

# **New Articles of Association of LPM Group Limited**

(now known as Axis Group Integrated Services Limited  
Company number 05993870)

**The Companies Acts 1985 and 1989  
Company Limited by Shares** (as adopted  
by Written Resolution passed on 24 November 2006  
and as amended by Special Resolution passed on  
29 October 2015)

THURSDAY



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COMPANIES HOUSE

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Company number 5993870

NEW  
ARTICLES OF ASSOCIATION  
of

LPM Group Limited (the "Company")

(as adopted by Written Resolution passed on 24 November 2006)  
*(and as amended by Special Resolution passed  
on 29 October 2015)*

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**1 Preliminary**

1.1 The regulations contained in Table A as prescribed by the regulations made under the Act in force at the Adoption Date (hereinafter referred to as "Table A") shall apply to the Company in so far as these Articles do not exclude or modify Table A. A reference herein to any regulation is to that regulation as set out in Table A.

1.2 In these Articles the following words and expressions shall have the meanings set out below

|                   |  |
|-------------------|--|
| A Shareholders    | the registered holders of the A Shares   |
| A Shares          | A shares of 10p each in the capital of the Company   |
| the Act           | the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force  |
| Adoption Date     | 24 November 2006, being the date on which these Articles are adopted as the Articles of Association of the Company   |
| Arrears           | in relation to any share, all accruals, deficiencies and arrears of any dividend or other monies payable in respect of or otherwise in relation to such share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient distributable profits to pay such dividend or other monies together with all interest and other amounts payable thereon |
| Asset Sale        | the disposal by the Company of all or substantially all of its undertaking and assets  |
| Auditors          | the auditors of the Company from time to time  |
| Bad Leaver        | an Employee who becomes a Leaver for a reason other than one of the reasons referred to in Article 13.3  |
| B Shareholders    | the registered holders of the B Shares   |
| B Shares          | B shares of 10p each in the capital of the Company   |
| Completion        | the proposed place, date and time of completion of the transfer of Forcing Sellers' Shares as specified in the Drag along Notice   |
| Defaulting Member | any Other Member who fails to comply with a Drag along Notice  |

|                         |   |
|-------------------------|---|
| Directors               | the directors of the Company, acting by a resolution of the board passed in accordance with the provisions of these Articles  |
| Drag along Notice       | a notice given by the Forcing Sellers in accordance with Article 11 10  |
| Employee                | a director or employee of, or a consultant to, any Group Company  |
| Employee Trust          | a trust established with the consent of an Investor Majority whose principal beneficiaries are Employees  |
| Equity Share Capital    | collectively, the A Shares and the B Shares and, except as otherwise expressly specified, for the purposes of these Articles the A Shares and the B Shares shall be treated as separate classes   |
| Fair Value              | the price determined in accordance with Article 11 4 or Article 13 4  |
| Forced Sale Shares      | shares in the capital of the Company which are transferred by Other Members pursuant to Article 11 12 (as the case may be)  |
| Forcing Sellers         | those Investors who hold a majority in nominal value of the A Shares  |
| Forcing Sellers' Shares | all of the A Shares held by the Forcing Sellers   |
| Further Securities      | any shares in the capital of the Company or right to subscribe for or to convert into such shares which, in either case, the Company proposes to allot or grant (as the case may be) after the Adoption Date  |
| Good Leaver             | an Employee who becomes a Leaver for one of the reasons referred to in Article 13 3   |
| Group                   | the Company and its subsidiaries and subsidiary undertakings from time to time and "Group Company" shall be interpreted accordingly   |
| ICTA                    | the Income and Corporation Taxes Act 1988   |
| Independent Expert      | an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or in the event of a disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales, in either case, being a valuations practitioner in an internationally recognised professional services firm |
| Investment Fund         | any person holding shares (including any beneficial interest therein) for investment purposes   |
| Investor Majority       | means the holders of a majority in nominal value of the 'A' Shares  |
| Investor(s)             | the holder(s) of A Shares   |

|                            |   |
|----------------------------|---|
| Issue Date                 | the date of the issue and allotment of any B Shares to any Employee or Permitted Transferee of an Employee  |
| Leaver                     | <p>an Employee</p> <p>(a) whose contract of employment, consultancy or directorship with any Group Company terminates for any reason, and</p> <p>(b) who in any such case does not continue as an employee of or consultant to another Group Company</p>  |
| Listing                    | a successful application being made to the United Kingdom Listing Authority and the London Stock Exchange plc for admission to listing and trading of any of the Equity Share Capital, or a successful application for admission to trading of such shares to any other recognised investment exchange or overseas investment exchange which has in any such case been approved by the Investor   |
| a Member of the same Group | as regards any company, a company which is for the time being a subsidiary or holding company of that company or a subsidiary of any such holding company   |
| Notice Date                | the date on which a Transfer Notice is either given in accordance with Article 11 1 or shall be deemed to have been given pursuant to any of the provisions of these Articles   |
| Other Members              | all shareholders of the Company other than the Forcing Sellers  |
| Permitted Share Issue      | the issue of any shares in the capital of the Company or grant of a right to subscribe for, or to convert securities into, shares in the capital of the Company to any employee of, consultants to, directors or chairman of the Company pursuant to the terms of any investment agreement entered into by the Company and the B Shareholders   |
| Permitted Transfer         | a transfer of shares authorised pursuant to Article 10  |
| Permitted Transferee       | any shareholder who receives Shares pursuant to a Permitted Transfer  |
| Prescribed Period          | <p>the period during which Sale Shares have to be offered for sale and can be accepted by other members, being the period commencing on</p> <p>(a) the Notice Date if the Prescribed Price has been agreed by such time in accordance with Article 11 3(a) or 11 3(b), or</p> <p>(b) the date the Prescribed Price is determined by the Auditors, if the price has to be determined by the Auditors in accordance with Article 11 4</p> <p>and ending 42 days thereafter (as the case may be)</p> |

|                           |   |
|---------------------------|---|
| Prescribed Price          | <p>shall be either (as the case may be)</p> <p>(a) as determined by the Proposing Transferor and Directors or by reference to a previous bona fide offer, in each case in accordance with Article 11 3, or</p> <p>(b) as determined by the Auditors in accordance with Article 11 4</p>   |
| Privileged Relation       | <p>in relation to an individual member or deceased or former individual member</p> <p>(a) the husband or wife or the widower or widow of such member,</p> <p>(b) all the lineal descendants and ascendants in direct line of such member,</p> <p>(c) the brothers and sisters of such member and their lineal descendants, and</p> <p>(d) a husband or wife or widower or widow of any of the persons referred to in paragraphs (a), (b) and (c) above</p> <p>and for these purposes a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant</p>   |
| Proposed Purchaser        | a proposed purchaser who at the relevant time has made a bona fide offer on arm's length terms for all the Forcing Sellers' Shares  |
| Proposing Transferor      | any person proposing or required to transfer any shares in the capital of the Company but excluding any transfer that constitutes a Permitted Transfer  |
| Purchaser                 | a member or other person willing to acquire any Sale Shares in accordance with Article 11 5 or 11 6 (as the case may be)  |
| Qualifying A Shareholders | shall have the meaning given in Article 6 1   |
| Sale                      | <p>the sale (which shall for these purposes exclude any Permitted Transfers pursuant to any of the provisions of Articles 10 1(a) to 10 1(f) (inclusive)) of any part of the Equity Share Capital to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the Adoption Date) with such person holding 90 per cent or more of the issued Equity Share Capital and for the purposes of these Articles, the A Shareholders at the Adoption Date and any person(s) for the ultimate benefit of whom such holders are holding such A Shares shall not be deemed to be acting in concert with each other</p> |

|                       |   |
|-----------------------|---|
| Sale Amount           | the aggregate value of all consideration received by all shareholders on a Sale or on a sale by the Company of all or substantially all of the assets of the Company, and where all or any of such consideration is otherwise than cash the value shall be taken as the sum certified by the Auditors at the cost of the Company acting as expert and not as arbitrator and whose certification shall be final and binding on all members save in the case of manifest errors being in their opinion the market value of such consideration on the date of the Sale |
| Sale Shares           | shares in the capital of the Company which the Proposing Transferor intends or is required to transfer  |
| SCPLL                 | Sovereign Capital Partners LLP  |
| Shares                | shares in the capital of the Company  |
| Subscription Price    | the amount paid up or credited as paid up on a Share, including the full amount of any premium at which such Share was issued whether or not such premium is subsequently applied for any purpose   |
| Tag Shares            | shares in the capital of the Company which are sold pursuant to an offer received in accordance with Article 11 9(a)  |
| Total Transfer Notice | a Transfer Notice which specifies, in accordance with Article 11 1, that the Proposing Transferor is only willing to transfer all of the Sale Shares specified in the Transfer Notice   |
| Transfer Notice       | a notice in accordance with Article 11 1 that a member desires to transfer all or some of his shares in the capital of the Company  |

- 1 3 Words and expressions which are defined in the Act shall have the meanings attributed to them in the Act when used in these Articles unless otherwise defined or the context otherwise requires
- 1 4 References to persons in these Articles shall, in addition to natural persons, include bodies corporate, partnerships and unincorporated associations
- 1 5 References to the singular includes the plural and vice versa and any reference to gender includes other genders
- 1 6 Any change in (or change in the respective entitlements of) the partners, participants, shareholders, unitholders (or any other interests) in any member which is an Investment Fund or any mortgage, charge or other encumbrance created over their interest in any such Investment Fund shall not be regarded as a transfer of or a disposal of any interest in any shares in the capital of the Company for the purposes of these Articles
- 1 7 For the purposes of Articles 9 1, 9 3 and 10, the following shall be deemed (but without limitation) to be a disposal of shares in the capital of the Company
- (a) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of shares in the capital of the Company that a share be allotted or issued or transferred to some person other than himself, and
  - (b) any sale or any other disposition (including by way of mortgage, charge or other security interest) 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

## **2 Authorised share capital and share rights**

2 1 The share capital of the Company at the Adoption Date is £100,000 divided into 850,000 A Shares and 150,000 B Shares

2 2 Save as may be expressly set out in these Articles, the A Shares and the B Shares shall be treated on a pari passu basis

## **3 Dividends**

3 1 The A Shares shall rank pari passu in all respects as to dividend with the B Shares. No dividend shall be declared or paid on the B Shares without a like dividend being declared or paid, as the case may be, on the A Shares

3 2 The Company shall use its discretion in deciding whether to procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends to the extent possible as are necessary to permit lawful and prompt payment by the Company of any Arrears in accordance with these Articles

## **4 Liquidation preference**

On a return of assets on a liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed in the following order of priority

- (a) first, the A Shareholders shall be entitled to receive in respect of their A Shares (in proportion to the number of such shares held by each of them) an aggregate amount equal to the Subscription Price for their A Shares, together with a sum equal to any Arrears calculated down to the date of the return of capital,
- (b) second, the B Shareholders shall be entitled to receive in respect of their B Shares (in proportion to the number of such shares held by each of them) an aggregate amount equal to the Subscription Price for their B Shares, together with a sum equal to any Arrears calculated down to the date of the return of capital, and
- (c) thereafter any balance of such remaining assets shall be distributed on a pari passu basis among the A Shareholders and B Shareholders (pro rata based on each holder's respective holdings in the Equity Share Capital)

## **5 Sale preference**

5 1 In the event of a Sale (and whether the consideration on such Sale is to be satisfied in cash, shares, loan stock or a combination thereof or otherwise), the total of all and any consideration (whether cash or otherwise) which comprises the Sale Amount received in respect of the shares that are the subject of the Sale shall be reallocated between the holders of such shares so as to ensure the following order of application of the aggregate sale proceeds as follows

- (a) first, in paying to the A Shareholders an aggregate amount equal to the Subscription Price on all such shares together with all Arrears and other amounts due or owing thereon,
- (b) second, in paying to the B Shareholders an aggregate amount equal to the Subscription Price on each of such shares together with all Arrears and other amounts due or owing thereon, and



- (c) thereafter, in paying the balance (if any) on a pari passu basis among the A Shareholders and B Shareholders (pro rata based on each holder's respective holdings in the Equity Share Capital),

5 2 In the event of an Asset Sale, the surplus assets of the Company after payment of its liabilities shall be distributed (insofar as the Company is lawfully able to do so) in the order of priority set out in Article 5 1 provided that if it is not lawful for the Company to distribute such surplus assets in this way, the surplus assets will be offered to the shareholders in accordance with Article 4

5 3 For the avoidance of doubt, the provisions of Article 5 1 shall apply to any Sale that results from the application of Article 11 9 or 11 10 or 11 14

## 6 Votes in general meeting

6 1 Each holder of A Shares holding not less than five per cent of all the issued A Shares (a "Qualifying A Shareholder") shall be entitled to receive notice of, to attend and to vote at, general meetings of the Company, every Qualifying A Shareholder 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 on a show of hands have one vote and, on a poll the number of votes available to all Qualifying A Shareholders shall be equal to the number of issued A Shares and shall be attributed and be exercisable by the Qualifying A Shareholders pro rata to their respective holdings of A Shares. Holders of A Shares holding less than five per cent of all of the issued A Shares shall not be entitled to receive notice of, or to attend and to vote at, general meetings of the Company

6 2 The B Shareholders shall be entitled to receive notice of, to attend, and to vote at, general meetings of the Company, subject to Articles 6 3, and 7, every B Shareholder 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 on a show of hands and on a poll every B Shareholder so present shall have one vote for each B Share (as the case may be) held by him

6 3 Notwithstanding the provisions of Article 6 2 or any other provision of these Articles, a Leaver shall not have any rights to receive notice of any general meeting of the Company or vote at any such meeting save to the extent that such Leaver continues to hold Shares following the application of the provisions of Article 13

## 7 Rights to appoint Director

The Investors (acting by an Investor Majority) shall have the right, by notice in writing signed by it and delivered to the registered office of the Company, to appoint two persons nominated by it as non-executive directors of the Company and to remove from office any persons so appointed and, upon them ceasing to hold office for any reason whatever, to reappoint them or to appoint another person or persons in his or their place. In the event that any resolution put to a general meeting of the Company is one which directly or indirectly varies, modifies, alters or abrogates the right of the Investors contained in this Article 7 or is for the removal of any such Directors, the Investors shall have, on a show of hands and on a poll, 1,000 votes for each A Share held by the Investors

## 8 Issue of shares and pre-emption on issue

8 1 Except in the case of a Permitted Share Issue, no Further Securities shall be allotted or granted (as the case may be) to any person unless the Company has, in the first instance, offered such Further Securities to all holders of the Equity Share Capital on the same terms and at the same price as such Further Securities are being offered to such other person on a pari passu and pro rata basis to the number of shares comprised in the Equity Share Capital held by such holders (as nearly as may be without involving fractions). Such offer

- (a) shall stipulate a time not less than seven days and not exceeding twenty one days within which it must be accepted or in default will lapse, and

- (b) may stipulate that any members who desire to subscribe for in excess of the proportion to which each is entitled shall in their acceptance state how many excess Further Securities they wish to subscribe for
- 8 2 Any Further Securities not accepted by members pursuant to the offer made to them in accordance with Article 8 1 above shall be used for satisfying any requests for excess Further Securities made pursuant to Article 8 1(b) above and
  - (a) in case of competition, such excess Further Securities shall be allotted to the applicants in proportion (as nearly as may be without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings of shares comprised in the Equity Share Capital, and
  - (b) thereafter, any excess Further Securities may be offered by the Directors to any other person at the same price and on the same terms as the offer to the members
- 8 3 In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company
- 9 General restrictions and information relating to transfers**
- 9 1 No person shall transfer, mortgage, charge or otherwise dispose of the whole or any part of his legal or beneficial interest in, or grant any option or other rights over, any shares in the capital of the Company (any of the foregoing for the purposes of this Article 9 1 and Articles 9 3 and 10 being a "disposal") except for
  - (a) a Permitted Transfer, which may take place without being subject to the provisions of this Article 9 or Article 11,
  - (b) a sale of the entire legal title to and beneficial interest in any Shares in accordance with Article 11, or
  - (c) a disposal of shares in the capital of the Company which is required to be made pursuant to any provisions of the Articles
- 9 2 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 such form as the Directors may reasonably require and if any such condition is imposed the transfer may not be registered unless such deed has been executed and delivered by the transferee
- 9 3 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 therein) in breach of these Articles the Directors may, and shall if so requested in writing by an Investor Majority 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 such other person as the Directors or an Investor Majority may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Directors may 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 in the capital of the Company from time to time registered in the holder's name Failing such information or evidence being furnished to enable the Directors to determine to their reasonable satisfaction that no such breach has occurred, or that as a result of such information and evidence the Directors are reasonably satisfied that such breach has occurred, the Directors shall forthwith notify the holder of such shares in the capital of the Company in writing of that fact whereupon

- (a) all the shares in the capital of the Company shall cease to confer upon the holder thereof (or any proxy thereof) any rights
  - (i) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question), or
  - (ii) to receive dividends or other distributions (other than the Subscription Price of the relevant shares in the capital of the Company upon a return of capital)
 otherwise attaching to such shares in the capital of the Company or to any further shares in the capital of the Company issued in right of such shares or in pursuance of an offer made to the relevant holder, and
- (b) the holder may be required at any time following such notice to transfer some or all of its shares in the capital of the Company to such person(s) at such price as the Directors may require by notice in writing to such holder

The rights referred to in (a) above may be reinstated by the Directors with the consent of an Investor Majority or, if earlier, upon the completion of any transfer referred to in (b) above

- 9 4 If the Directors shall in accordance with these Articles have required a Transfer Notice to be given and it is not given within a period of one month or such longer period as the Directors may allow for the purpose, such Transfer Notice shall be deemed to have been given on any date after the expiration of such period as the Directors may notify to the holder and these Articles shall take effect accordingly

#### 10 Permitted transfers

- 10 1 Subject to Articles 10 2 and notwithstanding Article 11, any share in the capital of the Company may at any time be transferred without being subject to the restrictions contained in the provisions of Articles 9 1 and 11
- (a) to any person with the prior consent in writing of holders of shares entitled to cast 95 per cent of the votes exercisable on a poll at a general meeting of the Company (which consent may be granted unconditionally or subject to terms or conditions and in the latter case any share so transferred shall be held subject to such terms and conditions notified in writing to the transferee prior to registration of the transfer), or
  - (b) by any individual member to a Privileged Relation of such member, or
  - (c) by any person entitled to shares in consequence of the death or bankruptcy of an individual member to any person or trustee to whom such individual member, if not dead or bankrupt, would be permitted hereunder to transfer the same, or
  - (d) by an Investment Fund
    - (i) to any Member of the same Group as the Investment Fund, or
    - (ii) to any unitholder, shareholder, partner, trustee, beneficiary, participant in or manager of or adviser to (or an employee, of or a director of such manager or adviser or any trust or carried interest or similar partnership in which such employees or directors participate) the Investment Fund or SCPLLP, or
    - (iii) to any other Investment Fund managed or advised or promoted by the same manager or adviser as the transferring Investment Fund or SCPLLP or to any Member of the same Group of such manager or adviser or SCPLLP, or

- (iv) to any trustee or nominee of or custodian for the Investment Fund or for any other transferee under paragraph (i), (ii) or (iii) of this Article 10 1(d), or
- (v) to a member who is already an Investor or a Permitted Transferee of such Investor, or
- (vi) to any other Investment Fund to whom an Investor shall transfer shares by way of syndication of its investment, in whole or in part, with the prior written consent of SCPLLP,
- (e) by a trustee or nominee of or custodian for an investment fund to the Investment Fund or to any of the persons referred to in paragraph (i), (ii) or (iii) of Article 10 1(d),
- (f) by any person in the case of transfer of any Tag Shares or, Forcing Sellers' Shares which are being transferred pursuant to a Drag along Notice, or Forced Sale Shares, or
- (g) by any person with the consent of an Investor Majority, in the case of a transfer of any shares to any current or future Employee or an Employee Trust pursuant to Article 13 5

10 2 A Permitted Transfer shall only comprise the whole legal and beneficial interest in any share except pursuant to paragraph (a), (d) or (e) of Article 10 1 in respect of which the transfer may include a disposal of any interest in any shares

## 11 Pre-emption on transfer, tag and drag

### *Obligation to give notice of desire to transfer*

11 1 A Proposing Transferor shall be required before effecting, or purporting to effect, a transfer, to give a Transfer Notice that he desires to transfer the Sale Shares and shall state in the Transfer Notice the identity of the person (if known) to whom he desires to transfer the Sale Shares. The Transfer Notice shall, in addition

- (a) include such other details of the proposed transfer as the Directors may in their absolute discretion determine,
- (b) state whether the Proposing Transferor is willing to transfer only some of the Sale Shares (which he shall not be entitled to do if he is required by virtue of any provision of these Articles, other than this Article 11, to give a Transfer Notice), and
- (c) not be revocable except
  - (i) with the consent of the Directors,
  - (ii) if some of the Sale Shares are held by or for the Investor and a Transfer Notice is subsequently given by a holder of B Shares that requires an offer to be made pursuant to Article 12 1 during the Prescribed Period for such Sale Shares,

and if a Transfer Notice is or becomes revocable then the holder of such Sale Shares shall be entitled to revoke his Transfer Notice in part or in its entirety forthwith upon giving written notice to the Company at any time during the Prescribed Period

### *Company agent for sale*

11 2 The Transfer Notice shall constitute the Company as the Proposing Transferor's agent for the sale of the legal title to and entire beneficial interest in the Sale Shares and all rights attached to the Sale Shares, at the Prescribed Price during the Prescribed Period to any member or to any other person selected or approved by the Directors on the basis set out in the following provisions of these Articles

*Determination of the Prescribed Price*

11 3 The Prescribed Price shall be whichever is applicable of

- (a) the price per Sale Share agreed not more than one month before the Notice Date between the Proposing Transferor and the Directors as representing the market value of the Sale Shares (less the amount per Sale Share of any dividend or other distribution declared or made after such agreement and prior to the date on which the Transfer Notice was given (or deemed to have been given)), or
- (b) if no such agreement has been reached by the Notice Date, the price contained in a bona fide offer received from a third party by the Proposing Transferor not more than one month before the Notice Date and which remains open for acceptance in respect of the Sale Shares until at least seven days after the last date for compliance with the pre-emption provisions contained in this Article 11 (but subject to the right of the Directors to satisfy themselves that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser or other arrangement or agreement and so open for acceptance), or
- (c) if neither paragraph (a) nor (b) applies or if the Transfer Notice has been required to be given or is deemed to have been given under these Articles (other than this Article 11), the price determined in accordance with Article 11 4 by the Auditors or, if they decline to act, any other firm of chartered accountants selected by the Directors and references elsewhere in these Articles to the Auditors shall include any such firm

*Determination by the Auditors*

11 4 If the price is to be determined by the Auditors following the giving of the Transfer Notice, the Directors shall refer the matter to the Auditors and the Auditors shall determine and certify to the Directors the amount which represents in their opinion the fair value (the "Fair Value") of each Sale Share as at the Notice Date In determining Fair Value

- (a) it shall be assumed that the sale is between a willing buyer and a willing seller by arm's length private treaty for cash payable on completion,
- (b) no addition or subtraction of any premium or discount arising in relation to the size of the holdings to be valued shall be applied, and
- (c) no addition or subtraction of any premium or discount arising in relation to any restrictions on the transferability of the Sale Shares shall be applied,

but the Auditors shall otherwise have regard to such criteria as they shall regard as appropriate for the purpose In so reporting, the Auditors shall be considered to be acting as experts and not as arbitrators and, accordingly, the Arbitration Act 1996 or any statutory re-enactment or modification of it for the time being in force shall not apply The cost of obtaining the Auditor's report shall be borne by the Company

If the Auditors decline to act in respect of any referral or the Proposing Transferor disputes the Auditors' determination of the Fair Value, the matter will be determined by an Independent Expert The Independent Expert shall act in accordance with the guidelines prescribed in this Article 11 4 The costs of obtaining the Independent Expert's report shall in all cases be borne by the Company except where the Proposing Transferor disputed the Auditors' determination of Fair Value by a margin of more than 15 per cent of the Fair Value determined by the Independent Expert in which case the Proposing Transferor shall bear the costs of obtaining the Independent Expert's report The report of the Independent Expert shall be final and binding on the parties except in the case of fraud or manifest error

*Offer to other members*

11 5 All Sale Shares shall by notice in writing be offered by the Company promptly following the commencement of the Prescribed Period to each member, other than the holder of the Sale Shares, for purchase at the Prescribed Price on a pari passu and pro rata basis to their existing holding of the Equity Share Capital (as nearly as may be without involving fractions) Each such offer

- (a) shall stipulate a period of time being not less than seven nor more than 21 days during which it must be accepted in writing or in default will lapse as regards that offeree, and
- (b) may stipulate that any member who desires to purchase more Sale Shares than the proportion to which he is entitled shall in his acceptance state how many excess Sale Shares he wishes to purchase

Any Sale Shares not purchased by any member shall be used to satisfy the requests by acceptors for excess Sale Shares pro rata to their existing respective holdings of shares in the Equity Share Capital

*Offers to third parties*

11 6 Any Sale Shares not purchased by members pursuant to the foregoing provisions of these Articles by the end of the period stipulated for acceptance by the Directors may, subject to Article 11 9, be offered by the Directors to such persons as they may think fit for purchase at the Prescribed Price before the end of the Prescribed Period

*Proposing Transferor bound to transfer Sale Shares*

11 7 If the Company shall within the Prescribed Period find a Purchaser to purchase any of the Sale Shares and notify the Proposing Transferor he shall be bound, upon payment to him of the Prescribed Price, to transfer such shares to the respective Purchaser(s) with full title guarantee, provided that, if a Total Transfer Notice has been given, this provision shall not apply unless the Company shall have found Purchasers for all of the Sale Shares Every notice given by the Company under this Article 11 7 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by him The sale and purchase of the Sale Shares shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than 10 days after the Prescribed Period

*Ability of Proposing Transferor to sell Sale Shares to a third party*

11 8 If the Company gives notice to the Proposing Transferor that

- (a) it has no prospect during the Prescribed Period of finding Purchasers for any of the Sale Shares, or
- (b) it has not within the Prescribed Period found Purchasers willing to purchase all or some of the Sale Shares,

the Proposing Transferor shall at any time during a period of 28 days after the end of the Prescribed Period be entitled, subject to the other provisions of these Articles and any relevant contractual restrictions to which he is subject, to transfer those Sale Shares specified in the notice given by the Company pursuant to this Article 11 8 to any person by way of a bona fide sale at any price which is not less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) Any such sale is to be conditional upon

- (i) compliance with the provisions of Article 11 9, and

- (ii) if a Total Transfer Notice was given, all the unsold Sale Shares being included in the sale, and
- (iii) the Directors being satisfied that the Sale Shares are being transferred under this Article pursuant to a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the Purchaser, and
- (iv) the consent of an Investor Majority, in relation to any shares in the capital of the Company that the Proposing Transferor was required to give or deemed to have given a Transfer Notice pursuant to any provision of these Articles

If any of the conditions set out in paragraphs (i) to (iv) of this Article 11 8 are not fulfilled the Directors may refuse to register the instrument of transfer or impose further conditions to be fulfilled by the Proposing Transferor before doing so

*Tag along*

11 9 If a proposed transfer (other than a transfer under Article 10 1(d), (e) or (f)) by the Proposing Transferor would result in the transferee (together with any person(s) "connected" (within the meaning of section 839 ICTA) to it) holding more than 50% of the Equity Share Capital, the Proposing Transferor will not be entitled to sell any such Sale Shares under the provisions of Article 11 unless the proposed transferee of such shares in relation to each other holder of B Shares and A Shares

- (a) shall have offered to purchase from each such other holder (at the price offered by such proposed transferee to the Proposing Transferor for any Sale Shares, if a cash offer, or otherwise such price as shall be determined in accordance with Article 11 4) such proportion of each class of the Equity Share Capital held by each such other holder as is equal to the proportion which the B Shares being sold by the Proposing Transferor bears to the total holding of B Shares (including the shares to be sold) held by the Proposing Transferor, and
- (b) shall, in respect of any holder of shares which wishes to take up the offer referred to in paragraph (a) above, acquire from such holder the shares in question at the relevant price simultaneously with the acquisition from the Proposing Transferor of the Sale Shares to be sold

*Drag along*

11 10 If, at any time, the Forcing Sellers intend to sell the Forcing Sellers' Shares to a Proposed Purchaser who has made a bona fide offer on arm's length terms for the entire issued Equity Share Capital, the Forcing Sellers shall have the right to give to the Company a Drag along Notice that the Forcing Sellers intend to sell the Forcing Sellers' Shares. The Drag along Notice will include details of

- (a) the number and class(es) of the Forcing Sellers' Shares,
- (b) the identity of the Proposed Purchaser,
- (c) the proposed price to be paid by the Proposed Purchaser, for each of the Forcing Seller's Shares,
- (d) the proposed place, date and time of completion of the proposed purchase, which shall not be less than 14 nor more than 28 days from the date of the Drag along Notice, and
- (e) a term extending the offer to all the other shareholders for their shares

- 11 11 The Directors shall promptly send the Drag along Notice to each of the Other Members and require each of them to sell to the Proposed Purchaser at Completion all of their holdings of shares on the terms contained in the Drag along Notice
- 11 12 Each Other Member shall sell all of his shares referred to in the Drag along Notice at the highest price proposed to be paid for a Forcing Seller's Share to be sold to the Proposed Purchaser on Completion by the Forcing Sellers and on the terms set out in the Drag along Notice
- 11 13 No member shall be required to comply with a Drag along Notice unless the Forcing Sellers shall sell the Forcing Seller's Shares to the Proposed Purchaser on Completion, subject at all times to the Forcing Seller being able to withdraw the Drag along Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Drag along Notice shall cease to have effect

*Acquisition of Control*

11 14

- (a) In the event that as a result of any transfer (not being a Permitted Transfer), any person or persons who was or were not a member or members of the Company or entitled to become such on the date of the adoption of these Articles ("the Acquiring Member") either alone or acting in concert (as such expression is defined in the City Code on Takeovers and Mergers) with any other person(s), shall become beneficially entitled to more than 50% of the issued Equity Share Capital of the Company after the Adoption Date or being so beneficially entitled shall become beneficially entitled to a further 1% thereof he shall forthwith be required to serve notice on the holders of the Equity Share Capital of the Company that he is so beneficially entitled and shall thereupon, subject to Article 5 3, be bound to offer to purchase the remaining shares in the Equity Share Capital of the Company at a price per share ("the Acquisition Price") equal to the highest price per share paid by the Acquiring Member for such shares in the Company acquired by him
- (b) The Company shall forthwith give notice to every member other than the Acquiring Member that he may within 14 days from the date of such notice or such longer period as the Directors may determine in order to give effect to Article 11 14(a) sell his shares to the Acquiring Member at the Acquisition Price Any member may accept such offer by giving notice of his intention so to do to the Company accompanied by share certificates for the shares agreed to be sold together with the necessary transfers
- (c) The Directors may at any time require any member to furnish the Company with details of the beneficial interests in the shares held by such member
- (d) The Directors may require that they be satisfied that the shares acquired by the Acquiring Member in the period referred to in Article 11 14(b) were acquired bona fide for the consideration stated in the transfer without any deduction rebate or allowance whatsoever to the purchaser and if not so satisfied may require the Acquisition Price to be determined in accordance with Article 11 4
- (e) If the Acquiring Member shall fail to serve a notice or make an offer in accordance with Article 11 14(a) (or, if and to the extent that the offer is accepted, the Acquiring Member shall fail to complete the purchase of any shares pursuant to the offer) he (and any member with whom he is acting in concert as provided in Article 11 14(a)) shall cease to have any rights to vote or to dividends or rights on a return of capital in respect of all the shares held by him and the Directors may where relevant refuse to register the transfer of the shares acquired by the Acquiring Member which give rise to the obligations under



Article 11 14(a) and may require the Acquiring Member to serve a Transfer Notice in accordance with Article 11 1 in respect of all or any of the shares held by him

*Powers of Directors upon default*

- 11 15 If a Proposing Transferor or Other Member shall fail or refuse to transfer shares pursuant to Article 11 2, 11 7 or 11 12 (as the case may be) the Directors may authorise some person to execute and deliver the necessary transfer on behalf of such person and the Company may receive the purchase money in trust for the Proposing Transferor or Other Member (as the case may be) and cause the Purchaser or Proposed Purchaser (as the case may be) to be registered as the holder of such shares. The receipt of the Company for the purchase money shall constitute a good discharge to the relevant purchaser and after such purchaser has been registered the validity of the sale and purchase of the relevant transfer shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor or Other Member (as the case may be) until he shall have delivered to the Company his share certificate(s) or a suitable indemnity and the necessary form of transfer

12 **Compulsory transfers - general**

*On bankruptcy*

- 12 1 A person entitled to a share in consequence of the bankruptcy of a member shall be deemed to have given a Transfer Notice in respect of such shares at such time as determined by the Directors

*On death*

- 12 2 If a share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either

- (a) to effect a Permitted Transfer of such shares (including for such purpose an election to be registered in respect thereof), or
- (b) 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 member

If either such requirement 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, and at such time as, the Directors may determine

*On liquidation of a member*

- 12 3 If a member which is a company or a Permitted Transferee of such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Permitted Transferee shall be deemed to have given a Transfer Notice in respect of all of the shares held by such member and/or such Permitted Transferee save to the extent that, and at such time as, the Directors may determine

*Ceasing to be a Privileged Relation*

- 12 4 If a Permitted Transferee pursuant to Article 10 1(b) shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the shares concerned

**13 Compulsory transfers - Good/Bad leaver**

13 1 If an Employee becomes a Leaver, the Employee and all of his Permitted Transferees shall be deemed to have given a Transfer Notice in respect of all Shares then registered in their names and the following provisions of this Article 13 shall take effect

13 2 The price of the Shares to be offered pursuant to Article 13 1 shall be

*Good Leaver*

- (a) if the Employee has become a Leaver at any time for one of the reasons set out in Article 13 3, the price shall be the higher of Fair Value and the Subscription Price, and

*Bad Leaver*

- (b) if the Employee has become a Leaver at any time other than for one of the reasons set out in Article 13 3, the price shall be determined in accordance with the table set out below

| Time  | Proportion of Shares to be transferred at the lower of Fair Value and the Subscription Price | Proportion of Shares to be transferred at the higher of Fair Value and the Subscription Price |
|---|--|---|
| If the Employee becomes a Leaver on or prior to the first anniversary of the Issue Date ("First Anniversary")                                   | 100%   | 0%  |
| If the Employee becomes a Leaver after the First Anniversary but on or prior to the second anniversary of the Issue Date ("Second Anniversary") | 80%  | 20%   |
| If the Employee becomes a Leaver after the Second Anniversary but on or prior to the third anniversary of the Issue Date ("Third Anniversary")  | 60%  | 40%   |
| If the Employee becomes a Leaver after the Third Anniversary but on or prior to the fourth anniversary of the Issue Date ("Fourth Anniversary") | 40%  | 60%   |
| If the Employee becomes a Leaver after the Fourth Anniversary but on or prior to the fifth anniversary of the Issue Date ("Fifth Anniversary")  | 20%  | 80%   |
| If the Employee becomes a Leaver after the Fifth Anniversary  | 0%   | 100%  |

13 3 The reasons referred to in Article 13 2(a) are

- (a) his death,
- (b) his personal incapacity due to ill health (including but not limited to mental ill health) or disability,
- (c) his retirement on reaching retirement age in accordance with his terms of employment,
- (d) the Company has dismissed him by reason by redundancy,
- (e) dismissal by the Company where such dismissal has been found by a tribunal or court of competent jurisdiction to be wrongful other than as a consequence of some procedural irregularity, or
- (f) the Board (with the consent of an Investor Majority) has determined that he is a Good Leaver

13 4 In determining the Fair Value of the Shares to be offered pursuant to Article 13 1, the Investor (acting by way of an Investor Majority) may propose to the Employee a price which if accepted by the Employee shall be deemed to be the Fair Value. In the absence of agreement, Fair Value shall be determined in accordance with Article 11 4

13 5 If a Transfer Notice is deemed to have been given pursuant to Article 13 1 then the Company shall immediately give written notice of the giving of the Transfer Notice to those Investors who are Qualifying A Shareholders and the Investors (acting by way of an Investor Majority) may within 6 months after the Notice Date

- (a) determine that the provisions of Article 11 shall not apply in relation to some or all of the relevant Shares,
- (b) determine that a Bad Leaver is to be treated as a Good Leaver in circumstances where that person would not, but for this provision, be a Good Leaver,
- (c) determine that all or any of the relevant Shares should first be made available to be repurchased by the Company, or
- (d) determine that all or any of the relevant Shares should be transferred to any current or future Employee or an Employee Trust

The provisions of Article 11 shall not apply until the earlier of the 6 month anniversary, the date that the determination is made or the date the Employee is informed by an Investor Majority that no determination will be made

#### **14 Proceedings at general meetings**

14 1 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly

14 2 A resolution in writing executed, or approved by facsimile, by or on behalf of the holders of all the issued Equity Share Capital shall be as valid and effectual as if the same had been duly passed at a general meeting and may consist of several documents in the like form, each executed or approved by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed or approved on its behalf by a director or the Secretary of such corporation or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified accordingly

#### **15 Alternate Directors**

15 1 Any Director (other than an alternate Director) may at any time by notice in writing and served on the Company at its registered office, or delivered at a meeting of the Directors, appoint any other

- Director, or any other person approved by the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him, in the same manner. The same person may be appointed as the alternate Director of more than one Director
- 15 2 If an alternate Director is himself a Director or attends any such meeting as an alternate Director for more than one Director, then his voting rights shall be cumulative
- 15 3 An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor
- 15 4 Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. However, such an alternate Director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director
- 15 5 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent with changes where appropriate as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only 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
- 15 6 Regulations 65 to 69 shall be modified accordingly
- 16 Directors**
- 16 1 The quorum for the transaction of the business of the Directors shall be three, such number to include any Director appointed pursuant to Article 7. Regulation 89 shall be modified accordingly. The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77, 78 and 80 shall be modified accordingly
- 16 2 Without prejudice to the first sentence of Regulation 89, a meeting of the Directors or of a committee of the Directors may consist of a conference between Directors who are not all in one place, but where each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously, and the word "meeting" in these Articles shall be construed accordingly
- 16 3 A resolution in writing signed, or approved by facsimile, by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed or approved by one or more Directors, but a resolution signed or approved by an alternate Director need not also be signed or approved by his appointor and, if it is signed or approved by a Director who has appointed an alternate Director, it need not be signed or approved by the alternate Director in that capacity. Regulation 93 shall not apply
- 16 4 A Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company. Regulation 94 shall be modified accordingly, provided that he has disclosed to the Directors the nature and extent of any material interest or duty
- 16 5 In the case of an equality of votes at a meeting of the Directors, the chairman of the Company shall not have a second or casting vote. Regulation 88 shall be modified accordingly

- 16 6 Except for a Director appointed in accordance with Article 7, the office of a Director shall be vacated if he shall be removed from office by notice in writing served upon him signed by a majority of his co-Directors but so that if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company
- 16 7 The majority of the Directors shall have the right to appoint further Director(s) of the Company, subject to a maximum number of seven Directors
- 17 **Notices**
- Notices shall be given to a member whose registered address is outside the United Kingdom Regulation 112 shall be modified accordingly
- 18 **Indemnity**
- 18 1 Subject to the provisions of the Act and without prejudice to any indemnity to which a Director may otherwise be entitled, every Director and other officer of the Company (other than any person (whether an officer or not) employed by the Company as auditor) shall be entitled to be indemnified out of the assets of the Company against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company, provided that this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article or any element of it to be treated as void under the Act Regulation 118 shall not apply
- 18 2 The Company may purchase and maintain for any Director, Secretary 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