

6481322  
Company No. 6841322

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

RIGHT DOCUMENT SOLUTIONS HOLDINGS LIMITED

Pursuant to section 288 of the Companies Act 2006 (CA 2006) I, being the sole eligible member (as defined by section 289 CA 2006) of the Company for this purpose, signify my agreement to and pass the following written resolutions as special resolutions of the Company

SPECIAL RESOLUTION

- 1 That the ordinary share of £1 registered in the name of Paul Gillett be and it is hereby redesignated as an "A" Share of £1,
- 2 That the 999 existing authorised but unissued ordinary shares of £1 each be and they are hereby redesignated as "A" Shares of £1 each
- 3 That the authorised share capital of the Company be and it is hereby increased by the creation of an additional 53,000 A Shares of £1 each and the creation of 46,000 B Shares of £1 each,
- 4 That the Articles of Association in the form attached to this Written Resolution, be and the same are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association,
- 5 That the directors be and they are hereby permitted to exercise the powers conferred by section 175 Companies Act 2006 as from the date that section comes into force

Signature

Name Paul Gillett

Date: 28/3/08

SATURDAY



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## **EXPLANATORY STATEMENT TO MEMBER**

(This explanatory statement is not part of any proposed written resolution )

- 1 This document is proposed by the board of directors of the Company
- 2 This document is sent to members on 28/3/2008 (the Circulation Date)
- 3 "Eligible members" are the members who are entitled to vote on the resolution on the Circulation Date
- 4 If you wish to signify agreement to this document please follow the procedure below
  - (a) you (or someone acting on your behalf) must sign, print your name beneath and date this document
  - (b) if someone else is signing this document on your behalf under a power of attorney or other authority, please send a certified copy of the relevant power of attorney or authority when returning this document
  - (c) please return the document to any director of the Company at the registered office

To be valid, this document must be received no later than the date being 28 days from (and beginning with) the Circulation Date

- 5 If this document is not received by this time your vote will not count Unless sufficient eligible members sign and return this document by that deadline, the proposed written resolutions will lapse
- 6 Please note that it is not possible to withdraw your consent once this document, signed by you or on your behalf, has been duly received

**Company No. 6481322**

**The Companies Acts 1985 and 2006**

**Company Limited by Shares**

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**ARTICLES OF ASSOCIATION**

**of**

**RIGHT DOCUMENT SOLUTIONS HOLDINGS LIMITED**

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**(adopted by Special Resolution on 28 March 2008)**

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THE COMPANIES ACTS 1985 AND 2006

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PRIVATE COMPANY  
LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

RIGHT DOCUMENT SOLUTIONS HOLDINGS LIMITED

(adopted by Special Resolution passed on 28 March 2008)

**1 Definitions and interpretation**

1.1 In these Articles, unless the context otherwise requires

**A Shares** means the A shares of £1 each in the capital of the Company

**acting in concert** has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force and construed on the date of adoption of these Articles

**Auditors** means the auditors for the time being of the Company

**B Shares** means the B shares of £1 each in the capital of the Company

**Bad Leaver** means a Relevant Member and who ceases to be either an employee or director

- (a) in circumstances where the Company is entitled to terminate his employment or engagement without notice,
- (b) as a result of his resignation from such employment or engagement, or
- (c) if the Relevant Member is a Subsequent Bad Leaver, or
- (d) in any other circumstances where the Termination Date is less than 5 years following that Member's Relevant Commencement Date and such Member is not a Good Leaver

**Bank** means Clydesdale Bank plc

**Banking Facilities** means the loan and working capital facilities provided or to be provided to the Company and/or to any other member(s) of the Group by the Bank or any other bank or financial institution

**Bank Warrant** means any subscription warrant for the time being in issue under the Bank Warrant Instrument

**Bank Warrant Instrument** means the instrument creating subscription warrants over Shares, as contemplated by the Banking Facilities

**Board** means the board of directors of the Company, as from time to time constituted

**Business Day** means any day on which banks are open for business in London (excluding Saturdays, Sundays, and public holidays)

**CA 1985** means the Companies Act 1985

**CA 2006** means the Companies Act 2006

**Chairman** means the chairman of the Board from time to time

**Change of Control** means the acquisition whether by purchase, transfer, renunciation or otherwise (but excluding a transfer of Shares made in accordance with Article 10 by any Third Party Buyer of any interest in any Shares if, upon completion of that acquisition, the Third Party Buyer, together with persons acting in concert or connected with him (excluding any person who was an original party to an Shareholders' Agreement or any Permitted Transferee of such person), would hold more than 50% of the voting rights at a general meeting of the Company attached to the issued Shares for the time being

**Companies Acts** means the CA 1985 and the CA 2006 in each case to the extent to which the provisions of the same are for the time being in force

**connected with** has the meaning ascribed to it in section 839 Income and Corporation Taxes Act 1988 save that there shall be deemed to be control for that purpose whenever either section 416 or section 840 of that act would so require

**Deed of Adherence** has the meaning ascribed to it in an Shareholders' Agreement

**Deemed Transfer Notice** has the meaning ascribed to it in Article 14.2

**Deemed Transfer Shares**

(a) in relation to a Relevant Member who is a Bad Leaver, means all the B Shares

(i) held by the Relevant Member immediately before the occurrence of the Transfer Event

(ii) held immediately before the occurrence of the Transfer Event by any persons who acquired the shares while they were the Member's Privileged Relations and/or Family Trusts (other than shares which the Board is satisfied were not acquired by those persons either

(aa) directly or indirectly from the Member or

(bb) by reason of their connection with the Member

and the decision of the Board in this respect will be final) and

(iii) acquired by the Member or his Privileged Relations and/or Family Trusts or his personal representatives after the occurrence of the Transfer Event under any Share Option Scheme, or any other option scheme or other arrangement which was made before the occurrence of the Transfer Event

- (b) in relation to a Relevant Member who is a Good Leaver where the notice under Article 14 1 specifies this paragraph (b) applies, means all the B Shares
- (i) held by the Relevant Member immediately before the occurrence of the Transfer Event
- (ii) held immediately before the occurrence of the Transfer Event by any persons who acquired the shares while they were the Member's Privileged Relations and/or Family Trusts (other than shares which the Board is satisfied were not acquired by those persons either
- (aa) directly or indirectly from the Member or
- (bb) by reason of their connection with the Member
- and the decision of the Board in this respect will be final) and
- (iii) acquired by the Member or his Privileged Relations and/or Family Trusts or his personal representatives after the occurrence of the Transfer Event under any Share Option Scheme, or any other option scheme or other arrangement which was made before the occurrence of the Transfer Event
- (c) where the notice under Article 14 1 specifies this paragraph (c) applies, the Relevant Proportion of the B Shares
- (i) held by the Relevant Member immediately before the occurrence of the Transfer Event
- (ii) held immediately before the occurrence of the Transfer Event by any persons who acquired the shares while they were the Member's Privileged Relations and/or Family Trusts (other than shares which the Board is satisfied were not acquired by those persons either
- (aa) directly or indirectly from the Member or
- (bb) by reason of their connection with the Member
- and the decision of the Board in this respect will be final) and
- (iii) acquired by the Member or his Privileged Relations and/or Family Trusts or his personal representatives after the occurrence of the Transfer Event under any Share Option Scheme, or any other option scheme or other arrangement which was made before the occurrence of the Transfer Event
- are not Deemed Transfer Shares but the balance of the B Shares so held shall be the Deemed Transfer Shares
- (d) in any other case, all the B Shares
- (i) held by the Relevant Member immediately before the occurrence of the Transfer Event
- (ii) held immediately before the occurrence of the Transfer Event by any persons who acquired the shares while they were the Member's Privileged Relations and/or

Family Trusts (other than shares which the Board is satisfied were not acquired by those persons either

(aa) directly or indirectly from the Member or

(bb) by reason of their connection with the Member

and the decision of the Board in this respect will be final) and

(iii) acquired by the Member or his Privileged Relations and/or Family Trusts or his personal representatives after the occurrence of the Transfer Event under any Share Option Scheme, or any other option scheme or other arrangement which was made before the occurrence of the Transfer Event

**Drag Sale Price** means a price per share that is not less than the price per A Share to be paid to the Selling Majority provided always that

- (a) in the event of the whole or any part of any such price per A Share being contingent, deferred, or offered in any form other than in cash, then the consideration to be paid to the Called Shareholders shall likewise be contingent, deferred and/or in non-cash form on a like basis and as to the same amount, and
- (b) in the event of the Third Party Buyer agreeing to pay or reimburse any out-of-pocket costs or expenses of the Selling Majority incurred in connection with the sale of the Investor Shares, then such agreement shall for the avoidance of doubt be disregarded in calculating the price per A Share, and
- (c) for the avoidance of doubt, and notwithstanding the preceding paragraphs of this definition, following such Drag Sale Price being so determined and the transfer of the Called Shares being completed, the provisions of Article 7 shall apply to determine if, and the extent to which, the proceeds from any Sale may be re-allocated amongst the Selling Majority, the Called Shareholders and any other Members,

**Employee Trust** means a trust approved by an Investor Member Majority and whose beneficiaries are employees of the Group

**Equity Shares** means the A Shares and the B Shares for the time being in issue

**Family Trust** means a trust that permits the settled property or the income from it to be applied only for the benefit of

- (a) the settlor and/or a Privileged Relation of that settlor
- (b) any charity or charities as default beneficiaries (meaning that the charity or charities have no immediate beneficial interest in any of the settled property or the income from it when the trust is created but may become so interested if there are no other beneficiaries from time to time except other charities)

and under which no power of control is capable of being exercised over the votes of any Shares which are held in the trust by any person other than the trustees, the settlor or the Privileged Relations of the settlor For purposes of this definition

- (i) **settlor** includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member and



- (ii) **Privileged Relation** includes a widow or widower of, or a surviving civil partner of, the settlor

**Good Leaver** refers to a Member (who is not and does not become a Subsequent Bad Leaver) and who ceases to be a director or employee

- (a) as a result of death, or permanent disability or permanent incapacity through ill health or
- (b) as a result of dismissal from employment or engagement by a Group Company in circumstances where such dismissal is a wrongful dismissal by virtue of a breach by that Group Company of the terms of the Member's employment or engagement or
- (c) as a result of the retirement by the Member at such normal retirement age as is set out in that Member's terms of employment, or at an earlier age following any valid request for earlier retirement being made by him in accordance with such terms of employment (and such request being approved by the Board, with the consent of an Investor Member Majority),
- (d) if the Special Director serves written notice on the Company confirming that such person be treated as a Good Leaver for the purposes of these Articles or
- (e) where the Termination Date is 5 years or more after the Relevant Commencement Date for that Member and such Member is not a Bad Leaver

**Group** means the Company and all its subsidiaries and subsidiary undertakings for the time being and **member of the Group** shall be construed accordingly

**Investment Date** means the date on which the Company first issues A Shares

**Investor** means a Member who holds A Shares

**Investor Member Majority** means the holder(s) for the time being of over 50% in nominal value of the A Shares for the time being in issue

**Investor Shares** has the meaning ascribed to it in Article 15 1

**Issue Price** means the amount paid up or credited as paid up on the Shares concerned (including any premium on issue)

**Listing** means either

- (a) the admission by the UK Listing Authority to listing, together with admission by the London Stock Exchange to trading, on the Official List of any of the issued equity share capital of the Company, and such admission becoming effective or
- (b) the admission by the London Stock Exchange of any of the issued equity share capital of the Company to trading on AIM, and such admission becoming effective or
- (c) any equivalent admission to any other Recognised Investment Exchange becoming unconditionally effective in relation to any of the issued equity share capital of the Company

**Listing Shares** means the issued equity share capital of the Company (excluding any equity share capital to be subscribed and issued on such Listing other than new shares to be paid

up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of shares)

**Listing Value** means, in the event of a Listing, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the financial advisers to the Company or, if none, the broker appointed by the Board to advise in connection with the Listing

**London Stock Exchange** means London Stock Exchange plc

**Market Value** has the meaning ascribed to it in Article 13 4(a)

**Member** means any registered holder of a Share for the time being

**member of the same group** means, in relation to a particular Member, any subsidiary or holding company of that Member, or a subsidiary of such a holding company

**Permitted Transfer** means a transfer of a Share permitted under Article 12 without pre-emption

**Permitted Transferee** means a person to whom a Permitted Transfer has been, or may be, made

**Privileged Relation** means (in respect of a Member or deceased Member) the spouse or civil partner and the children and grandchildren (including step and adopted children) of that Member and step or adopted children of the children of that Member

**Realisation** means a Sale, a Listing or a Winding Up

**Recognised Investment Exchange** shall have the meaning ascribed to it in section 285(1)(a) of the Financial Services and Markets Act 2000

**Relevant Commencement Date** means, in relation to the Relevant Member in question, either (i) the date on which he first becomes a director or employee of a Group Company, or (ii) the date on such Relevant Member first became a Member, whichever is the later to occur

**Relevant Directors** means the directors and former directors of the Group and any persons connected with them (but only if those directors or former directors or such connected persons are interested in shares in the Company) but excluding any Special Director (and excluding, in the case of a deceased person, anyone who was a Special Director immediately prior to his death)

**Relevant Holding Account** means a UK bank deposit account in the name of the Company or of any law firm designated by the Company and the terms for the operation and closure of which shall be as the Special Director may from time to time determine

**Relevant Member** has the meaning ascribed to it in Article 14 2

**Relevant Proportion** means that proportion which is determined, by reference to the time period which has expired between the Relevant Commencement Date and the date of occurrence of the event which is designated as a Transfer Event in respect of the Relevant Member, in accordance with the following table

Period from Relevant Commencement Date to date of occurrence of the Transfer Event	Relevant Proportion %
Up to 1 year	20
More than 1 year but not more than 2 years	30
More than 2 years but not more than 3 years	40
More than 3 years but not more than 4 years	50
More than 4 years but not more than 5 years	60
More than 5 years but not more than 6 years	70
More than 6 years	75

**Sale** means the making of one or more agreements (whether conditional or not but which agreement(s) become(s) unconditional) for the disposal, transfer, purchase, subscription or renunciation of any part of the share capital of the Company giving rise to a Change in Control and for the purposes of this definition **disposal** shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the share in question or of voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement

**Shareholders' Agreement** means any one or more agreements relating to the Company and to which the Company and some or all of the Members are a party, and expressly stated to be an Shareholders' Agreement for the purposes of these or of any earlier Articles, as any such agreement is amended, waived, restated, modified or supplemented for the time to time

**Shareholder Contract** means any contract, agreement, arrangement or transaction, including in particular (but without limitation) contracts of employment or for the provision of services, made between any Member (other than an Investor Member) who is a holder of B Shares (or any person who is connected to such a Member) and any Group Company

**Share Option Scheme** means any share option scheme of the Company or any other Member of the Group that an Investor Member Majority identifies in writing as being a permitted share option scheme for the purposes of these Articles

**Share Purchase Agreement** has the meaning ascribed to it in any Shareholders' Agreement

**Shares** means the A Shares and the B Shares and **Share** means any one share of either such class

**Special Director** has the meaning ascribed to it in Article 21

**Subsequent Bad Leaver** means a Member who ceases to be a director or employee and who is or subsequently becomes in breach of his Managers' Covenants (as defined in any Shareholders' Agreement)

**Table A** means Table A of the Companies (Tables A to F) Regulations 1985 as amended and in force on the date of adoption of these Articles

**Third Party Buyer** means any person designated as such by an Investor Member Majority

**UK Listing Authority** means the Financial Services Authority or its successors as the competent authority for listing in the United Kingdom under Part VI of the Financial Services and Markets Act 2000

**Valuers** means the Auditors unless the Auditors give notice to the Company that they decline an instruction to report on the matter in question when the Valuers shall be a firm of chartered accountants

- (a) in the case of a dispute as envisaged in Article 13 agreed between the Seller (as defined in Article 13 1) and the Board, or
- (b) in any other case as selected by the Board

or, in either case, in default of such agreement or consent (as the case may be) within 10 Business Days after the first name being proposed by the Seller, the Board or an Investor Member Majority (as may be relevant), as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of any such party,

**Winding Up** means the passing of any resolution for the winding up of the Company, or any other return of capital (on liquidation, capital reduction or otherwise)

- 1 2 References in these Articles to regulations are to regulations in Table A
- 1 3 References to any particular provision of the Companies Act 1985 include any statutory modification or re-enactment of that provision for the time being in force and any provision(s) of the CA 2006 (and its related commencement orders) which replace(s) the same (with or without modification)
- 1 4 In these Articles, words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships
- 1 5 Words and expressions defined in or for the purposes of the Companies Acts or Table A shall, unless the context otherwise requires, have the same meaning in these Articles
- 1 6 The headings in these Articles shall not affect their construction or interpretation
- 1 7 Whenever under these Articles it is desired or necessary for any two or more persons to give any notice, consent or approval in writing, the same may be done by them executing two or more documents either in identical form or adapted only for execution
- 1 8 The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with these Articles or otherwise arising between the Company and any of its members (or any former member or any person claiming title or interest under or by virtue of any member or former member) (each a **Disputant**) relating in any way to the past or present or alleged membership of the Company or otherwise under the Memorandum of Association or the Articles of Association for the time being of the Company or under the Companies Acts (a **Dispute**), including a dispute regarding the existence, validity or termination of membership of the Company or the consequences of its nullity
- 1 9 The Company and each Disputant agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary

1 10 Notwithstanding Article 1 8 and Article 1 9, the Company may take proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction To the extent allowed by law, the Company may take concurrent Proceedings in any number of jurisdictions

1 11 Unless the context otherwise requires, reference in these Articles to any English term for any action, remedy, method of judicial proceeding, legal document, legal status, Court, legislation, official or any legal concept or thing shall, in respect of any jurisdiction other than England and Wales, be deemed to include what most nearly approximates in that jurisdiction to the relevant English term

## **2 Application of Table A etc**

2 1 These Articles and the regulations of Table A (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company

2 2 Regulations 8, 30, 31, 54, 64, 76, 77, 82, 94 to 98, 115, 118 and the second sentence of regulation 59 of Table A shall not apply to the Company

## **3 Share Capital**

3 1 The authorised share capital of the Company at the date of the adoption of these Articles is £100,000 divided into 54,000 A Shares and 46,000 B Shares

3 2 In these Articles, unless the context requires otherwise, references to Shares of a particular class shall include Shares created and/or issued after the Investment Date and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of the relevant class then in issue

3 3 Save as specified to the contrary in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of Shares

## **4 Dividends**

4 1 The A Shares and the B Shares shall rank *pari passu* share for share for any dividend or other distribution as if one class

## **5 Return of Capital**

5 1 On a return of capital whether on liquidation or capital reduction or otherwise (other than a purchase of shares made in accordance with these Articles) the surplus assets of the Company remaining after the payment of its liabilities shall be applied as if they were the proceeds from a Realisation under Article 7 (Provisions on Realisation)

## **6 Voting**

6 1 Each holder of A Shares shall be entitled to receive notice of and to attend and vote at, general meetings of the Company, on a show of hands every holder of A Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of A Shares so present in person or by proxy shall have one vote for each A Share held by him

6 2 The B Shares shall not entitle their holders to receive notice of a general meeting of or to attend, speak or vote at it

- 6 3 The B Shares shall not entitle their holders to receive, or to exercise voting rights in respect of, any written resolution of the Company

## **7 Provisions on Realisation**

- 7 1 On a Realisation, the provisions of this Article 7 shall apply to determine the allocation of the proceeds of such Realisation
- 7 2 On a Sale or Winding Up, the proceeds from the Sale or Winding Up (as the case may be) referable to the Investor Loan Notes repaid or repayable on the Sale or Winding Up, if any, shall be paid to the holders thereof and thereafter any remaining proceeds (**Proceeds**) shall (unless otherwise agreed by an Investor Member Majority) be paid by all Members into a joint account at such branch of such UK clearing bank as may be nominated by an Investor Member Majority immediately prior to the Sale or Winding Up and such Proceeds shall be allocated and paid out as follows
- (a) first in paying to each Member holding A Shares an amount equal to the Issue Price of each A Share held by him,
  - (b) next in paying to each Member holding B Shares an amount equal to the Issue Price of each B Share held by him, and
  - (c) lastly in dividing the surplus (if any) between the Members holding A Shares and the Members holding B Shares (in each case pro rata as between such holders to their respective holdings of the relevant classes as if such Shares constituted a single class)
- 7 3 Immediately prior to and conditionally upon a Listing, the Members shall enter into such reorganisation of the share capital of the Company as they may agree or, in default, as an Investor Member Majority may reasonably specify, to ensure that the Listing Value is allocated between the Members in the same proportions as the preceding provisions of this Article 7 would provide on a Sale or Winding Up at that Listing Value
- 7 4 In the event of a Sale occurring where the whole or any part of the Proceeds are to be received by the Members in a form other than cash, the Members shall enter into such arrangements in relation to such Proceeds as they may agree or, in default of such agreement, as an Investor Member Majority may reasonably specify, to ensure that such non-cash consideration is allocated amongst the holders of Equity Shares so as to achieve the same commercial effect as would be the case pursuant to Article 7 2 if such consideration had actually been received in cash (and as between such holders of Equity Shares, such non-cash consideration shall be apportioned between the different classes of Equity Shares in the same proportions as those proportions in which they are entitled to receive the overall Proceeds, unless the Members holding Equity Shares should reach any agreement to the contrary)
- 7 5 In the event that the application of any provision of this Article 7 cannot be agreed between the Members, any such matters in dispute shall be referred by the Board to the Valuers whose costs shall be borne by the Members in such proportions as the Valuers may determine having regard to the conduct of the Members and the merits of their arguments in relation to the matter(s) in dispute (or in the absence of such determination, shall be borne by the Members pro rata to their respective holdings of Equity Shares) and whose decision shall be final and binding on all Members (save in the case of manifest error)

- 7 6 For the purposes of this Article 7, where any agreement is required to be reached as between the Members, then the agreement of the holders of over 50% (by reference to nominal value) of any one class of Shares for the time being in issue shall be binding on all of the holders of Shares in such class

## **8 Variation of Class Rights**

- 8 1 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three quarters of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. To every such separate meeting, all the provisions of these Articles relating to general meetings of the Company shall apply (with such amendments as may be necessary to give such provisions efficacy)

- 8 2 Subject to Article 8 3 but without prejudice to the generality of their rights, the special rights attached to the A Shares shall each be deemed to be varied at any time by any of the following occurring without the written consent of a Special Director

- (a) an increase, reduction or other alteration in the issued share capital of the Company or any other member of the Group or a variation in the rights attaching to any class thereof,
- (b) the grant of an option to subscribe for shares in the Company or any other member of the Group or the issue of any securities or instruments convertible into any such shares,
- (c) other than pursuant to the Banking Facilities, the creation by the Company or any other member of the Group of any mortgage, charge, pledge, lien, encumbrance or other security interest (excluding an interest arising by operation of law in the B course of business or retention of title in the ordinary course of trading),
- (d) the making of any material change (including cessation) in the nature of the business of the Group taken as a whole,
- (e) the alteration of the memorandum of association of the Company or these Articles, or of the memorandum or articles of association of any member of the Group,
- (f) the declaration or payment of any dividend or the making of any other distribution in respect of the profits, assets or reserves of the Company,
- (g) the institution of any proceedings for, or the passing of any resolution for or in preparation for the winding up or administration of or the appointment of an administrator for the Company or any other member of the Group,
- (h) the appointment or removal of any director of any member in the Group otherwise than under Article 21,
- (i) a Sale, or Listing, or the sale of, or admission to trading on the London Stock Exchange or any other Recognised Investment Exchange of, any shares in the issued share capital of any other member of the Group,

- (j) the change of the auditors of any member of the Group or any entry into or variation of any liability limitation agreement (as defined by section 534 of the CA 2006) or similar arrangement with any auditor of any member of the Group,
- (k) the Company or any other member of the Group incurring an obligation to do any of the foregoing, and
- (l) the registration or purported registration of any transfer of any Share or interest therein other than as expressly permitted by these Articles

8 3 The execution of the Bank Warrant Instrument, the issue of Bank Warrants as contemplated by the Banking Facilities and the Bank Warrant Instrument and the allotment and issue of Shares in accordance with the terms of the Bank Warrant shall deemed not to be a variation of the special rights attached to the A Shares or to any other class of shares in the Company

## **9 Issue of Shares – section 80 and section 89 of the CA 1985**

9 1 Subject to the Companies Acts and to Article 8 2, all unissued Shares in the Company shall be under the control of the directors and they may offer, allot, grant rights or warrants to subscribe for, grant options over, or otherwise deal with or dispose of unissued shares in the Company to such persons and generally on such terms in such manner and at such times as they may (with the consent of the Special Director, if any) determine Provided always that the Directors shall (without any discretion and without the requirement for the separate consent of the Special Director) be obliged

- (a) to issue Bank Warrants as contemplated by the Banking Facilities and the terms of the Bank Warrant Instrument, and

- (b) to allot and issue of Shares in accordance with the terms of the Bank Warrants

9 2 Subject to Article 8 2, the Directors of the Company are hereby authorised pursuant to section 80 of the CA 1985 generally to exercise each and every power of the Company to allot relevant securities (as defined in that section) up to a maximum amount in nominal value which when aggregated with the subscriber share(s) and the relevant securities (if any) already allotted on the adoption of these Articles is equal to the authorised share capital on such adoption, and this authority shall expire on the day immediately preceding the fifth anniversary of the date of adoption of these Articles

9 3 Section 89(1) and Sections 90(1) to (6) of the CA 1985 shall not apply to the Company

## **10 Lien**

All Shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 14 as if a Deemed Transfer Notice were deemed given in respect of such Shares

## **11 Transfer of Shares – General**

11 1 The Board shall not register the transfer of any Share or any interest in any Share unless the transfer

- (a) is permitted by Article 12, or

- (b) is made in accordance with Article 13, Article 14, Article 15, or Article 16,



and, in any such case, is not prohibited under Article 17

11 2

- (a) For the purpose of ensuring that a transfer of Shares is in accordance with these Articles or that no circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board may from time to time require any Member or any person named as transferee in any transfer lodged for registration to furnish to the Board such information and evidence as they reasonably deem relevant for such purpose
- (b) Failing such information or evidence being furnished to their reasonable satisfaction within a reasonable time after request under Article 11 2(a) the Board may (with the approval of an Investor Member Majority but not otherwise) in their absolute discretion refuse to register the transfer in question or (with the approval of an Investor Member Majority where no transfer is in question) require by notice in writing to the Member(s) concerned that a Transfer Notice be given in respect of the Shares concerned
- (c) If such information or evidence requested under Article 11 2(a) discloses to the reasonable satisfaction of the Board (with the approval of an Investor Member Majority) that circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board may (with the approval of an Investor Member Majority) by notice in writing to the Member(s) concerned require that a Transfer Notice be given in respect of the Shares concerned.

11 3 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance

## **12 Permitted Transfers**

### **12 1 Transfers with consent**

A Member may transfer Shares to any person at any time with the prior written consent of both

- (a) an Investor Member Majority and
- (b) the holder(s) of over half the B Shares for the time being in issue (disregarding any B Shares held by Investors)

### **12 2 Transfers to relations and family trusts**

Any Member may at any time (save where a Transfer Notice has been served or deemed served in respect of such Shares pursuant to these Articles) during his lifetime transfer any shares held by them to

- (a) a Privileged Relation who is not a minor, or
- (b) trustees to be held on a Family Trust of which they are the settlor, provided that any transfer of shares to trustees to be held on a Family Trust may only be made with the consent in writing of an Investor Member Majority or of a Special Director,

provided always that a Member may not (without the prior consent of a Special Director) transfer (in aggregate) more than one half of the shares acquired by them from time to time to Privileged Relations or to trustees to be held on Family Trust

#### **12 3 Criteria for consent to family trusts**

Where the consent of an Investor Member Majority or of a Special Director is requested to a transfer to a Family Trust, that consent shall be given when an Investor Member Majority or a Special Director is satisfied

- (a) with the terms of the trust instrument and, in particular, with the powers of the trustees to give warranties and indemnities and to enter into restrictions on a Sale or Listing ,
- (b) with the identity of the proposed trustees,
- (c) that the proposed transfer will not result in [25%] or more in the aggregate of the Company's equity share capital being held by trustees of the Family Trust and any other trusts, and
- (d) that no costs incurred in connection with the setting up or administration of the Family Trust are to be paid by any member of the Group

#### **12 4 Transfers by family trusts**

Where any shares are held by trustees on a Family Trust, the shares may be transferred to

- (a) if there is a change of trustees, the new trustees of that Family Trust,
- (b) the settlor,
- (c) another Family Trust which has the same settlor, or
- (d) any Privileged Relation of the settlor who is not a minor

#### **12 5 Transfers by an employee trust**

Where any shares are held by trustees on an Employee Trust

- (a) on any change of trustees, the shares may be transferred to the new trustees of that Employee Trust, and
- (b) the shares may be transferred at any time to any beneficiary of the trust if
  - (i) an Investor Member Majority or a Special Director has approved the transfer, or
  - (ii) the transfer is pursuant to a Share Option Scheme

#### **12 6 Transfers of unencumbered interest**

A transfer of any Share pursuant to this Article 12 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer free from any lien, charge or other encumbrance

### 13 Voluntary Transfers

- 13 1 Except as permitted under Article 12 or as contemplated in Article 15 or 16, any Member who wishes to transfer any Share (a **Seller**) shall before transferring or agreeing to transfer such Share or any interest in it, serve notice in writing (a **Transfer Notice**) on the Company of his wish to make that transfer. Save as permitted by Article 12 and subject always to Article 15, Article 16 and Article 17 a Member who wishes to transfer any Share or any interest in a Share may do so only with the prior approval of an Investor Member Majority
- 13 2 In the Transfer Notice the Seller shall specify
- (a) the number and class of Shares (**Sale Shares**) which he wishes to transfer,
  - (b) the identity of the person (if any) to whom the Seller wishes to transfer the Sale Shares,
  - (c) the price per share at which the Seller wishes to transfer the Sale Shares (the **Proposed Sale Price**),
  - (d) any other terms relating to the transfer of the Sale Shares, and
  - (e) whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this Article 13 (a **Total Transfer Condition**)
- 13 3 Each Transfer Notice shall
- (a) relate to one class of Shares only,
  - (b) constitute the Company as the agent of the Seller for the sale of the Sale Shares on the terms of this Article 13,
  - (c) save as provided in Article 13 8, be irrevocable
- 13 4 The Sale Shares shall be offered for purchase in accordance with this Article 13 at a price per Sale Share (**Sale Price**) agreed between the Seller and the Board (with the approval of a Special Director) or, in default of such agreement, by the end of the 15th Business Day after the date of service of the Transfer Notice
- (a) if the Board or an Investor Member Majority so elects within that 15 Business Day period days after the date of service of the Transfer Notice, the Sale Price shall be the price per share reported on by the Valuers as their written opinion of the open market value of each Sale Share (the **Market Value**) as at the date of service of the Transfer Notice (in which case for the purposes of these Articles the Sale Price shall be deemed to have been determined on the date of the receipt by the Company of the Valuer's report), and
  - (b) otherwise the Sale Price shall be the Proposed Sale Price, in which case for the purpose of these Articles the Sale Price shall be deemed to have been agreed at the end of that 15th Business Day
- 13 5 If instructed to report on their opinion of Market Value under Article 13 4(a) the Valuers shall
- (a) act as expert and not as arbitrator and their written determination shall be final and binding on the Members, and

(b) proceed on the basis that

- (i) the open market value of each Sale Share shall be the sum which a willing buyer would agree with a willing seller to be the purchase price for all the class of Shares of which the Sale Shares form part, divided by the number of issued Shares then comprised in that class,
- (ii) there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Sale Shares, and
- (iii) any difficulty in applying either of the foregoing bases shall be resolved by the Valuers as they think fit in their absolute discretion

13 6 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board and to the Seller within 28 days of being requested to do so

13 7 The Valuers' fees for reporting on their opinion of the Market Value shall be borne as the Valuers shall specify in their valuation having regard to the conduct of the parties and the merit of their agreements in respect of the matters in dispute or otherwise (in the absence of any such specification by the Valuers) as to one half by the Seller and as to the other half by the Company unless either

- (a) the Seller revokes the Transfer Notice pursuant to Article 13 8, or
- (b) in the case of a Deemed Transfer Notice, the Valuers' opinion of the Market Value is equal to or less than that Sale Price which has been put forward in writing by the Board not less than 5 Business Days before the Valuers' report,

in which cases the Seller shall pay all the Valuers' fees

13 8 If the Market Value is reported on by the Valuers under Article 13 4 to be less than the Proposed Sale Price, the Seller may revoke any Transfer Notice which was not stated to be, or is not deemed by these Articles to be, irrevocable by written notice given to the Board within the period of 5 Business Days after the date the Board serves on the Seller the Valuers' written opinion of the Market Value

13 9

- (a) If the Sale Shares are A Shares, the Board shall at least 10 Business Days after and no more than 20 Business Days after the Sale Price has been agreed or determined give an Offer Notice to all Members to whom the Sale Shares are to be offered in accordance with these Articles
- (b) If the Sale Shares are B Shares, the Board shall give an Offer Notice to all Members or Board Invitees to whom the Sale Shares are to be offered in accordance with these Articles at least 10 Business Days after and no more than 20 Business Days after whichever first occurs of
  - (i) Board Invitee(s) having been determined in respect of all the Sale Shares,
  - (ii) an Investor Member Majority by notice to the Company waiving the requirement to offer Sale Shares to Board Invitees on that occasion, or

- (iii) the period to find Board Invitees having expired without Board Invitees having been found in respect of all the Sale Shares

13 10 An Offer Notice shall

- (a) specify the Sale Price,
- (b) contain the other details included in the Transfer Notice, and
- (c) invite the relevant offerees to respond in writing, before expiry of the Offer Notice, to purchase the numbers of Sale Shares specified by them in their application,

and shall expire 35 Business Days after its service

13 11 Sale Shares of a particular class specified in column (1) in the table below shall be treated as offered

- (a) in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below, and
- (b) to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below,
- (c) in the case of B Shares, to the extent not accepted by persons in column (3), to all persons in the category set out in the corresponding line in column (4) in the table below,

but no Shares shall be treated as offered to the Seller or any other Member who is then bound to give, has given or is deemed to have given a Transfer Notice in respect of the Shares registered in his name

(1) Class of Sale Shares	(2) First Offer to	(3) Second Offer to	(4) Third Offer to
A Shares	Members holding A Shares	Members holding B Shares and not holding an A Share	none
B Shares	Members holding A Shares	Board Invitees	Members holding B Shares

13 12 The expression **Board Invitees** in these Articles means

- (a) any person or persons (being employees or officers of the Group), and/or
- (b) an Employee Trust, and/or
- (c) the Company (subject always to compliance by the Company with the Companies Acts)

or any combination thereof in any such case selected (in the 60 Business Days immediately following the date on which the Sale Price is agreed or determined) by the Board with the written approval of an Investor Member Majority. If no such selection occurs for whatever reason in this period then an Investor Member Majority may select the Board Invitees within a further period of 60 Business Days

- 13 13 After the expiry date of the Offer Notice, the Board shall, in the priorities and in respect of each class of persons set out in the columns in the table in Article 13 11, allocate the Sale Shares in accordance with the applications received save that
- (a) if there are applications from any class of offerees for more than the number of Sale Shares available for that class of offerees, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Member more Sale Shares than the maximum number applied for by him) to the number of Shares of the class which entitles them to receive such offer then held by them respectively,
  - (b) if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst the applicants of each class in such manner as the Board shall think fit,
  - (c) any allocation of Sale Shares between two or more Board Invitees shall be entirely at the discretion of the Board with an Investor Member Majority's approval, and
  - (d) if the Transfer Notice contained a valid Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated
- 13 14 The Board shall, within 5 Business Days of the expiry date of the Offer Notice, give notice in writing (an **Allocation Notice**) to the Seller and to each person to whom Sale Shares have been allocated (each a **Buyer**) specifying the name and address of each Buyer, the number and class of Sale Shares agreed to be purchased by him and the aggregate price payable for them
- 13 15 Completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the registered office of the Company at the time specified in the Allocation Notice when the Seller shall, upon payment to him by a Buyer of the Sale Price in respect of the Sale Shares allocated to that Buyer, transfer those Sale Shares and deliver the relative share certificate(s) to that Buyer Provided always that where the
- 13 16 The Seller may, during the period of 30 Business Days commencing 20 Business Days after the expiry date of the Offer Notice, with the permission of the Special Director (but not otherwise) sell all or any of those Sale Shares for which an Allocation Notice has not been given by way of bona fide sale to the proposed transferee (if any) named in the Transfer Notice or, if none was so named, to any transferee approved in writing by a Special Director, in either case at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that
- (a) the Seller may not transfer such share and the Board shall not register any transfer to a transferee who is not at that date a Member unless such transferee is first approved in writing by an Investor Member Majority, and
  - (b) if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled, save with the written consent of the Investor Member Majority and the Board, to sell only some of the Sale Shares under this Article 13 16
- 13 17 If a Seller fails for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 13, the Board may authorise any director of the Company (who shall be deemed to be irrevocably appointed as the attorney of the Seller for the purpose) to execute each necessary transfer of such Sale Shares and deliver it on the Seller's behalf The Company may receive the purchase money for such Sale Shares from the Buyer and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the

Buyer as the holder of such Sale Shares The Company shall hold such purchase money in a separate bank account on trust for the Seller but shall not be bound to earn or pay interest on any money so held The Company's receipt for such purchase money shall be a good discharge to the Buyer who shall not be bound to see to the application of it, and after the name of the Buyer has been entered in the register of Members in purported exercise of the power conferred by this Article 13 17 the validity of the proceedings shall not be questioned by any person

## **14 Compulsory Transfers**

14 1 In this Article 14, a Transfer Event occurs, in relation to any Member

### *Bankruptcy, death etc of individual*

(a) if that Member being an individual

- (i) shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction, or
- (ii) shall make an offer to make any arrangement or composition with his creditors generally,
- (iii) shall die, or
- (iv) shall suffer from mental disorder and be admitted to hospital or shall become subject to any court order referred to in Regulation 81(c) of Table A,

and within the following six months an Investor Member Majority shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article and so that such notice may specify whether for this purpose paragraph (c) of the definition of Deemed Transfer Shares applies,

### *Ceasing to be director or employee of the Group*

(b) if either

- (i) a Member who is at any time a director or employee of a member of the Group shall cease to hold such office or employment, or
- (ii) the member of the Group of which such a Member is a director or employee shall cease for any reason to be a member of the Group

and the Member does not remain or thereupon immediately become a director or employee of another company which is still a member of the Group, and within the following six months an Investor Member Majority shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article and so that (if the Relevant Member is a Good Leaver) such notice may specify whether for this purpose paragraph (b) or (c) of the definition of Deemed Transfer Shares) applies and so that (in the absence of such specification), paragraph (b) shall be deemed to have been specified for a Good Leaver,

### *Privileged Relations and Family Trusts*

- (c) if any Shares are transferred by a Member to a Privileged Relation or to trustees to be held on a Family Trust and

- (i) the relevant transferee ceases to be a Privileged Relation, or the trust in question ceases to be a Family Trust in relation to such Member, or
- (ii) there ceases to be any beneficiaries of the Family Trust other than charities

and within the following six months an Investor Member Majority shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article and so that such notice may specify whether for this purpose paragraph (c) of the definition of Deemed Transfer Shares applies,

*Unauthorised attempted transfer*

- (d) if a Member shall attempt to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles and whether or not for value and within the following six months an Investor Member Majority shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article and so that such notice may specify whether for this purpose paragraph (c) of the definition of Deemed Transfer Shares applies, or

*Failure to serve Transfer Notice under specified provisions*

- (e) if a Member shall for any reason not give a Transfer Notice in respect of any Shares or transfer any Shares (as the case may be) as required by any express provision of these Articles and within the following six months an Investor Member Majority shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article and so that such notice may specify whether for this purpose paragraph (c) of the definition of Deemed Transfer Shares applies

*Becoming a Subsequent Bad Leaver*

- (f) if either
  - (i) a Member who is at any time a director or employee of a member of the Group shall cease to hold such office or employment, or
  - (ii) the member of the Group of which such a Member is a director or employee shall cease for any reason to be a member of the Group

and at that time he is (or he subsequently becomes) a Subsequent Bad Leaver and within the six months following an Investor Member Majority shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article 14 1 and so that (to avoid doubt) the fact that some other event is already notified as a Transfer Event in respect of such person shall not prevent the event in this paragraph 14 1(f) also being designated as a Transfer Event for him and any deemed giving of a Transfer Notice in respect of that earlier event being designated as a Transfer Event shall (except where any Deemed Transfer Shares have already been sold under it) be null and void

## 14 2 Consequences of Transfer Event determination

Upon the making of a notification under Article 14 1 that any event is a Transfer Event, the Member in respect of whom such event is a Transfer Event (**Relevant Member**) and any other holder of any Deemed Transfer Shares shall be deemed to have immediately given a Transfer Notice in respect of all the Deemed Transfer Shares then held by such Member(s) (**Deemed Transfer Notice**). A Deemed Transfer Notice shall supersede and cancel any then



current Transfer Notice insofar as it relates to the Deemed Transfer Shares except for Shares that have then been validly transferred pursuant to that Transfer Notice. For the purpose of this Article 14 2, any Shares received by way of rights or on a capitalisation at any time by any person to whom Deemed Transfer Shares may have been transferred (directly or by means of a series of two or more permitted transfers) shall also be treated as Deemed Transfer Shares

#### **14 3 Offer for sale**

Any Deemed Transfer Shares shall be offered for sale in accordance with Article 13 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Seller any person who is deemed to have given a Deemed Transfer Notice save that

- (a) the Sale Price shall be a price per Deemed Transfer Share agreed between the Seller and the Board (with the consent of an Investor Member Majority) or, in default of agreement within 15 Business Days after the making of the relevant notification under Article (14 1) that the same is a Transfer Event, be the price determined under Article 14 4,
- (b) a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable whether under Article 14 8 or otherwise,
- (c) the Seller may retain any Deemed Transfer Shares for which buyers are not found (subject always to the other operation of Article 14 1), and
- (d) Article 13 5 shall apply

#### **14 4 Sale Price of Deemed Transfer Shares (if not agreed)**

The Sale Price for any Deemed Transfer Shares not so agreed shall

- (a) in any case where the Relevant Member is a Bad Leaver or is or becomes a Subsequent Bad Leaver, be the lower of their Issue Price and their Market Value
- (b) (subject to Article 14 6) in any case where the notice under Article 14 1 specifies that paragraph (c) of the definition of Deemed Transfer Shares applies, be the lower of their Issue Price and their Market Value
- (c) (subject to Article 14 6) in any other case, be the Market Value for the Relevant Proportion of them and the lower of their Issue Price and their Market Value in respect of any balance of such Deemed Transfer Shares

Provided always that if both

- (i) the Relevant Member is a Good Leaver and
- (ii) the date of occurrence of the Transfer Date is within 2 years of his Relevant Commencement Date

then the price in clause 14 4(b) or clause 14 4(c) for the Deemed Transfer Shares shall not be less than their Issue Price

#### **14.5 Dispute not to delay sale**

A dispute as to whether Article 14.4(a), Article 14.4(b) or Article 14.4(c) applies to any Deemed Transfer Shares shall not affect the validity of a Deemed Transfer Notice but (if the Issue Price is lower than the Market Value) any person who acquires Deemed Transfer Shares (**Buyer**) pursuant to a Deemed Transfer Notice while such a dispute is continuing shall pay to the Seller the lower of their Issue Price and their Market Value and shall pay a sum equal to the difference between their Issue Price and their Market Value to the Company. The Company shall hold that amount in a separate interest-bearing bank deposit account as trustee to pay it, and interest earned thereon, upon final determination of the dispute.

- (a) to the Seller in respect of any Deemed Transfer Shares determined to be sold for their Market Value, and
- (b) to the Buyer(s) in respect of any Deemed Transfer Shares determined to be sold at their Issue Price,

provided always that if the Seller and Buyer(s) otherwise agree in writing and notify such agreement to the Company it shall instead hold and deal with the monies paid into such account and interest as such agreement and notice may specify whether or not the dispute has been resolved.

#### **14.6 Special Arrangements for sale proceeds if a Good Leaver**

- (a) Where the Relevant Member is or is believed by the Board to be a Good Leaver, the Sale Price of the Deemed Transfer Shares shall be half the amount otherwise payable under Article 14.4 (disregarding this Article 14.6) and shall be paid to the relevant Seller on completion of the sale (and the Seller shall deliver the Sale Shares and do all things necessary or desirable to complete their sale free from lien)
- (b) In addition, 12 months after the completion of the sale of the Deemed Transfer Shares (or earlier, if the Special Director notifies accordingly) the Buyer(s) shall pay to the relevant Seller a further sum equal to the amount payable under Article 14.6(a) on completion of the purchase of the Deemed Transfer Shares and by way of further consideration for their purchase unless on or before the date that additional payment is due the Board issues a certificate that in the bona fide opinion of the Board the Relevant Member is or has become a Subsequent Bad Leaver
- (c) Any amount due by virtue of Article 14.6(b) shall be an unsecured personal liability of the Buyer(s) to the relevant Seller and shall in no way encumber the Sale Shares or be binding against any person deriving title to the Sale Shares under or from the Buyer(s)
- (d) Any certificate of the Board under Article 14.6(d) once issued shall be conclusive and binding on all parties in the absence of bad faith. The Board may (but shall not be obliged to) invite the Relevant Member to make such submission as he thinks fit in respect of any proposed certificate

#### **14.7 Date of end of employment**

For the purpose of Article 14.1(b) and Article 23 the date upon which a Member ceases to hold office as an employee or director shall

- (a) where the Group Company terminates or purports to terminate a contract of employment or engagement by giving notice to the employee or director of the termination of the employment or engagement, whether or not the same constitutes a wrongful or unfair dismissal, be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the Group Company in respect of such termination),
- (b) where the employee or director terminates or purports to terminate a contract of employment or engagement by giving notice to the Group Company of the termination of the employment or engagement (whether or not he is lawfully able so to do), be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice,
- (c) where the Group Company (on the one hand) or employee or director (on the other hand) wrongfully repudiates the contract of employment or engagement and the other respectively accepts that the contract of employment or engagement has been terminated, be the date of such acceptance by the Group Company, or employee or director (as the case may be),
- (d) where a contract of employment or engagement is terminated under the doctrine of frustration, be the date of the frustrating event, or
- (e) where a contract of employment or engagement is terminated in any other circumstance other than set out in Articles 14.7(a) to 14.7(d), be the date on which the person actually ceases to be employed or engaged by the Group Company

#### 14.8 No dealings following Deemed Transfer Notice

Once a Deemed Transfer Notice shall under these Articles be given in respect of any Share then no permitted transfer under Article 12 (Permitted Transfers) may be made in respect of such Shares without the express consent of a Special Director

#### 15 Drag Along Option

- 15.1 If a Member or Members constituting an Investor Member Majority (**Selling Majority**) wish to transfer all their A Shares (**Investor Shares**) to any Third Party Buyer, the Selling Majority shall have the option (**Drag Along Option**) to require any or all of the other holders of Shares to transfer all their shares with full title guarantee to the Third Party Buyer or as the Third Party Buyer shall direct in accordance with this Article 15
- 15.2 The Selling Majority may exercise the Drag Along Option at any time before the registration of the transfer of the Shares held by the Selling Majority by giving notice to that effect (**Drag Along Notice**) to all other Members (**Called Shareholders**). A copy of the Drag Along Notice shall, for information only, also be given to the Company at its registered office (but so that any failure or delay in giving such copy shall in no way prejudice the operation of this Article 15). A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to Article 15.1 to the Third Party Buyer, the price at which the Called Shares are to be transferred (being the Drag Sale Price), the proposed date of transfer (if known), and the identity of the Third Party Buyer. A Drag Along Notice shall be deemed served upon the envelope containing it being placed in the post and regulation 115 of Table A and Article 24 shall in the context of a Drag Along Notice be amended accordingly. Regulations 112 to 115 of Table A shall otherwise apply to the service of a Drag Along Notice as if it were a notice to be given under these Articles by the Company

- 15 3 The Selling Majority shall also give notice to each registered holder of Bank Warrants that a Drag Along Notice has been served together with a copy of the Drag Along Notice in the same manner as is provided under the Bank Warrant Instrument for the service by the Company of any notice on such registered holder of Bank Warrants
- 15 4 A Drag Along Notice may be revoked at any time prior to completion of the sale of the Called Shares and any such revocation notice shall be served in the manner prescribed for a Drag Along Notice in Article 15 2 and a copy shall also be sent to the holders of Bank Warrants in the same manner prescribed in Article 15 3
- 15 5 Completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the Investor Shares unless all of the Called Shareholders and the Selling Majority agree otherwise
- 15 6 Each Called Shareholder shall on service of the Drag Along Notice be deemed to have irrevocably appointed the Member or each of the Members constituting the Selling Majority severally to be his attorney to execute any stock transfer and covenant for full title guarantee in respect of the Called Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Called Shares pursuant to this Article 15
- 15 7 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale and transfer of Shares by the Selling Majority, the Called Shareholders or any other Member to the Third Party Buyer named in a Drag Along Notice
- 15 8 Notwithstanding Article 15 2, in connection with any Sale the provisions of Article 7 (Provisions on Realisation) shall apply to determine if, and the extent to which, the proceeds from any sale of Shares may be re-allocated amongst the Selling Majority, the Called Shareholders and any other Members Save as aforesaid, the provisions of this Article 15 shall prevail over any contrary provisions of these Articles Any Transfer Notice or Deemed Transfer Notice served in respect of any Share which has not been allocated in accordance with Article 13 (Voluntary Transfers) shall automatically be revoked by the service of a Drag Along Notice.
- 15 9 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Equity Shares pursuant to the exercise of pre-existing option to acquire shares in the Company (whether pursuant to a Share Option Scheme or otherwise howsoever), a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall be deemed to have been served upon such Member immediately upon such acquisition and such person shall thereupon be bound to sell and transfer all such Shares acquired by him to the Third Party Buyer or as the Third Party Buyer may direct and the provisions of this Article shall apply mutatis mutandis to the such Member save that completion of the sale of such Shares shall take place forthwith upon the Drag Along Notice being deemed served on such Member or, if later, upon the date of completion under the previous Drag Along Notice
- 16 Tag Along**
- 16 1 Subject to Article 15 (Drag Along Option) and save in the case of a Permitted Transfer, but otherwise notwithstanding any other provision in these Articles, no sale or other disposition of any Shares (Specified Shares) shall have any effect if it would result in a Change of Control unless before the transfer is lodged for registration the Third Party Buyer has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in Article 16 4) all the Equity Shares held by Members who are not acting in concert or otherwise connected with the Third Party Buyer (**Uncommitted Shares**)

16 2 An offer made under Article 16 1 shall be in writing and shall be open for acceptance for at least 5 Business Days, and shall be deemed to be rejected by any Member 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 15 Business Days of the date of the offer

16 3 The Third Party Buyer shall also give notice to each registered holder of Bank Warrants of any offer made under Article 16 1 together with a copy of such offer in the same manner as is provided under the Bank Warrant Instrument for the service by the Company of any notice on such registered holder of Bank Warrants.

16 4 For the purposes of Article 16 the expression **specified price** means

- (a) the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the Third Party Buyer or its nominees for the Shares being sold resulting in a Change of Control, plus
- (b) the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares

If the specified price or its cash equivalent cannot be agreed within 15 Business Days of the proposed sale or transfer referred to in Article 16 1 between the Third Party Buyer and the holders of any Uncommitted Shares such matter shall be referred to the Valuers by any Member for determination and, pending such determination, the sale or transfer referred to in Article 16.1 shall have no effect

16 5 On any Sale effected under this Article 16 then, notwithstanding Article 16 4, the provisions of Article 7 (Provisions on Realisation) shall apply in determining how the proceeds from the sale of any Shares shall be distributed

16 6 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale or transfer to a Third Party Buyer provided that the provisions of this Article 16 have been complied with

## **17 Prohibited Transfers**

Notwithstanding any other provision of these Articles, no transfer of any Share shall be registered if it is to

- (a) any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind, or
- (b) any person (other than a Third Party Buyer where the provisions set out in Articles 15 and 16 have been complied with) who has not executed a Deed of Adherence to, and in the manner required by, any Shareholders' Agreement for the time being in force

## **18 General Meetings and the lodging of proxies.**

18 1 Without prejudice to the powers of the board, a Special Director may, acting alone, call a general meeting of the Company

18 2 Regulation 62 shall be amended to substitute the phrase "1 hour" for the phrase "48 hours" and for the phrase "24 hours" on each occasion

## **19 Proceedings at General Meetings**

- 19 1 Any member having the right to vote at the meeting may demand a poll at a general meeting and regulation 46 of Table A shall be modified accordingly
- 19 2 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Board (a Special Director being part of that majority) resolve otherwise"
- 19 3 The quorum at a general meeting and at any class meeting of the holders of the A Shares shall (if there is only one holder of A Shares) be that holder (present in person or by proxy or by corporate representative), otherwise, it shall be any Investors (present in person, proxy or corporate representative) holding over half the A Shares for the time being in issue

## **20 Number of Directors**

The number of directors shall not be less than two and there shall be no maximum number

## **21 Special Directors**

- 21 1 Paul Gillett (a director of the Company on the date of adoption of these Articles) shall be a Special Director for so long as he is a director of the Company
- 21 2 Subject to Article 21 1 but with prejudice to Article 21 6, an Investor Member Majority may at any time and on more than one occasion appoint any person to be a Special Director and at any time and on more than one occasion remove any Special Director from office provided that there shall not be more than 2 Special Directors in office at any time
- 21 3 Any appointment or removal of a Special Director shall be in writing served on the Company signed by an Investor Member Majority and shall take effect at the time it is served on the Company or (if later) the date expressly stated therein, whichever is earlier
- 21 4 Upon written request by an Investor Member Majority, the Company shall procure that any Special Director is forthwith appointed as a director of any other member of the Group indicated in such request
- 21 5 Regulation 81(e) of Table A shall not apply to the Company
- 21 6 At any time and from time to time an Investor Member Majority may by notice to the Company appoint any one or more individuals named therein and willing to act to be a director or directors of the Company, and/or may remove any director or directors from office notwithstanding how or when he/they was/were appointed or anything else in these Articles or in any agreement between the Company and him/them A notice under this Article 21 6 shall be in writing and shall take effect on deposit at the office of the Company or at such later time as may be specified in the same A director appointed under this Article 21 6 shall not be deemed to be a Special Director (unless expressly appointed as such) and shall have all the rights of a director of the Company under these Articles A director so removed may not be reappointed to any office or employment under the Company without the approval of an Investor Member Majority

## **22 Alternate Directors**

- 22 1 The words "approved by resolution of the directors and" in regulation 65 of Table A shall not apply to an appointment of an alternate director by a Special Director provided such alternate is a director, partner, shareholder or employee of an Investor Member
- 22 2 Regulation 66 of Table A shall be amended by the insertion between the words "shall" and "be" of the words "(subject to his giving the Company an address within the United Kingdom at which notice may be served upon him)"
- 22 3 A person who holds office only as an alternate director shall, if his appointer is not present, be counted in the quorum
- 22 4 If an alternate director is himself a director or attends any meeting as an alternate director for more than one director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present
- 22 5 If there are two Special Directors in office at any time, each shall be deemed to be the alternate director for the other

## **23 Retirement of Directors**

- 23 1 The office of a director (other than a Special Director) who is at any time an employee of the Company or of any member of the same group as the Company shall automatically be vacated if
- (a) he ceases to be an employee (as described in Article 14.7) of the Company or of a member of the same group as the Company, or
  - (b) his employer ceases to be a member of the same group as the Company (whether or not he ceases to be its employee)

without being appointed as or continuing to be an employee of the Company or of another continuing member of the same group as the Company Regulation 81 of Table A shall be extended accordingly

## **24 Proceedings of Directors**

- 24 1 The quorum for the transaction of business of the Board shall be two directors One of the directors in the quorum shall be a Special Director unless either
- (a) a Special Director or an Investor Member Majority has previously agreed to the contrary in writing in respect of the meeting and business in question, or
  - (b) there is no Special Director in office at that time, or
  - (c) the business of the meeting includes the proposed exercise by the directors of the authority conferred by section 175 CA 2006 (or any subsequent amendment or revocation of such authorisation) and the Special Director is the director in question or otherwise interested in the matter, in which case the Special Director shall not be part of the quorum on that business
- 24 2 Any director or his alternate may validly participate in a meeting of the Board or a committee of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the

meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group that is larger than any other group, where the Chairman then is.

24.3 Save with the consent of a Special Director

- (a) the Board shall not delegate any of its powers to a committee other than as specified in any Shareholders' Agreement, and
- (b) meetings of the Board shall not be held outside the United Kingdom

24.4 As from the date that the provisions of section 175 CA 2006 come into force, the directors may (subject, where relevant, to Article 24.5) exercise the powers conferred by that section to authorise any matter contemplated by that section

24.5 Save where the Special Director is the director in question or otherwise interested in the matter or there is no Special Director in office, such authorisation (and any subsequent amendment or revocation of such authorisation) will be effective only if the Special Director votes in favour or consents in writing to the same

24.6 Authorisation by the Board under the power conferred by section 175 CA 2006 will be effective only if

- (a) any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and
- (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted

Any such authorisation may be subject to any limits or conditions expressly imposed by the directors

24.7 For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests

24.8 If there is only one Special Director in office or present, he shall have a second or casting vote at a meeting of the Board in the event of an equality of votes

24.9 A director who to his knowledge is in any way, whether directly or indirectly, interested in any actual or proposed contract, transaction or arrangement with the Company that is relevant in accordance with the Companies Acts shall declare the nature of his interest at a meeting of the Board or of any committee of the Board in accordance with that section. Subject to the Companies Acts, a director who has declared such an interest may vote at any such meeting 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 and (whether he votes or not) may be counted towards any quorum

24.10 Where any decision is to be made by the Company in relation to

- (a) any Shareholders' Agreement,
- (b) any Shareholder Contract,
- (c) any declaration or payment of dividend or other distribution on Shares, or



- (d) any allotment of shares in the capital of the Company or the grant of any right to subscribe for shares in the capital of the Company

then, notwithstanding any other provision of these Articles, in the event that a Special Director is for the time being appointed, any director may speak and count in the quorum at a meeting of the Board or of any committee of the Board in respect of that decision but only the Special Director or his alternate shall be entitled to vote on such decision

## **25 Notices**

- 25 1 Any notice to be given to the Company pursuant to these Articles shall be sent to the registered office of the Company or presented at a meeting of the Board
- 25 2 Any notice to be given pursuant to these Articles may alternatively be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee. Such a notice shall be conclusively deemed to have been properly given at the time shown on the transmission report received by the sender showing successful transmission
- 25 3 The figure "24" shall be inserted in substitution for the figure "48" in the third sentence of regulation 115 of Table A. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left

## **26 Indemnity and insurance**

- 26 1 Subject to the provisions of the Companies Acts, but without prejudice to any other indemnity to which the person concerned may otherwise be entitled, every director, alternate director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation thereto. Regulation 118 of Table A shall be extended accordingly
- 26 2 The Directors may exercise all the powers of the Company to purchase and maintain for every director or other officer insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may be lawfully insured against

## **27 Share Certificates etc**

The Company may execute any share certificate, warrant or other document creating or evidencing any security allotted by the Company or any right or option to subscribe granted by the Company in any manner permitted by law for the time being for the execution of a document by the Company. Regulation 6 of Table A shall be extended accordingly

## **28 Subsidiary undertakings**

- 28 1 The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiary undertaking so as to secure (but as regards its subsidiary undertakings only in so far as by the exercise of such rights or powers of control the Board can secure) that
- (a) no shares or other securities are issued or allotted by any such subsidiary and no rights are granted which might require the issue of any such shares or securities otherwise than to the Company or to one of its wholly-owned subsidiaries, and

- (b) neither the Company nor any of its subsidiaries transfers or disposes of any shares or securities of any subsidiary of the Company or any interest therein or any rights attached thereto otherwise than to the Company or one of its wholly-owned subsidiaries,

without in either case the previous consent in writing of an Investor Member Majority

- 28 2 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time, and to the extent that it may lawfully do so, declare and pay to the Company the dividends necessary to permit lawful and prompt payment by the Company of any dividends

## **29 Data Protection**

- 29 1 Each of the Members and directors of the Company (from time to time) consent to the processing of their personal data by the Company, its Members and directors (each a **Recipient**) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company
- 29 2 Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a member of the same group as that Recipient (**Recipient Group Companies**) and to employees, directors and professional advisers of that Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Members and directors of the Company (from time to time) consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so

## **30 Relationship to Banking Facilities**

- 30 1 The provisions of these Articles are subject to the following provisions of this Article 30
- 30 2 Notwithstanding any other provisions of these Articles, no payment shall be declared or made by the Company by way of dividend or other distribution, purchase, redemption, reduction or return of shares or capital or by addition to or repayment of any dividend reserve if and to the extent that such payment is prohibited or restricted by the terms of the Banking Facilities. No dividends or other distributions payable in respect of Shares, whether pursuant to the provisions of these Articles or otherwise shall constitute a debt enforceable against the Company unless it is permitted to be paid in accordance with the Banking Facilities for so long as the same shall remain in force and effect (although any interest which may be prescribed to accrue on any such dividends or distributions pursuant to these Articles shall accrue with effect from the date upon which the same would otherwise have been a debt due and enforceable but for the provisions of this Article 30 and the Banking Facilities until the date on which payment is actually made)
- 30 3 Where any dividend, redemption or other payment is not made because of the provisions of Article 30 2 or the Banking Facilities, such payment shall be made upon the necessary consent being obtained or the prohibition thereon ceasing to apply