordinary Shares shall be entitled to receive notice of, to attend and to vote at, general meetings of the Company.
- 4.3 The Preference Shares shall not confer on the holders any entitlement to receive notices of or to attend, speak or vote at any general meetings of the Company but shall:
 - 4.3.1 be redeemable by the Company at any time during the period of three months after the Date of Adoption by the Company serving not less than 5 Business Day's notice of such redemption on the holder of the Preference Shares; and
 - 4.3.2 carry a fixed redemption price per Preference Share equal to $a + b$, where "a" is the Preference Share Redemption Amount and "b" is the number of Preference Shares that are being redeemed.

On the date of redemption the Company shall pay the holder of the Preference Shares the sum referred to in Article 4.3.2 (such sum to be paid by way of telegraphic transfer of funds to such account as the holder of the Preference Shares may nominate or in the absence of any such nomination then by cheque in favour of such holder) and the holder of the Preference Shares shall return any share certificate(s) held by him in respect of the Preference Shares to the Company.

- 4.4 The Preference Shares shall be redeemed in any way permitted by the Act (including from the proceeds of the issue of the Subscription Shares or out of capital) but if on the proposed redemption date the Company is prohibited from redeeming the Preference Shares it shall do so on the first opportunity that it may lawfully do so after such date.

5. **EXIT**

- 5.1 In the event that the terms of an Exit have been approved:

- (a) by the Board; and
- (b) with, to the extent required under a Shareholders' Agreement, Investor Consent;

(the **Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit (**Actions**). The Shareholders shall each be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit (provided that the Board may not as part of any Proposed Exit require the Investor to transfer any Relevant Shares at a price per share less than the Minimum Price Per Share). If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

6. **VOTES IN GENERAL MEETING**

- 6.1 The holders of the Ordinary Shares shall be entitled to receive notice of and to attend and speak at all general meetings of the Company.
- 6.2 The Preference Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on,

or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.

- 6.3 The holders of the Ordinary Shares who (being individuals) are present in person or by proxy or (being a corporation) are present by duly authorised representatives or by proxy shall:

6.3.1 on a show of hands, have one vote each; and,

6.3.2 on a poll have one vote each for every Ordinary Share held.

- 6.4 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

7. **VARIATION OF RIGHTS**

- 7.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with Investor Consent and with the consent in writing of the holders of more than 75 per cent. in nominal value of the issued shares of that class.

- 7.2 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not, except as provided in Article 7.1 constitute a variation of the rights of those existing classes of shares.

- 7.3 No voting rights attached to a share which is nil paid may be exercised:

7.3.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or

7.3.2 on any proposed written resolution,

unless all or some of the amounts payable to the Company in respect of that share have been paid.

8. **ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**

- 8.1 Subject to the remaining provisions of this Article 8, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:

8.1.1 allot Shares; or

8.1.2 grant rights to subscribe for or convert any securities into Shares,

to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that:

(a) this authority shall only apply insofar as the Company in general meeting has not waived or revoked it; and

(b) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or

agreement which would or might require Shares to be allotted or rights granted to subscribe for or convert any security into Shares after the expiry of such authority (and the Directors may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired).

- 8.2 In accordance with sections 567(1) and/or 570 of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of equity securities made by the Company.
- 8.3 If the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the holders of Shares on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of Shares held by those holders (as nearly as may be without involving fractions). The offer:
- 8.3.1 shall be in writing, give details of the number and subscription price of the New Securities; and
- 8.3.2 may stipulate that any Shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities (**Excess Securities**) for which they wish to subscribe.
- 8.4 Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 8.3 shall be used for satisfying any requests for Excess Securities made pursuant to Article 8.3 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a *pro rata* basis to the number of Shares held by the applicants immediately prior to the offer made to Shareholders in accordance with Article 8.3 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him).
- 8.5 Subject to Articles 8.3 and 8.4 and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment or grant to that person must be approved with Investor Consent.
- 8.6 The provisions of Articles 8.3 to 8.5 shall not apply to:
- 8.6.1 New Securities issued or granted in order for the Company to comply with its obligations under these Articles;
- 8.6.2 New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved with Investor Consent;
- 8.6.3 The issue of the Subscription Shares to the Investor;
- 8.6.4 the issue of up to a maximum of 4,623 Ordinary Shares (or such higher number of Ordinary Shares as may be approved by the Board with Investor Consent) in the Company pursuant to the Share Option Scheme.
- 8.7 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company unless such person has entered into a joint section 431 ITEPA election with the Company.

9. **TRANSFERS OF SHARES – GENERAL**

9.1 In Articles 9 to 15 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

9.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

9.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

9.4 Any transfer of a Share by way of sale which is required to be made under Articles 11 to 15 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

9.5 The Directors may refuse to register a transfer if:

9.5.1 it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;

9.5.2 the transfer is to an Employee, Director or prospective Employee or prospective director of the Company and such person has not entered into a joint section 431 ITEPA election with the Company;

9.5.3 it is a transfer of a Share which is not fully paid:

(a) to a person of whom the Directors do not approve; or

(b) on which Share the Company has a lien;

9.5.4 the transfer is not lodged at the registered office or at such other place as the Directors may appoint;

9.5.5 the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

9.5.6 the transfer is in respect of more than one class of Shares; or

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

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

9.6 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is

imposed in accordance with this Article the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

- 9.7 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may, with Board Approval, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors or the Investor Director may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

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

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

9.7.2 the person registered as the holder of those shares shall be deemed to have served a Transfer Notice in respect of all Shares held in his name.

The rights referred to in 9.7.1 above may be reinstated by the Board subject to Board Approval and shall in any event be reinstated upon the completion of any transfer under 9.7.2 above.

- 9.8 If a Deemed Transfer Notice is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:

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

9.8.2 it does not include a Minimum Transfer Condition (as defined in Article 11.2.4); and

9.8.3 the Seller wishes to transfer all of the Shares held by him.

- 9.9 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:

9.9.1 the transferor; and

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

10. **PERMITTED TRANSFERS**

10.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.

10.2 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article may be transferred by the transferee to any other Permitted Transferee of the *Original Shareholder without restriction as to price or otherwise.*

10.3 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a **Qualifying Company**) or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

10.4 No transfer of Shares may be made to Trustees unless the Board (with Board Approval) is satisfied:

10.4.1 with the terms of the trust instrument and in particular with the powers of the trustees;

10.4.2 with the identity of the proposed trustees;

10.4.3 the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

10.4.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

10.5 If a company to which a Share has been transferred under Article 10.4, ceases to be a Qualifying Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.

10.6 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within five Business Days of so ceasing either:

10.6.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

10.6.2 give a Transfer Notice to the Company in accordance with Article 11.2,

failing which he shall be deemed to have given a Transfer Notice.

- 10.7 On the death (subject to Article 10.2), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 10.8 A transfer of any Shares approved by the Board and with Investor Consent may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.
- 10.9 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved with Board Approval.
- 10.10 With Investor Consent and subject to the Act, the Company may purchase its own Shares with cash to the extent permitted by section 692(1)(b) of the Act.

11. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 11.1 Save where the provisions of Articles 10 (*Permitted Transfers*), 14 (*Mandatory Offer on a Change of Control*) or 15 (*Drag-Along*) apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 11.
- 11.2 A Shareholder who wishes or is required to transfer Shares under these Articles (a **Seller**) shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a **Transfer Notice**) to the Company specifying:
- 11.2.1 the number of Shares which he wishes to transfer (the **Sale Shares**);
 - 11.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
 - 11.2.3 the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (each party acting reasonably and in good faith) (the **Transfer Price**); and
 - 11.2.4 whether the Transfer Notice is conditional on all of the Sale Shares being sold to Shareholders (a **Minimum Transfer Condition**).
- 11.3 Except with Board Approval and with Investor Consent, no Transfer Notice or Deemed Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

11.4 A Transfer Notice or Deemed Transfer Notice once given or deemed to have been given constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

11.5 As soon as practicable following the later of:

11.5.1 receipt of a Transfer Notice; and

11.5.2 in the case where the Transfer Price has not been specified or a Deemed Transfer Notice is deemed to have been given, the determination of the Transfer Price under Article 12,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 11.6 to 11.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

11.6 *Priority for offer of Sale Shares*

11.6.1 If the Sale Shares are Ordinary Shares, the Company shall offer them to the holders of Ordinary Shares on the basis as set out in Article 11.7.

11.6.2 If the Sale Shares are Preference Shares, the Sale Shares shall be offered in the following priority:

(a) first, to the Company (subject always to the provisions of the Act);

(b) second, to the holders of Ordinary Shares, pro rata to their holding of Ordinary Shares,

in each case on the basis set out in Article 11.7.

11.7 *Transfers: First Offer*

11.7.1 If the Company elects to exercise its rights pursuant to Article 11.6.2(a), then the Company may elect only to purchase all (and not some only) of the relevant Sale Shares and the Board shall not offer the Sale Shares to the other shareholders under this Article 11.7.

11.7.2 The Board shall offer the Sale Shares (in the priority order set out in Article 11.6) to all shareholders specified in the offer other than the Seller (the **Continuing Shareholders**) inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

11.7.3 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 11.7 and 11.8 will be conditional on the fulfilment of the Minimum Transfer Condition.

11.7.4 If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Ordinary Shares bears to the total number of the Ordinary Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a

Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

11.7.5 If not all Sale Shares are allocated in accordance with Article 11.7.4 but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in Article 11.7.4.

11.7.6 If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the **Initial Surplus Shares**) will be dealt with in accordance with Article 11.8.

11.8 *Transfers: Second Offer*

11.8.1 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the **Second Offer Period**) for the maximum number of the Initial Surplus Shares they wish to buy.

11.8.2 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Ordinary Shares bears to the total number of Ordinary Shares (including Sale Shares) held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

11.8.3 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the **Second Surplus Shares**) will be offered to any other person in accordance with Article 11.9.3.

11.9 *Completion of transfer of Sale Shares*

11.9.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for by Continuing Shareholders is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 11.7 and 11.8 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect (any such notice being a **Lapse Notice**).

11.9.2 If:

- (a) the Transfer Notice does not include a Minimum Transfer Condition; or
- (b) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under Articles 11.7 and 11.8, give written notice of allocation (an **Allocation Notice**) to the Seller and

each Shareholder to whom Sale Shares have been allocated (an **Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of Article 11.9.2(c):
 - (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
 - (A) complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (B) receive the Transfer Price and give a good discharge for it; and
 - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Sale Shares purchased by them; and
 - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).

11.9.3 If:

- (a) a Transfer Notice does not include a Minimum Transfer Condition and an Allocation Notice is served which does not relate to all the Sale Shares; or
- (b) a Lapse Notice is served;

then, subject to Article 11.9.4, the Seller may, within eight weeks after service of such Allocation Notice or Lapse Notice, transfer:

- (c) in the case of any such Allocation Notice being served, any Sale Shares not allocated to Continuing Shareholders; or
- (d) in the case of any such Lapse Notice being served, all (but not some only) of the Sale Shares;

to any person at a price at least equal to the Transfer Price.

11.9.4 The right of the Seller to transfer Shares under 11.9.3 does not apply if the Board is of the opinion on reasonable grounds that:

- (a) the transferee is a person (or a nominee for a person) who the Board determines in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

11.10 *Waiver of restrictions*

The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares either under a Shareholders' Agreement or with Board Approval and the consent of Shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this Article.

12. **VALUATION OF SHARES**

12.1 If a Transfer Notice does not specify a Transfer Price or, subject to Article 9.8, if a Deemed Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of a Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

12.1.1 appoint expert valuers in accordance with Article 12.2 (the **Expert Valuers**) to certify the Fair Value of the Sale Shares; or

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

12.2 The Expert Valuers will be an independent firm of Chartered Accountants to be agreed between the Board (with Board Approval) and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice or Deemed Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.

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

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

12.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

12.3.3 that the Sale Shares are capable of being transferred without restriction;

- 12.3.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- 12.3.5 reflect any other factors which the Expert Valuers reasonably believe should be taken into account.
- 12.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 12.5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 12.6 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 12.7 The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 12.8 The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Deemed Transfer Notice, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 12.9 The cost of obtaining the certificate shall be paid by the Company unless:
 - 12.9.1 the Seller cancels the Company's authority to sell; or
 - 12.9.2 the sale is pursuant to a Deemed Transfer Notice, and the Fair Value certified by the Expert Valuers is more than 10 per cent less than the price (if any) offered by the Directors to the Seller for the Sale Share before the Expert Valuer was instructed,

in which case the Seller shall bear the cost.
- 13. **COMPULSORY TRANSFERS – GENERAL**
 - 13.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
 - 13.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
 - 13.2.1 to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
 - 13.2.2 to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 13.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

- 13.3 If a Shareholder suffers an Event the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.
- 13.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice. This Article 13.4 shall not apply to the Investor.

14. **MANDATORY OFFER ON A CHANGE OF CONTROL**

- 14.1 Except in the case of Permitted Transfers and transfers pursuant to Article 13, after going through the pre-emption procedure in Article 11, the provisions of Article 14.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Shares (the **Proposed Transfer**) which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.
- 14.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the **Offer**) to the other Shareholders to acquire all of the Company's Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 14.7.2).
- 14.3 The Offer must be given by written notice (a **Proposed Sale Notice**) at least 10 Business Days (the **Offer Period**) prior to the proposed sale date (the **Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the **Proposed Sale Shares**).
- 14.4 If any other holder of Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 14.5 If the Offer is accepted by any Shareholder (an **Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 14.6 The Proposed Transfer is subject to the pre-emption provisions of Article 11 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 11.
- 14.7 For the purpose of this Article 14:

14.7.1 the expression **transfer** and **purchaser** shall include the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment respectively;

14.7.2 the expression **Specified Price** shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:

(a) in the Proposed Transfer; or

(b) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser,

plus, if applicable, an amount equal to the Relevant Sum, as defined in Article 14.7.3, of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the **Supplemental Consideration**);

14.7.3 **Relevant Sum** = $C \div A$

where: A = number of Shares being sold in connection with the relevant Proposed Transfer;

C = the Supplemental Consideration.

15. **DRAG-ALONG**

15.1 If the holders of at least a majority of the Shares (the **Selling Shareholders**) wish to transfer all or part of their interest in Shares (the **Sellers' Shares**) to a Proposed Purchaser, who is a bona fide third party unrelated to any Shareholder and such transfer would, if put into effect, result in such Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company, subject to Article 15.4, the Selling Shareholders shall have the option (the **Drag Along Option**) to require all the other holders of Shares (the **Called Shareholders**) to sell and transfer the same proportion (relative to the proportion that the Sellers' Shares have to the number of Shares that the Selling Shareholders have in total) of their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 15.

15.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all or the relevant proportion of their Shares (the **Called Shares**) under this Article 15, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 15) and the proposed date of transfer.

15.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 15.4 The consideration for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were apportioned equally between all Called Shares and Sellers' Shares so that the same price per Share is paid to the holders of the Called Shares and the Sellers Shares for their Shares provided that to the extent that (i) the Investor or any of its Permitted Transferees is a Called Shareholder and (ii) Relevant Shares are comprised within the Called Shares, neither the Investor nor any of its Permitted Transferees shall be obliged to sell any such Relevant Shares comprised within the Called Shares unless the Investor or its Permitted Transferee(s) receives consideration per such Relevant Share that is equal to or greater than the Minimum Price Per Share.
- 15.5 No Drag Along Notice may require a Called Shareholder to agree to any terms (including the giving of any warranties (other than as to title to their respective Shares and capacity to sell their respective Shares) except those specifically provided for in this Article 15.
- 15.6 Within five Business Days of the Proposed Purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 15.4 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 15.4 shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 15.4 in trust for the Called Shareholders without any obligation to pay interest.
- 15.7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 15.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 15 in respect of their Shares.
- 15.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 15.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 15.4.
- 15.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 11.
- 15.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound

to sell and transfer all or the relevant proportion of Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article 15 shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

16. GENERAL MEETINGS

- 16.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 21 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 16.2 No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. Subject to Articles 16.3 and 16.4 the quorum at any general meeting shall be at least two Shareholders present in person or by proxy or by duly authorised representative of a corporation, one of whom must be a duly authorised representative of the Investor, for so long as the Investor or its Permitted Transferees hold in aggregate such number of Shares equal to or greater than 7.5% of the entire issued share capital of the Company.
- 16.3 If no quorum is present at a general meeting then the meeting shall stand adjourned for a period of not less than 5 Business Days to such time and place as the Board shall agree and notify to the Shareholders. If at the adjourned general meeting a quorum is not present the Shareholders then present in person or by proxy or by duly authorised representative shall constitute a quorum.
- 16.4 If and for so long as the Company has only one Shareholder, that Shareholder present in person or by proxy, or, if that Shareholder is a corporation, by a duly authorised representative, shall be a quorum.
- 16.5 If any two or more Shareholders attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Shareholders is assembled or, if no such group can be identified, at the location of the chairman.
- 16.6 *If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.*
- 16.7 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 16.8 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

- 16.9 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

17. PROXIES

- 17.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)".

- 17.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:

17.2.1 be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

17.2.2 be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director; or

17.2.3 in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

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

18. DIRECTORS' BORROWING POWERS

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

19. ALTERNATE DIRECTORS

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

19.1.1 exercise that Director's powers; and

19.1.2 carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

The appointment of an alternate Director shall require prior Board Approval.

- 19.2 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.
- 19.3 The notice must:
- 19.3.1 identify the proposed alternate; and
 - 19.3.2 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.
- 19.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.
- 19.5 Except as these Articles specify otherwise, alternate directors:
- 19.5.1 are deemed for all purposes to be Directors;
 - 19.5.2 are liable for their own acts and omissions;
 - 19.5.3 are subject to the same restrictions as their Appointors; and
 - 19.5.4 are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.
- 19.6 A person who is an alternate Director but not a Director:
- 19.6.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
 - 19.6.2 may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).
- No alternate may be counted as more than one Director for such purposes.
- 19.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision).
- 19.8 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 19.9 An alternate Director's appointment as an alternate shall terminate:
- 19.9.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 19.9.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;

19.9.3 on the death of the alternate's Appointor; or

19.9.4 when the alternate's Appointor's appointment as a Director terminates.

20. NUMBER OF DIRECTORS

Unless and until otherwise determined by Board Approval with Investor Consent (such Investor Consent not to be unreasonably withheld or delayed), the number of Directors shall be not less than two and the maximum number of directors shall be four.

21. APPOINTMENT OF DIRECTORS

21.1 In addition to the powers of appointment under article 17(1) of the Model Articles, for so long as:

21.1.1 the Investor and/or its Permitted Transferees hold in aggregate such number of Shares equal to or greater than 7.5% of the entire issued share capital of the Company, the Investor shall be entitled to nominate one person to act as a Director of the Company (**Investor Director**) by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. The Investor shall be entitled to remove its nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place; and

21.1.2 Mr Flooks and/or his Permitted Transferees hold in aggregate such number of Shares equal to or greater than 7.5% of the entire issued share capital of the Company, Mr Flooks shall be entitled to nominate one person to act as a Director of the Company (**IF Director**) by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. Mr Flooks shall be entitled to remove his nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place;

21.1.3 For so long as any Shareholder (other than Mr Flooks and the Investor) and/or his Permitted Transferees hold in aggregate such number of Shares equal to or greater than 7.5% of the entire issued share capital of the Company, they (as a whole) shall, provided that the Board shall have previously given its written approval to such Shareholder having the ability to exercise the rights conferred under this Article, have the right to appoint and maintain as they may from time to time nominate as a director of the Company one director (each a **Shareholder Director**) and to remove any director so appointed and, upon his removal whether by the appointor Shareholder or otherwise, to appoint another director in his place. To the extent that the Shareholder appoints a Shareholder Director, the appointor shall procure that his Shareholder Director will resign as a director with effect from the date on which that Shareholder Director suffers a Financial Event.

21.2 An appointment or removal of a Director under Article 21.1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company.

21.3 Each Investor Director and each IF Director shall be entitled at his respective request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking.

- 21.4 The Board, with prior Investor Consent (such Investor Consent not to be unreasonably withheld or delayed), shall be entitled to appoint any person independent of the Investor and Mr Flocks to act as a Director of the Company.
- 21.5 The Board, acting by majority vote (but disregarding for these purposes the Director concerned), shall be entitled to remove any Director (other than a Director appointed pursuant to Article 21.1) at any time by notice in writing to such Director.
- 21.6 The Board, acting by majority vote (but disregarding for these purposes the Director concerned), shall be entitled to remove any Director appointed pursuant to Article 21.1 if the aggregate number of Shares held by the appointing Shareholder and/or its Permitted Transferees falls below 7.5% of the entire issued share capital of the Company by notice in writing to such Director

22. DISQUALIFICATION OF DIRECTORS

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated.

23. PROCEEDINGS OF DIRECTORS

- 23.1 The quorum for any business to be transacted at a meeting of the Board shall be at least 3 Directors to include the Investor Director (if one is appointed but save that where a Relevant Interest of an Investor Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Investor Director and any other interested Director shall not be included for the purpose of such authorisation but shall be included for the purpose of forming the quorum. If such quorum or if the Investor Director shall not be present within half an hour from the time appointed for a meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and same place 5 Business Days later when the quorum at that meeting shall be two directors who need not include the Investor Director.
- 23.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is *physically present*.
- 23.3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting. A Director may validly participate in a meeting of the Directors or a committee of Directors by conference telephone and/or any other form(s) of communication equipment (whether in use when these Articles are adopted or not) if all persons participating in the meeting are able to communicate with each other throughout the meeting. A person participating in this way shall be deemed to be present in person at the meeting and shall be counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the Directors or a committee of Directors shall for the purposes of these Articles be deemed to be validly and effectively transacted at a meeting of the Directors or of a committee of Directors even though fewer than two Directors are physically present at the same place.

- 23.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 23.5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 23.6 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 23.7 The chairman of the Board shall be appointed by Board Approval. Article 12 of the Model Articles shall be modified accordingly. The Chairman shall not have a casting vote.
- 23.8 A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

24. DIRECTORS' INTERESTS

Specific interests of a Director

- 24.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- 24.1.1 where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- 24.1.2 where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- 24.1.3 where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
- 24.1.4 where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;

- 24.1.5 where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- 24.1.6 where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- 24.1.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 24.1.8 any other interest authorised by ordinary resolution.

Interests of which a Director is not aware

- 24.2 For the purposes of this Article 24, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

Accountability of any benefit and validity of a contract

- 24.3 In any situation permitted by this Article 24 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

Terms and conditions of Board authorisation

- 24.4 Subject to Article 24.5, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director (**Interested Director**) who has proposed that the Directors authorise his interest (**Relevant Interest**) pursuant to that section may, for the avoidance of doubt:

- 24.4.1 be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:
 - (a) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
 - (b) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
 - (c) restricting the application of the provisions in Article 25.8, so far as is permitted by law, in respect of such Interested Director;
 - (d) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time; and

subject to Article 24.5, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175 (5)(a) of the Act and this Article 24.

Terms and conditions of Board authorisation for an Investor Director

- 24.5 Notwithstanding the other provisions of this Article 24, it shall not (save with the consent in writing of an Investor Majority) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 24.7.

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

- 24.6 Subject to Article 24.7 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 24), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

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

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

- 24.7 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 24.6 shall apply only if the conflict arises out of a matter which falls within Article 24.1 or has been authorised under section 175(5)(a) of the Act.

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

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

24.8.1 absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and

24.8.2 excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

Requirement of a Director to declare an interest

24.9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 24.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:

24.9.1 falling under Article 24.1.7;

24.9.2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

24.9.3 if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

Shareholder approval

24.10 Subject to section 239 of the Act, the Company may by ordinary resolution and prior Investor Consent ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 24.

24.11 For the purposes of this Article 24:

24.11.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties;

24.11.2 the provisions of section 252 of the Act shall determine whether a person is connected with a Director;

24.11.3 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

25. NOTICES

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

25.1.1 in hard copy form;

25.1.2 in electronic form; or

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

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

25.2 Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 25.

Notices in hard copy form

- 25.3 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):
- 25.3.1 to the Company or any other company at its registered office; or
 - 25.3.2 to the address notified to or by the Company for that purpose; or
 - 25.3.3 in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
 - 25.3.4 in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or
 - 25.3.5 to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
 - 25.3.6 where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in 25.3.1 to 25.3.5 above, to the intended recipient's last address known to the Company.
- 25.4 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:
- 25.4.1 if delivered, at the time of delivery;
 - 25.4.2 if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

Notices in electronic form

- 25.5 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:
- 25.5.1 if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
 - 25.5.2 if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 25.3; or
 - 25.5.3 be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify:
 - (a) on its website from time to time; or
 - (b) by notice (in hard copy or electronic form) to all members of the Company from time to time; or
 - 25.5.4 be sent to such address or email address as may be specified or provided for in any Shareholders' Agreement.

- 25.6 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:
- 25.6.1 if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
 - 25.6.2 if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
 - 25.6.3 if delivered in an electronic form, at the time of delivery; and
 - 25.6.4 if sent by any other electronic means as referred to in Article 25.6.3, at the time such delivery is deemed to occur under the Act.
- 25.7 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

General

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

26. INDEMNITIES AND INSURANCE

- 26.1 Subject to the provisions of and so far as may be permitted by, the Act:
- 26.1.1 every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against:
 - (a) any liability incurred by the director to the Company or any associated company; or
 - (b) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
 - (c) any liability incurred by the director:

- (i) in defending any criminal proceedings in which he is convicted;
- (ii) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
- (iii) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 26.1.1(a), 26.1.1(c)(ii) and 26.1.1(c)(iii) applying;

26.1.2 the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

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

27. DATA PROTECTION

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

28. SECRETARY

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

29. **LIEN**

- 29.1 The Company shall have a first and paramount lien (the **Company's Lien**) over every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.
- 29.2 The Company's Lien over a Share:
- (a) shall take priority over any third party's interest in that Share; and
 - (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 29.3 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.
- 29.4 Subject to the provisions of this Article 29, if:
- 29.4.1 a notice complying with Article 29.5 (a **Lien Enforcement Notice**) has been given by the Company in respect of a Share; and
 - 29.4.2 the person to whom the notice was given has failed to comply with it,
- the Company shall be entitled to sell that Share in such manner as the Directors decide.
- 29.5 A Lien Enforcement Notice:
- 29.5.1 may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
 - 29.5.2 must specify the Share concerned;
 - 29.5.3 must require payment of the sum payable within 9 days of the notice;
 - 29.5.4 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
 - 29.5.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 29.6 Where any Share is sold pursuant to this Article 29:
- 29.6.1 the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser; and
 - 29.6.2 the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale.
- 29.7 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:

- 29.7.1 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;
- 29.7.2 secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 29.8 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
- 29.8.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- 29.8.2 subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.
30. **CALL NOTICES**
- 30.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a **Call Notice**) to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a **call**) which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice.
- 30.2 A Call Notice:
- 30.2.1 may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);
- 30.2.2 shall state when and how any call to which it relates it is to be paid; and
- 30.2.3 may permit or require the call to be paid by instalments.
- 30.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent.
- 30.4 Before the Company has received any call due under a Call Notice the Directors may:
- 30.4.1 revoke it wholly or in part; or
- 30.4.2 specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.
- 30.5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.

- 30.6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to:
- 30.6.1 pay calls which are not the same; or
 - 30.6.2 pay calls at different times.
- 30.7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):
- 30.7.1 on allotment;
 - 30.7.2 on the occurrence of a particular event; or
 - 30.7.3 on a date fixed by or in accordance with the terms of issue.
- 30.8 If the due date for payment of such a sum as referred to in Article 30.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.
- 30.9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below):
- 30.9.1 the Directors may issue a notice of intended forfeiture to that person; and
 - 30.9.2 until the call is paid, that person shall be required to pay the Company interest on the call from the call payment date at the Relevant Rate (as defined below).
- 30.10 For the purposes of Article 30.9:
- 30.10.1 the **Call Payment Date** shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the Call Payment Date is that later date;
 - 30.10.2 the **Relevant Rate** shall be:
 - (a) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
 - (b) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors; or
 - (c) if no rate is fixed in either of these ways, five per cent. a year,provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a).
- 30.11 The Directors may waive any obligation to pay interest on a call wholly or in part.
- 30.12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.

31. FORFEITURE OF SHARES

31.1 A notice of intended forfeiture:

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

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

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

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

31.4 Any Share which is forfeited in accordance with these Articles:

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

31.5 If a person's Shares have been forfeited then:

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

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

32. SURRENDER OF SHARES

- 32.1 A Shareholder shall be entitled to surrender any Share:
- 32.1.1 in respect of which the Directors issue a notice of intended forfeiture;
- 32.1.2 which the Directors forfeit; or
- 32.1.3 which has been forfeited.
- The Directors shall be entitled to accept the surrender of any such Share.
- 32.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.
- 32.3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited.