

Articles of Association

of

Advanced Payment Solutions Limited

Company number: 04947027

(Private company limited by shares)

as adopted by special resolution passed on _____ 2020

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Contents

1.	Introduction.....	1
2.	Interpretation	1
3.	Share capital.....	5
4.	Ordinary Shares	5
5.	Variation of rights.....	5
6.	Allotment of Shares	6
7.	Transfer of Shares: General.....	7
8.	Permitted transfers	7
9.	Right of refusal	9
10.	Right of co-sale.....	12
11.	Drag along	12
12.	Compliance.....	13
13.	General meetings	13
14.	Written resolutions.....	13
15.	Removal of directors.....	13
16.	Investor Director	14
17.	Alternate directors	15
18.	Proceedings of directors.....	15
19.	Directors' interests.....	15
20.	The seal.....	17
21.	Indemnity	18
22.	Borrowing powers.....	18
23.	Lien	18
24.	Independent Financial Expert determination.....	18
25.	Nominal amounts.....	18

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

ADVANCED PAYMENT SOLUTIONS LIMITED (the "Company")

(Adopted by a special resolution passed on _____ 2020)

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 of these Articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("**Table A**") shall not apply to the Company.
- 1.3 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.4 In these Articles:
- (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;
 - (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;
 - (d) reference to "**issued Shares**" shall exclude any Shares held as Treasury Shares from time to time, unless stated otherwise; and
 - (e) reference to the "**holders**" of Shares shall exclude the Company holding Treasury Shares from time to time, unless stated otherwise.

2. Interpretation

"**Affiliate**" means, in relation to an Investor, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such Investor, including, without limitation, any general partner, managing member, officer or director of such Investor or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management or advisory company with, such Investor.

"Auditors" means the auditors to the Company from time to time.

"Banking Licence" means a UK banking licence granted by the PRA.

"Banking Licence Governance Change Date" means the time immediately prior to the time at which any banking licence granted to the Company by the PRA shall take effect (or such earlier time as any relevant governance change otherwise triggered at such date is required to comply with law or applicable regulation or by the terms or conditions of any banking licence grant to the Company by the PRA).

"Board" means the board of directors of the Company from time to time.

"Business Days" means any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business.

"Change of Control" means the acquisition whether by purchase, transfer, renunciation or otherwise by a Third Party Purchaser of any interest in any shares if, upon completion of that acquisition, that person together with persons acting in concert or connected with him, would hold more than 50% of the voting rights attached to the issued shares.

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

"conflict of interest" means a direct or indirect conflict of interest as defined in section 175(1) of the Companies Act 2006.

"Employee Trust" means any trust established by the Company for the benefit of employees and which has been approved by the Investor Director.

"Equity Incentive Plan" has the meaning given to that term in any Shareholders' Agreement.

"Exit" means a Relevant Sale, Relevant Asset Sale or a Listing.

"Executive Director" means a director of the Company who is an employee of the Company (or any subsidiary undertaking of the Company).

"Family Member" means the wife, husband or civil partner (or widow or widower), children and grandchildren (including step and adopted children and grandchildren) of a member of the Company.

"Family Trust" means in relation to a member of the Company, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members, and under which no power of control over the voting powers conferred by any Shares which are the subject of the trust are capable of being exercised by, or being subject to the consent of, any person other than the trustees, or such member, or any of such members' Family Members.

"FSMA" means the Financial Services and Markets Act 2000 (as amended from time to time).

"Group" means the Company and its subsidiary undertakings from time to time and references to **"member of the Group"** and **"Group Company"** shall be construed accordingly.

"holder" means in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder of that share.

"Investor" means the meaning given to that expression in any Shareholders' Agreement.

"Investor Director" means a director appointed in accordance with the provisions of Article 16.

"Investor Group" means in relation to each Investor:

- (a) the Investor, any subsidiary of the Investor, any holding company, parent of the Investor, any general partner or managing member of the Investor, any subsidiary of a holding company of the Investor or any limited partnership or limited liability partnership whose general partner is the general partner or managing member of the Investor (each a **"Relevant Person"**); or
- (b) any partnership (together with the partners in any such partnership) or limited liability company (together with the members in such limited liability company) of which any Relevant Person is general partner, manager, managing member, consultant, adviser or management company; or
- (c) any unit trust or other fund of which any Relevant Person is trustee or manager; or
- (d) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of a Relevant Person; or
- (e) any co-investment scheme of any Relevant Person; or
- (f) any Affiliate of any Investor.

"Investor Majority" means Shareholders holding more than 50% by number of the total number of Ordinary Shares held by Investors.

"Issue Price" means in respect of a share in the capital of the Company the aggregate amount paid up (or credited as paid up) in respect of the nominal value and any share premium.

"Joinder Agreement" has the meaning given in any Shareholders' Agreement.

"Listing" means:

- (a) the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any part of the Share capital of any member of the Group to the Official List, and such admission becoming effective; or
- (b) the admission by London Stock Exchange plc of any part of the Share capital of any member of the Group to trading on the AIM market of the London Stock Exchange, and such admission becoming effective; or
- (c) the admission of any part of the Share capital of any member of the Group on a recognised investment exchange and such admission becoming effective; or
- (d) the quotation of any Share capital of any member of the Group on NASDAQ or any other US National Exchange.

"Listing Shares" means the issued Share capital of the Company (including any share capital to be subscribed and issued on such Listing and any new shares to be paid up by way of capitalisation of reserves or arising from any sub-division consolidation or conversion of shares).

"Major Holder" means a holder of Shares comprising 5%, or more of the issued Share capital of the Company.

"Ordinary Shares" means the ordinary shares of 0.1p each in the capital of the Company having the rights set out in Article 4.

"Person" has the meaning given to that term in any Shareholders' Agreement.

"PRA" the UK Prudential Regulatory Authority.

"Qualifying Listing" means a Listing which offers for sale securities in the Company worth at least £50 million (excluding any new shares to be issued pursuant to such Listing) such securities to be valued at the listing price stated in the prospectus and the proceeds of such Listing available to the Company (prior to settlement of any commissions, fees or underwriter's discounts) of more than £30 million.

"recognised investment exchange" has the meaning given to that expression in section 285(1) FSMA.

"Relevant Asset Sale" means a sale of the whole or substantially the whole of the trading assets or trading Subsidiaries of the Group whether by a single disposal or a series of connected disposals and in the case of a series of connected disposals after the final such disposal all the connected disposals shall be the Relevant Asset Sale.

"Relevant Sale" means a sale, transfer or other disposition of the entire issued share capital of the Company to one Person or group of Persons acting in concert.

"Remuneration Committee" has the meaning given to that term in any Shareholders' Agreement.

"Scheme" means the Advanced Payment Solutions Limited 2005 Unapproved Employee Share Option Scheme.

"Shareholder" means any holder of Shares (but excludes the Company holding Treasury Shares) and **"Shareholders"** shall be construed accordingly.

"Shareholders' Agreement" means any agreement between the Company, the shareholders or certain shareholders of the Company that may be in place from time to time and as may be amended from time to time.

"Shares" means any shares in the capital of the Company from time to time.

"Statutes" means the Companies Act as defined in section 2 of the Companies Act 2006 and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company.

"Third Party Purchaser" means any person not an original party to any Shareholders' Agreement or an Affiliate of an original party to any Shareholders' Agreement.

"Treasury Shares" means shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Companies Act.

"Warehouse" means any or all of the Company, an Employee Trust or employees of any Group Company in such numbers and proportions of Shares as a Remuneration Committee (as constituted under any Shareholders' Agreement) may determine.

- 2.2 Words and expressions defined in or having a meaning provided by the Companies Act (but excluding any statutory modification not in force on the date of adoption of these Articles) or any Shareholders' Agreement will, unless the context otherwise requires, have the same meanings when used in these Articles.

- 2.3 For the purposes of determining whether any rights are available to any Shareholder, or in respect of the discharge or exercise of any rights pursuant to these Articles, an Investor may aggregate the shareholdings of all members of that Investor Group, and any such holders may allocate amongst themselves any rights they may be entitled to exercise pursuant to these Articles as they shall determine. Any members of the Investor Group may designate by notice in writing to the Company one person to serve as the representative for such holders and for the purpose of exercising any rights or undertaking any obligations of such group pursuant to these Articles and the Company shall accordingly be entitled to rely upon the exercise by such representative on behalf of such holders for such purposes.

3. Share capital

- 3.1 As at the date of adoption of these Articles, the share capital of the Company is comprised of Ordinary Shares, having the rights attaching to them as set out in Article 4.
- 3.2 No limit shall apply to the amount of the Company's share capital.

4. Ordinary Shares

- 4.1 The Ordinary Shares shall carry the following rights:

(a) Dividends

Any dividends declared or paid by the Company shall be divided pro rata between holders of Ordinary Shares based on the numbers of shares held. Any dividends shall be approved by the Board with the Investor Director (if appointed) voting in the majority.

(b) Voting

The holders of the Ordinary Shares shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and the holders of Ordinary Shares who (being individuals) are present in person or by proxy or (being corporations) are present by duly authorised representative or by proxy shall, on a show of hands, have one vote each, and, on a poll, shall have one vote for each Ordinary Share of which he is the holder.

(c) Capital

On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares in proportion to the numbers of the Ordinary Shares held by them.

5. Variation of rights

- 5.1 Whenever the share capital of the Company is divided into different classes of share, 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) either (i) with the consent in writing of the holders of more than three-fourths of the issued shares of that class, or (ii) with the sanction of a special resolution passed at a separate general meeting of the holders of that class. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply.

6. **Allotment of Shares**

- 6.1 The directors shall not without the authority of the Company by way of ordinary resolution and any consent required under Article 6.2, allot any Shares, save as set out under Article 6.7.
- 6.2 The directors shall not allot any Shares unless notice in writing is given to each Major Holder specifying:
- (a) the number and classes of Shares which are proposed to be issued;
 - (b) the consideration payable on such issue; and
 - (c) any other material terms or conditions.
- 6.3 The notice specified in Article 6.2 shall invite each Major Holder to state, in writing within ten (10) Business Days from the date of such notice (which date shall be specified therein), whether he/it is willing to subscribe for any, and if so, how many Shares.
- 6.4 The Shares proposed to be issued pursuant to Article 6.1 shall be issued to the Major Holders accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares ("**Proportionate Entitlement**"). It shall be open to each such holder to specify if he/it is willing to subscribe for Shares in excess of his/its Proportionate Entitlement ("**New Shares**") and, if the holder does so specify, he/it shall state the number of New Shares.
- 6.5 Within three (3) Business Days of the expiry of the invitation made pursuant to Article 6.3 (or sooner if all Major Holders have responded to the invitation and all the Shares proposed to be issued have been accepted in the manner provided in Article 6.3), the Board shall allocate the Shares in the following manner:
- (a) if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Company shall allocate the number applied for in accordance with the applications; or
 - (b) if the total number of Shares applied for is more than the available number of Shares to be issued, each holder shall be allocated his/its Proportionate Entitlement (or such lesser number of Shares to be issued for which he/it may have applied) applications for New Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for New Shares in his/its Proportionate Entitlement,
- and in either case the Company shall forthwith give notice of each such allocation (an "**Issue Notice**") to each of the persons to whom Shares are to be issued (a "**Member Subscriber**") and shall specify in the Issue Notice the time (being not later than ten Business Days after the date of the Issue Notice) at which the allotment of the Shares shall be made.
- 6.6 Upon such allocations being made as set out in Article 6.5, the Board shall be bound, on payment of the subscription price, to issue the Shares comprised in the Issue Notice to the Member Subscriber named therein at the time therein specified free from any lien, charge or encumbrance.
- 6.7 Notwithstanding anything herein to the contrary, the provisions of this Article 6 shall not apply to any issue in connection with the Equity Incentive Plan of up to 1,298,169 Ordinary Shares to be issued pursuant to the terms of the Equity Incentive Plan.
- 6.8 The provisions of 6.1 to 6.7 shall cease to apply immediately prior to a Listing (including a Qualifying Listing), save that, subject always to the provisions of the Companies Act, any other regulatory or statutory provision, and the terms of the Listing (or Qualifying Listing), the Major

Holders shall, on the basis specified at Article 6.4, be entitled to acquire up to 10% of the Listing Shares.

- 6.9 Notwithstanding any other provisions of this Article 6, no Shares shall be allotted to any party not bound by any Shareholders' Agreement unless that party has first entered into a Joinder Agreement pursuant to any Shareholders' Agreement.
- 6.10 The provisions of Articles 6.1 to 6.6 (inclusive) shall not apply to the allotment of Shares:
- (a) in connection with any effect of a split or subdivision of any Shares approved by the Board with the Investor Director (if appointed) voting in the majority or otherwise with the consent of an Investor Majority; or
 - (b) collectively representing up to 2% of the share capital of the Company after such allotment and issue issued or issuable in connection with debt financing transactions or equipment lease financing transactions if such transaction is approved by the Board with the Investor Director voting (if appointed) in the majority or otherwise with the consent of an Investor Majority; or
 - (c) collectively representing up to 10% of the share capital of the Company after such allotment and issue issued or issuable in connection with a bona fide business acquisition of a strategic nature or other strategic transaction of or by the Company approved by a majority of the Directors and the Investor Director (if appointed) or otherwise with the consent of an Investor Majority whether by merger, scheme of arrangement, consolidation, sale of assets, sale or exchange of shares or otherwise.

7. Transfer of Shares: General

- 7.1 No transfer of any Share shall be made or registered unless such transfer complies with the provisions of these Articles and the transferee has, if so required by the terms of any Shareholders' Agreement, first entered into Joinder Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles.
- 7.2 For the purposes of these Articles, the following shall be deemed (but without limitation) to be a transfer by a holder of Shares in the Company:
- (a) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted or issued or transferred to some person other than himself, or a Family Trust; and
 - (b) any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by an instrument in writing.

8. Permitted transfers

Notwithstanding the provisions of any other Article, the transfers set out in this Article 8 shall be permitted without restriction and the provisions of Articles 9 and 10 shall have no application.

8.1 Permitted transfers by Investors

Subject to Article 7, any Investor shall be entitled to transfer all or any of its Shares without restriction.

8.2 Permitted Transfers by individuals

- (a) Subject to Articles 8.2(a) to 8.2(f) inclusive, any holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be:
 - (i) a Family Member of his; or
 - (ii) trustees to be held under a Family Trust in relation to that individual.
- (b) Subject to Article 8.2(d), no Shares shall be transferred under Article 8.2(a) by an individual who previously acquired those Shares by way of transfer under Article 8.2(a) save to another individual who is a Family Member of the original holder of such Shares to trustees to be held under a Family Trust in relation to the original holder of such Shares.
- (c) No transfer of Shares shall be made by a holder under Article 8.2(a):
 - (i) unless in the case of a transfer under Article 8.2(a)(ii), the Board (acting with Investor Majority) has confirmed (such confirmation not to be unreasonably withheld or delayed) in writing their satisfaction:
 - (A) with the terms of the instrument constituting the relevant Family Trust and in particular with the powers of the trustees;
 - (B) with the identity of the trustees and the procedures for the appointment and removal of trustees;
 - (C) with the restrictions on changes in the terms of the trust instrument and on the distributions by the trustees; and
 - (D) that none of the costs incurred in establishing or maintaining the relevant Family Trust will be payable by any member of the Group; and
 - (ii) without the prior approval of the Investor Majority, if the proposed transfer will result in 50% or more of the Shares originally held by the member being held by that holder's Family Trust or Family Members.
- (d) Where Shares are held by trustees under a Family Trust:
 - (i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved in writing by the Board;
 - (ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under Article 8.2(a) if he had remained the holder of them; and
 - (iii) if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under Articles 8.2(d)(i) or 8.2(d)(ii)), the trustees shall transfer the Shares held by them to the seller or beneficiaries if they are Family Members and the trust so permits but to the extent the trustees are unable to comply with this Article 8 they shall be deemed to have given a Transfer Notice in respect of those Shares that cannot be so transferred.
- (e) If:
 - (i) any person has acquired Shares as a Family Member of a holder by way of one or more transfers permitted under this Article 8; and

- (ii) that person ceases to be a Family Member of that holder

that person shall forthwith transfer all the Shares then held by that person back to that holder, for such consideration as they agree, within fifteen (15) Business Days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the Shares then held by that person pursuant to Article 9.

- (f) If the personal representatives of a deceased holder are permitted under these Articles to become registered as the holders of any of the deceased holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under Article 8.2 to any person to whom the deceased holder could have transferred such Shares under Article 8.2 if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this Article 8.

8.3 ***Permitted Transfers by all Shareholders***

- (a) Any holder may at any time transfer any Shares in accordance with the provisions of the Companies Act to the Company.
- (b) Any holder may at any time transfer all or any of his Shares to any other person with the prior written consent of the Board acting with the consent of the Investor Majority and subject to the provisions of these Articles.

9. **Right of refusal**

- 9.1 Except as permitted under Article 8, and for the avoidance of doubt save in relation to the Investors (for which this clause 9.1 shall not apply), any Shareholder who wishes to transfer Shares (the "**Vendor**") shall (subject always to the provisions of Article 10) give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:

- (a) the number of Shares (the "**Sale Shares**") which he wishes to transfer;
- (b) the name of any third party to whom he proposes to sell or transfer the Sale Shares;
- (c) the price at which he wishes to transfer the Sale Shares (the "**Provisional Transfer Price**"); and
- (d) all other material terms and conditions in respect of the proposed sale or transfer of the Sale Shares.

- 9.2 The Transfer Notice shall not be conditional upon all, and not part only, of the Sale Shares so specified.

- 9.3 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified:

- (a) that all the Sale Shares shall be included for transfer;
- (b) that it is not conditional upon all and not part only of the Sale Shares being sold.

- 9.4 No Transfer Notice, once given or deemed to be given in accordance with these Articles, shall be withdrawn unless the Vendor is obliged to procure the making of an offer under Article 10 and is unable to procure the making of such an offer. In that event the Vendor shall be entitled to withdraw such Transfer Notice without liability to any person, prior to completion of any transfer.

9.5 The Transfer Notice shall, constitute the Company as agent of the Vendor for the sale of the Sale Shares at the Transfer Price which shall be calculated as follows:

- (a) with the consent of the Board (to include the approval of the Investor Director (if appointed) or otherwise the Investor Majority)), the Provisional Transfer Price specified in the Transfer Notice or such other price as may be agreed by the proposing transferor and the Board (to include the approval of the Investor Director (if appointed) or otherwise the Investor Majority));
- (b) in the absence of agreement under Article 9.5(a), the lower of:
 - (i) the price per share specified in the Transfer Notice; and
 - (ii) if the Board or the proposing transferor elects within fifteen (15) business days after the date of service or deemed service of the Transfer Notice to instruct the Independent Financial Expert for the purpose, the fair value of the Sale Shares as at the date of service or deemed service of the Transfer Notice and as determined in accordance with Article 9.
- (c) The Company shall forthwith upon receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price give notice in writing to each holder of Shares (other than the Vendor) informing them that the Sale Shares are available and of the Transfer Price. Such notice shall invite each holder to state, in writing within twenty (20) Business Days from the date of such notice (which date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares which shall, if he so wishes, include an amount in excess of his Proportionate Entitlement as defined in Article 9.5(d). For the purposes of allocation of the Sale Shares, the Sale Shares shall be treated as offered:
 - (i) in the first instance to Warehouse;
 - (ii) to the extent not accepted under clause 9.5(c)(i) above, thereafter to all Major Holders; and
 - (iii) to the extent not accepted under either clause 9.5(c)(i) or 9.5(c)(ii) above, to all holders of Shares who are not Major Holders.

Provided that, any acceptance by the Company assumes that the Company has or will on the date of completion have satisfied the requirements of the Companies Act to purchase the Sale Shares in question and if any such Sale Shares accepted by the Company cannot be bought back at completion in default of this then this Article 9 shall take effect as if no acceptance was given by the Company or (in the case of such default by the Company) by any member in respect of shares offered by or on behalf of that member to the Company.

- (d) Subject always to the order of priorities set out in Article 9.5(c) the Sale Shares shall (save in respect of any Sale Shares offered to Warehouse which shall be offered in such numbers and proportions as the Remuneration Committee or in default as the Investor Director shall direct) be treated as offered, in the event of competition, to the holders accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares of the class or classes to which the offer is made (the "**Proportionate Entitlement**"). It shall be open to each such holder to specify if he is willing to purchase Sale Shares in excess of his Proportionate Entitlement ("**Excess Shares**") and, if the holder does so specify, he shall state the number of Excess Shares.
- (e) Within twenty (20) Business Days of the expiry of the invitation made pursuant to Article 9.5(c) (or sooner if all holders of Shares have responded to the invitation and all the

Sale Shares shall have been accepted in the manner provided in Article 9.5(c)), the Board shall allocate the Sale Shares in the following manner:

- (i) if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or
- (ii) if the total number of Sale Shares applied for is more than the available number of Sale Shares, each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied); applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares in the proportion which Shares held by such holder bears to the total number of Shares held by all such holders applying for Excess Shares provided that such holder shall not be allocated more Excess Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an **"Allocation Notice"**) to the Vendor and each of the persons to whom Sale Shares have been allocated (a **"Member Applicant"**) and shall specify in the Allocation Notice the place and time (being not later than ten Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

9.6 Upon such allocations being made as set out in Article 9.5(e), the Vendor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance. If he makes default in so doing, the Investor Director (if appointed or otherwise the chairman of the Board), shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant Sale Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.

9.7 In the event of all the Sale Shares not being sold under the preceding paragraphs of this Article 9 the Vendor may, at any time within two calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares which have not been sold to any person or persons at any price not less than the Transfer Price provided that:

- (a) the Board shall refuse registration of any proposed transferee unless both the transfer and the transferee has been approved in writing by the Investor Majority;
- (b) the Board shall be entitled to refuse registration of any proposed transferee if he is or is believed to be a nominee for a person reasonably considered by the Board to be a competitor or connected with a competitor of the business of the Group;
- (c) any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer; and

- (d) the Board shall refuse registration of the proposed transferee if such transfer obliges the Vendor to procure the making of an offer in accordance with Article 9, until such time as such offer has been made and, if accepted, completed.

9.8 The restrictions on transfer in this Article 9 shall not apply to any sale or other disposition of Shares pursuant to Article 8.

10. **Right of co-sale**

10.1 Notwithstanding any other provision in these Articles, and for the avoidance of doubt save in relation to the Investors (for which this clause 10.1 shall not apply) no sale or other disposition of any Shares shall have any effect unless before the transfer is lodged for registration the proposed purchaser has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in Article 10.3) a pro rata proportion (as nearly as may be) of the Shares held by the Major Holders.

10.2 An offer made under Article 10.1 shall be in writing, open for acceptance for at least five (5) Business Days after the expiry of the invitation made pursuant to Article 9.5(c), and shall be deemed to be rejected by any Major Holder who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within ten (10) Business Days of the date of receipt of the offer.

10.3 For the purposes of Article 10.1 the expression "specified price" means a price per share at least equal to the highest price paid or payable by the proposed purchaser to the relevant holders of the Ordinary Shares.

10.4 If the specified price cannot be agreed within fifteen (15) Business Days of the proposed sale or transfer referred to in Article 10.2, it may be referred to the Independent Financial Expert by an Investor and, pending its determination, the sale or transfer referred to in Article 10.1 shall have no effect.

10.5 Notwithstanding anything herein to the contrary, the provisions of this Article 10 shall not apply to any sale or other disposition of Shares pursuant to Article 8.

11. **Drag along**

11.1 Subject always to the compliance with the provisions of and its obligations under FSMA by the Investor Majority, if the Investor Majority (in Articles 11.1 and 11.2, the "**Investor Vendors**") wish to transfer their Shares in the Company (the "**Offer**") to any person (the "**Purchaser**"), then the Investor Vendors shall also have the option to require all of the other holders of Shares, and any persons who become holders of Shares upon exercise of any options, warrants or other rights to subscribe for Shares which exist at the date of the Offer, to transfer all their Shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice (the "**Drag Along Notice**") to that effect to all such other holders (the "**Called Shareholders**"), specifying that the Called Shareholders are, or will, in accordance with these Articles 11.1 and 11.2, be required to transfer all of their Shares pursuant to Articles 11.1 and 11.2 free from all liens, charges and encumbrances and the price (the "**Proposed Price**") at which all such Shares are proposed to be transferred.

11.2 If the Called Shareholders (or any of them) shall default in transferring their Shares pursuant to Articles 11.1 and 11.2, the provisions of Article 9.6 (references therein to the Vendor, Sale Shares, Allocation Notice and Member Applicant being read as references to the holder making such default, the Shares in respect of which such default is made, Investor Vendor, the Offer, the Drag Along Notice and the Purchaser respectively) shall apply to the transfer of such Shares mutatis mutandis but the Transfer Price shall be the price offered for such Shares as set out in Article 11.1 and the provisions of Article 9.7 shall not apply.

12. Compliance

12.1 For the purpose of ensuring (i) that a transfer of Shares is duly authorised under these Articles or that (ii) no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these Articles or (iii) whether an offer is required to be or ought to have been made under Article 10, the Board may require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name.

12.2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Transfer Notice is required to be or ought to have been given, or that no offer is required to be or ought to have been made under Article 10, or that as a result of such information and evidence the Board is reasonably satisfied that such Transfer Notice is required to be or ought to have been given, or that an offer is required to be or ought to have been made under Article 10:

(a) where the purpose of the enquiry by the Board was to establish whether a Transfer Notice is required to be or ought to have been given, then a Transfer Notice shall be deemed to have been given by the holder of the relevant Shares in respect of such Shares; or

(b) where the purpose of the enquiry by the Board was to establish whether an offer is required to be or ought to have been made under Article 10.1, then in relation to the Ordinary Shares purported to have been acquired by or on behalf of the relevant person, such Ordinary Shares shall cease to entitle the relevant holder or holders (or any proxy) to voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) otherwise attaching to such Ordinary Shares or to any further shares issued in right of such Ordinary Shares or in pursuance of an offer made to the relevant holders to the extent that will result in such person or persons only being able to control that percentage of the voting rights attaching to the Ordinary Shares that such person or persons were in a position to control prior to the obligation to procure the making of an offer arising.

13. General meetings

13.1 No business shall be transacted at any general meeting unless a quorum of holders is present at the time when the meeting proceeds to business and for its duration. Two Persons, being holders of Shares present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting.

13.2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and Article 44 of the Model Articles shall be modified accordingly.

14. Written resolutions

14.1 In the case of a corporation which holds a share or shares in the capital of the Company, the signature of any director or the secretary of such corporation shall be sufficient for the purposes of any resolution in writing.

15. Removal of directors

The office of any director shall be vacated if:

- 15.1 (in the case of an Executive Director only) he shall, for whatever reason, be a Leaver; or
- 15.2 (other than in the case of the Investor Director, for so long as the Investor Majority has the right to appoint the Investor Director) not less than three quarters of the other directors request his resignation in writing,

and the provisions of Article 18 of the Model Articles shall be extended accordingly.

16. **Investor Director**

- 16.1 Subject to Article 25.6, the Investor Majority may from time to time (subject to Article 16.7) appoint one person to the position of a director of the Company with the title of investor director (an "**Investor Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove the Investor Director from office.
- 16.2 Any appointment or removal of the Investor Director shall be in writing served on the Company signed by the Investor Majority and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier, subject to Article 16.7. Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.
- 16.3 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the address for service of notice on the Investor Majority under any Shareholders' Agreement.
- 16.4 Upon written request by an Investor Majority the Company shall procure that the Investor Director is forthwith appointed as a director of any other member of the Group and to any committee of the Board or the board of any member of the Group.
- 16.5 Where any decision is to be made in relation to the exercise, enforcement or waiver of rights against any Shareholder or any director or person connected with any such member or director where any such decision is a matter to be determined by the Board, the member in question, if also a member of the Board, shall not be entitled to participate in any decision or vote in relation to any such matter.
- 16.6 The right to appoint and remove an Investor Director pursuant to Articles 16.1 to 16.4 shall cease on the Banking Licence Governance Change Date. At such time the Investor Majority shall immediately cease to have the right to appoint any directors to the Board pursuant to these Articles. Any person who was an Investor Director immediately prior to the Banking Licence Governance Change Date shall cease to be a Director (subject to the resignation or removal of such Director in accordance with these Articles). Notwithstanding any other provision of these Articles, from the Banking Licence Governance Change Date no consent of any Investor Director shall be required under these Articles to any action by the Company.
- 16.7 The right to appoint any Director pursuant to this Article or otherwise is subject always to the relevant individual satisfying any regulatory requirements to their appointment including, without limitation, obtaining the approval of the Financial Conduct Authority and/or PRA, where required.
- 16.8 In respect of any actions or matters requiring or seeking the acceptance, approval, agreement, consent or words having similar effect of the Investor Director under these Articles:
 - (a) if at any time an Investor Director has not been appointed or their appointment has been terminated pursuant to Article 16.6; or

- (b) the Investor Director declares in writing to the Company and the Investors that he considers that providing such consent gives rise or may give rise to a conflict of interest to his duties as a Director,

such action or matter shall not require the consent or approval of the Investor Director and shall instead require the Consent of the Investor Majority. References to obtaining Investor Director consent shall be read accordingly. Furthermore, any rights that the Investor Director may have shall from that point forward vest in, and may be exercised by, the Investor Majority.

17. Alternate directors

- 17.1 The appointment by any Investor Director of an alternate director shall not be subject to approval by a resolution of the Board.
- 17.2 An alternate director shall not be entitled (as such) to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in writing to the Company from time to time, direct.
- 17.3 A director may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the Board (or of any committee of the Board) to one vote for every director whom he represents (in addition to his own vote (if any) as a director), but he shall count as only one for the purpose of determining whether a quorum is present at (and during) any such meeting.

18. Proceedings of directors

- 18.1 There is no maximum number of directors.
- 18.2 The quorum for meetings of the Board shall be two directors (and where, until such time as the Company has been granted a banking licence by the PRA, one of whom must be the Investor Director (if appointed)).
- 18.3 Any director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting.
- 18.4 If a meeting is adjourned because a quorum is not present and at the adjourned meeting (provided it is at least ten (10) Business Days after the date for the original meeting and proper notice is given for such adjourned meeting) a quorum is not present within half an hour from the time appointed for that adjourned meeting the directors then present shall form a quorum.

19. Directors' interests

Specific interests of a Director

- 19.1 Subject to the provisions of the Companies 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:
- (a) 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;

- (b) 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (h) any other interest authorised by ordinary resolution.

Interests of the Investor Director

19.2 Subject to the provisions of the Companies Act and for so long as an Investor Director is appointed, an Investor Director notwithstanding his office:

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company and in which the Company is in any way interested;
- (b) may hold any other office or employment with the Company (other than the office of auditor);
- (c) may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company;
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office or employment or from any such transaction or arrangement and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- (e) save for a vote under section 175(4) of the Companies Act 2006 authorising any conflict of interest which the director or any other interested director may have or where the terms of authorisation of such conflict of interest provide that the director may not vote in situations prescribed by the Board when granting such authorisation, shall be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 19.2(a) to 19.2(d) (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever (including, but without limitation, by reason of

his employment with or being connected with any of the Investors), and if he shall vote on any resolution as aforesaid his vote shall be counted.

19.3 For the purposes of Article 19.2:

- (a) a general notice to the Board that the Investor 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;
- (b) an interest of which the Investor Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) an interest of a person who is for any purpose of the Statutes (excluding any statutory modification not in force at the date of adoption of these Articles) connected with the Investor Director shall be treated as an interest of the Investor Director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

19.4 In addition to the provisions of Article 19.1, subject to the provisions of the Companies 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, where a Director is the Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:

- (a) an Investor or a member of the Investors Group; or
- (b) any of the funds advised or managed by a the Investor Group.

19.5 Any approval of a conflict of interest (other than a conflict of interest of the Investor Director) will be subject, in addition to board authorisation pursuant to section 175 of the Companies Act 2006, to obtaining the prior consent in writing of the Investor Majority who may specify that certain conditions be attached to such authorisation. Any such board authorisation pursuant to section 175 of the Companies Act which is given without obtaining the prior consent in writing of the Investor Majority or without such conditions attaching to the authorisation as specified by the Investor Majority will be ineffective.

19.6 Any conflict of interest of the Investor Director may be authorised either by way of authorisation of the Board as set out at section 175 of the Companies Act or by approval of the Investor Majority.

19.7 The Investor Director will not be in breach of his duty under sections 172, 174 and 175 of the Companies Act or the authorisation given by Articles 19.4 to 19.7 by reason only that he receives confidential information from a third party relating to a conflict of interest which has been authorised by these Articles 19.4 to 19.7 and either fails to disclose it to the directors or fails to use it in relation to the Company's affairs.

20. The seal

20.1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is

affixed and, unless otherwise so determined, it shall be signed by a director and by the secretary or a second director.

- 20.2 The Company may exercise the powers conferred by section 39 of the Companies Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

21. Indemnity

Subject to the provisions of the Companies Act, the Company may indemnify every director or other officer of the Company (other than the Auditors) out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, (other than any proceedings brought by the Company or any Group Company) whether civil or criminal, and in which judgment is given either in his favour or against him, or in which he is acquitted or in connection with any application in which relief is granted to him by any court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company or which is settled out of court or otherwise comes to an end without judgement being obtained in relation to any such matters as aforesaid. No director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto. This Article 21 shall only have effect in so far as its provisions are not avoided by sections 232, 233, 234, 236, 256 and 533 of the Companies Act. The Board shall have power to purchase and maintain for any director or other officer of the Company insurance against any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company and may loan monies to any such director or officer for the purposes of settling any costs or expenses incurred in defending any such proceedings including any regulatory proceedings.

22. Borrowing powers

Subject to the terms of any Shareholders' Agreement, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the Companies Act, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

23. Lien

The lien conferred by regulation 8 of Table A shall attach to all shares, whether or not fully paid up and to all shares registered in the name of any person indebted or under liability to the Company (whether he shall be the sole registered holder of such shares or shall be one of two or more joint holders) and shall be for all moneys owing on any account whatsoever to the Company.

24. Independent Financial Expert determination

- 24.1 If any matter under these Articles is referred to the Independent Financial Expert for determination then the Independent Financial Expert shall act as expert and not as arbitrator and their decision shall be conclusive and binding on the Company and all the holders of Shares (in the absence of fraud or manifest error).

- 24.2 The costs of the Independent Financial Expert shall be borne by the Company unless the Independent Financial Expert shall otherwise determine.

25. Nominal amounts

- 25.1 Where determination is required of the apportionment or other entitlement of or to rights, obligations, dividends, distributions or other returns in respect of shares in the capital of the Company the same shall to the extent lawful be determined by reference to the number of shares and not by reference to the nominal amounts of such shares.