

**COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**OF**

**A MEDIA NETWORKS LIMITED**

**Company Number: 06980539**

**(the "Company")**

**Circulated on 6 September 2010 (the "Circulation Date")**

1 IT WAS NOTED THAT

1.1 the company's current Articles of Association adopted at formation was provided automatically by a formation company and not to suit the particular needs of the company

1 2 moreover, the Articles are based on the Table A regulation of the 1985 Company Act, whilst the directors wish to move to the Model Articles associated with the more recent 2006 Companies Act.

1 3 it is proposed to adopt a new Articles of Association that is better suited to the needs of the Company and its members

1.4 the proposed new Articles of Association for the company is attached

SATURDAY



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Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the “Act”), the director of the Company proposes that the resolution below is passed as a special resolution of the Company.

**We**, being all the members of the Company entitled to vote on the resolution below **HEREBY PASS THE FOLLOWING RESOLUTION IN WRITING**, as special resolution of the Company, and hereby irrevocably agree in accordance with Section 288 of the Act that the said resolution shall be valid and effective as if passed as special resolution at a general meeting of the Company duly convened and held.

### **SPECIAL RESOLUTION**


**THAT** the Company adopt a new Articles of Association be and is hereby approved

## AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Special Resolutions in accordance with Section 296 of the Act.

The undersigned, being all the persons entitled to vote on the above special resolutions on 6 September 2010, hereby irrevocably agree to the Special Resolutions

Signed by

: ....  .....

Aubrey Owusu

For and on Behalf of Horizon Media Group

Date

*September 6th 2010*

Signed by

... ..  .....

Nicola McBride

For and on Behalf of Horizon Media Group

*Sept 6' 2010*

Date:

## Notes

1. If you agree to the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using the following methods:
  - (i) Post: returning the signed copy to the Company's registered office
  - (ii) Email returning the signed copy by PDF to the Company's sole director at [aowusu@theafricachannel.tv](mailto:aowusu@theafricachannel.tv)

If you do not agree to the resolution, you do not need to do anything you will not be deemed to agree if you fail to reply
2. Once you have indicated your agreement to the resolution, you may not revoke your agreement
3. Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the resolution to pass, it will lapse. If you agree to the resolution, please ensure that your agreement reaches us before or during this date.
4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power or authority when returning this document

Annex: New Articles of Association of A Media Networks Limited

**A MEDIA NETWORKS LIMITED**

(the “Company”)

**Company No. 06980539**

WRITTEN RESOLUTIONS of the Directors of the Company adopted pursuant to the Company’s Articles of Association

**1. BACKGROUND**

1.1 IT WAS NOTED that

1.2 the company’s current Articles of Association adopted at formation was provided automatically by a formation company and not to suit the particular needs of the company

1.3 moreover, the Articles are based on the Table A regulation of the 1985 Company Act, whilst the directors wish to move to the Model Articles associated with the more recent 2006 Companies Act

1.4 it is proposed to adopt a new Articles of Association that is better suited to the needs of the Company and its members

1.5 IT WAS FURTHER NOTED that the business of the resolution was.

1.5.1 to approve the proposed new Articles of Association

## **2. DOCUMENTS EXAMINED:**

2.1 With the above transaction in mind, the Directors considered.

2.1.1 The proposed new Articles of Association of the company

2.1.2 a form of written resolution of the members of the company ("**Written Resolution**") to approve the new Articles of Association

## **3. WRITTEN RESOLUTION**

3.1 **IT WAS RESOLVED** to:

3.1.1 approve the Written Resolution in the form produced to the meeting; and

3.1.2 send it to every eligible member of the Company and to the Company's auditors

3.2 **THE DIRECTOR NOTED** that the Written Resolution had been submitted to the members of the Company and the Director had received counterparts of the Written Resolution signed by 75% or more of the members and concluded that the Written Resolution had been passed.

## **4. DIRECTOR'S DUTIES**

In considering the business of the current resolutions, the director considered whether passing the resolutions in relation to the matters proposed would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, had regard to Section 172 of the Companies Act 2006. The director decided that it was in the best interests of the Company's business and to the commercial benefit and advantage of the Company to pass the below resolutions.

## **5. WRITTEN RESOLUTIONS**

5.1 The following resolutions were passed

5.1.1 To adopt the proposed New Articles of Association for the company

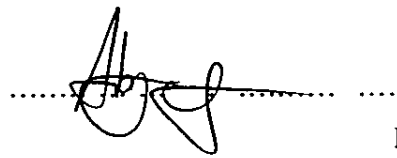
**6. FILING**

6.1 The company will procure that

6.1.1 The New Articles of Association and supporting documentation be sent to the Registrar of Companies;

6.1.2 all other necessary and appropriate entries are made in the books and registers of the Company

Signed: .....



**Director**

**Name: Aubrey Owusu**

Dated: .....

... *September* ... *2010*

Signed: . . .



**Director**

**Name: Nicola McBride**

Dated: .....

... *Sept 2* ... *2010*

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**A MEDIA NETWORKS LIMITED**

(Adopted by a special resolution passed on September 6<sup>th</sup> 2010)



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**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**  
**of**  
**A MEDIA NETWORKS LIMITED**

(Adopted by a special resolution passed on September 6th 2010)

**1. Introduction**

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

**2. Definitions**

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

**"Accounts"** means the audited balance sheet and profit and loss account of the Company or, if at the relevant time the Company has any Subsidiary Undertaking(s), a consolidation of the audited balance sheets and profit and loss accounts of the Company and its Subsidiary Undertaking(s), for each Financial Year,

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

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

**"Asset Sale"** means the disposal by the Company of all or substantially all of its undertaking and assets,

**"Associate"** in relation to any person means

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

**"Auditors"** means the auditors of the Company from time to time,

**"Authorised Share Capital"** has the meaning given in Article 3 1,

**"Available Profits"** means profits available for distribution within the meaning of part 23 of the Act,

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

**"Bonus Issue" or "Reorganisation"** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves or any consolidation or sub-division or any repurchase or redemption of shares or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in Article 6 4,

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

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

**"Company"** means A Media Networks Limited,

**"Company's Lien"** has the meaning given in Article 27 1,

<b>"Controlling Interest"</b>	means shares conferring over 60 % of the total votes capable of being cast on a poll at the Company's general meetings
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<b>"Controlling Shareholder"</b>	means a member or members holding between them a Controlling Interest
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**"CTA 2010"** means the Corporation Tax Act 2010,

**"Date of Adoption"** means the date on which these Articles were adopted,

**"Director(s)"** means a director or directors of the Company from time to time,

**"electronic address"** has the same meaning as in section 333 of the Act,

**"electronic form"** and **"electronic means"** have the same meaning as in section 1168 of the Act,

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

**"Employee"** means an individual who is employed by or who provides consultancy services to, the Company or any member of the Group,

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

**"Exit"** means a Share Sale or an Asset Sale,

**"Expert Valuer"** is as determined in accordance with Article 10 2,

**"Fair Value"** is as determined in accordance with Article 10 3,

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

**"Financial Institution"** any Financial Services Authority registered financial investor (or a financial investor registered with the equivalent body or authority in the country of the relevant financial investor's principal place of business),

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

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

**"hard copy form"** has the same meaning as in section 1168 of the Act,

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

**"Institutional Investor"** means a fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing,

**"Investment Agreement"** means the investment agreement dated on or around the Date of Adoption between, amongst others, the Company and the Investors,

**"Investors"** means Horizon Media Group and its Permitted Transferees,

**"Investor Directors"** means such directors of the Company nominated by the Investors,

**"Investor Majority"** means the consent of Shareholders having the right to vote 60% of the Ordinary Shares,

**"Investor Majority Consent"** means the prior written consent of the Investor Majority,

**"ITEPA"** means Income Tax (Earnings and Pensions) Act 2003,

**"Issue Price"** means the price at which the relevant Share is issued, including any premium,

**"Lien Enforcement Notice"** has the meaning given in Article 27 3,

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

**"New Securities"** means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 6 4),

**"Offer"** has the meaning set out in Article 9,

**"Offer Period"** has the meaning set out in Article 9,

**"Ordinary Shareholders"** means the holders from time to time of the Ordinary Shares,

**"Ordinary Shares"** means the ordinary shares of £1 00 each in the capital of the Company,

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 8,

**"Permitted Transferee"** means

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees,
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means
  - (i) any Member of the same shareholder Group

**"Priority Rights"** means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 9 6,

**"Privileged Relation"** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue) or following Investor Majority Consent any other as notified to the Company,

**"Proceeds of Sale"** means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale,

**"Proposed Purchaser"** means a proposed purchaser who at the relevant time has made an offer on arm's length terms,

**"Proposed Sale Date"** has the meaning given in Article 9,

**"Proposed Sale Notice"** has the meaning given in Article 9,

**"Proposed Sale Shares"** has the meaning given in Article 9,

**"Proposed Seller"** means any person proposing to transfer any shares in the capital of the Company,

**"Proposed Transfer"** has the meaning given in Article 9,

**"Qualifying Person"** has the meaning given in section 318(3) of the Act,

**"Relevant Interest"** has the meaning set out in Article 21 5,

**"Sale Shares"** has the meaning set out in Article 9 2(a) of these Articles,

**"Seller"** has the meaning set out in Article 9 2 of these Articles,

**"Shareholder"** means any holder of any Shares,

**"Shares"** means the Ordinary Shares

**"Share Sale"** means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale,

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

**"Transfer Notice"** shall have the meaning given in Article 9 2,

**"Transfer Price"** shall have the meaning given in Article 9 2(c),

**"Trustees"** in relation to a Shareholder means the trustee or the trustees of a Family Trust,

**"Unvested"** means in relation to Ordinary Shares those shares which are capable of being converted into Deferred Shares under Article 8, and

**"Vested"** means in relation to Ordinary Shares those shares which are no longer capable of being converted into Deferred Shares under Article 8 and in relation to all other Shares, the number of shares which are in issue

### **3 Share capital**

- 3 1 Unless otherwise determined by the Company by ordinary resolution, the maximum amount of Shares that may be allotted by the Company shall be (at any time including any Shares already allotted or issued but excluding any Shares that have been purchased or redeemed by the Company) (the **"Authorised Share Capital"**) **£ 2000,000 • comprising 2000,000 £0.10 Ordinary Shares**
- 3 2 The cancellation by the Company of any share capital in accordance with chapter 10 of part 17 of the Act shall be treated as reducing the amount of the Authorised Share Capital and the Shares which it comprises accordingly
- 3 3 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue
- 3 4 Except as otherwise provided in these Articles, the Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares
- 3 5 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles
- 3 6 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid, and" with the words "the amount paid up on them, and"
- 3 7 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine"

### **4. Dividends**

- 4 1 Every dividend shall be distributed to the appropriate shareholders *pro rata* according to the numbers of shares held by them respectively and shall accrue on a daily basis assuming a 365 day year All dividends are expressed net and shall be paid in cash
- 4 2 Article 31(1) of the Model Articles shall be amended by
- (a) the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing", and
  - (b) the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing"

4 3 Subject to the Act and these Articles, the Board may, provided Investor Majority Consent is given, pay interim dividends if justified by the Available Profits in respect of the relevant period

4 4 If

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

(b) the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Money so deducted shall be used to pay any of the sums payable in respect of that Share. The Company shall notify the distribution recipient in writing of

(i) the fact and sum of any such deduction,

(ii) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction, and

(iii) how the money deducted has been applied

## **5 Votes in general meeting**

5 1 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company

5 2 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him

## **6 Allotment of new shares or other securities: pre-emption**

6 1 Unless otherwise agreed by special resolution passed in general meeting or as a written resolution passed in accordance with part 13 of the Act, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the Controlling Shareholder in writing, give details of the number and subscription price of the New Securities and on the same terms and at the same price as those New Securities are being offered to other persons. Any New Securities not accepted by the Controlling Shareholder pursuant to the offer made to them in accordance with Article 6 1 shall be offered to any Shareholders on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as may be without involving fractions). The offer

(a) shall be in writing, give details of the number and subscription price of the New Securities, and

(b) may stipulate that any Shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities ("Excess Securities") for which they wish to subscribe



- 6 2 Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 6 1 shall be used for satisfying any requests for Excess Securities made pursuant to Article 6 1 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Shares held by the applicants immediately prior to the offer made to Shareholders in accordance with Article 6 1 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) and after that allotment, any Excess Securities remaining shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Shareholders
- 6 3 Subject to Articles 6 1 and 6 2 and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment or grant to that person must be approved in writing by an Investor Majority
- 6 4 The provisions of Articles 6 1 to 6 2 shall not apply to
- (a) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by an Investor Majority,
  - (b) New Securities which the Investor Majority have agreed in writing should be issued without complying with the procedure set out in this Article 6,
  - (c) New Securities issued as a result of a bonus issue of shares which has been approved in writing by an Investor Majority, and
  - (d) Shares or options for Shares issued or granted to the Investors in accordance with the terms of the Investment Agreement

## **7. Transfers of Shares – general**

- 7 1 In Articles 7 to 15 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 7 2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 7 3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him
- 7 4 Any transfer of a Share by way of sale which is required to be made under Articles 8 to 15 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee
- 7 5 Unless express provision is made in these Articles to the contrary, no Ordinary Shares shall be transferred without the consent of the Investor Majority
- 7 6 The Directors may refuse to register a transfer if
- (a) it is a transfer of a Share which is not fully paid

- (i) to a person of whom the Investor Directors do not approve, or
- (ii) on which Share the Company has a lien,
- (b) the transfer is not lodged at the registered office or at such other place as the Investor Directors may appoint,
- (c) the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Investor Directors may reasonably require to show the right of the transferor to make the transfer,
- (d) the transfer is in respect of more than one class of Shares, or
- (e) the transfer is in favour of more than four transferees

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

7 7 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 the Investment Agreement or any other shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 7 7 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

7 8 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may, with Investor Majority Consent, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors or the Investor Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur with Investor Majority Consent

- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights
  - (i) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question) provided that such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of an Investor, or

- (ii) to receive dividends or other distributions (other than the amount they may be entitled to pursuant to the application of Article 4.2) otherwise attaching to those shares or to any further shares issued in respect of those shares
- (b) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder

The rights referred to in (a) above may be reinstated by the Board subject to Investor Director Consent and shall in any event be reinstated upon the completion of any transfer referred to in (b) above

7.9 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares,
- (b) it does not include a Minimum Transfer Condition (as defined in Article 9.2(d)), and
- (c) the Seller wishes to transfer all of the Shares held by it

7.10 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of

- (a) the transferor, and
- (b) (if any of the shares is partly or nil paid) the transferee

## 8. Permitted Transfers

8.1 Subject to Article 7.5, a Shareholder (the "Original Shareholder") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise

8.2 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 8.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise

8.3 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than twenty-one Business Days after the date

on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares

8 4 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise

8 5 No transfer of Shares may be made to Trustees unless the Board is satisfied

- (a) with the terms of the trust instrument and in particular with the powers of the trustees,
- (b) with the identity of the proposed trustees,
- (c) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company

8 6 If a company to which a Share has been transferred under Article 8 4, ceases to be a Qualifying Company it must within 21 Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares

8 7 A transfer of any Shares approved by the Investor Majority may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors

8 8 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by the Investor Majority

## **9 Transfers of Shares subject to pre-emption rights**

9 1 Save where the provisions of Articles 7, 8 and 13 apply, any party wishing to transfer its shares who does not hold shares in a number which constitutes a Controlling Interest ("**Seller**") shall be subject to the pre-emption rights contained in this Article 9

9 2 A ( **Seller** shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying

- (a) the number of Shares which he wishes to transfer (the "**Sale Shares**"),
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
- (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (including the Investor Directors) (the "**Transfer Price**"), and

- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders ( a "**Minimum Transfer Condition**")

9 3 Except with the written consent of an Investor Majority, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn

9 4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price

9 5 As soon as practicable following the later of

- (a) receipt of a Transfer Notice, and
- (b) in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 10,

the Board shall offer the Sale Shares for sale to in the first instance the Controlling Shareholder and then, should the Controlling Shareholder not purchase the Sale Shares, the Shareholders in the manner set out in Articles 9 6 to 9 8 Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered

#### 9 6 *Transfers First Offer*

In the first instance, the Board shall offer the Sale Shares to the Controlling Shareholder, who shall have 15 Business Days to accept the Offer If the Controlling Shareholder does not accept the Offer, or only accepts in part, then

- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders specified in the offer other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 9 6 and 9 7 will be conditional on the fulfilment of the Minimum Transfer Condition
- (c) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy
- (d) If not all Sale Shares are allocated in accordance with Article 9 6(c) but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in Article 9 6(e)
- (e) If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the

balance (the "Initial Surplus Shares") will be dealt with in accordance with Article 9 7

9 7 *Transfers Second Offer*

- (a) At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy
- (b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy
- (c) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with Article 9 8(e)

9 8 *Completion of transfer of Sale Shares*

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 9 6 and 9 7 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect
- (b) If
  - (i) the Transfer Notice does not include a Minimum Transfer Condition, and
  - (ii) allocations have been made in respect of all the Sale Shares,the Board shall, when no further offers are required to be made under Articles 9 6 and 9 7, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares
- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it
- (d) If the Seller fails to comply with the provisions of Article 9 8(c)

- (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller
    - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
    - (B) receive the Transfer Price and give a good discharge for it, and
    - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
  - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate)
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 9 8(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Conditions
- (f) The right of the Seller to transfer Shares under Article 9 9(e) does not apply if the Board is of the opinion on reasonable grounds that
- (i) the transferee is a person (or a nominee for a person) who the Investor Directors determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company,
  - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
  - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above

#### 9 9 *Waiver of restrictions*

*The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with Investor Majority Consent*

### 10. **Drag Along**

- 10 1 If the Controlling Shareholder (the **"Selling Shareholders"**) wishes to transfer all of their interest in the shares (**"Sellers' Shares"**) to a bona fide arm's-length purchaser (**"Proposed Buyer"**), the Selling Shareholders shall have the option (**"Drag Along Option"**) to require all the other holders of shares on the date of the request (**"Called Shareholders"**) to sell and transfer all their interest in the shares to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Regulation 10

- 10.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **"Drag Along Notice"**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify -
- (a) that the Called Shareholders are required to transfer all their shares (**"Called Shares"**) pursuant to this Article 10,
  - (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),
  - (c) the consideration payable for the Called Shares,
  - (d) the proposed date of completion of transfer of the Called Shares
- 10.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within sixty (60) Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 10.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out on this Article 10.
- 10.5 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless -
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree, or
  - (b) that date is less than twenty (20) Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place twenty (20) Business Days after the date of service of the Drag Along Notice.
- 10.6 Within twenty (20) Business Days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those shares (or a suitable indemnity in respect thereof) to the Company.
- 10.7 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this Article 10.
- 10.8 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert



any security into, Shares (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Regulation 10 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares

10 9 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 10

10 10 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice

## **11. Valuation of Shares**

11 1 If a Transfer Notice does not specify a Transfer Price or, subject to Article 7 9, if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either

- (a) appoint expert valuers in accordance with Article 11 2 (the "**Expert Valuers**") to certify the Fair Value of the Sale Shares, or (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks)
- (b) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice

11 2 The Expert Valuers will be either

- (a) the Auditors, or (if so specified in the relevant Transfer Notice)
- (b) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party

11 3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- (c) that the Sale Shares are capable of being transferred without restriction,
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the

percentage of the issued share capital of the Company which they represent, and

- (e) reflect any other factors which the Expert Valuers reasonably believe should be taken into account

- 11 4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit
- 11 5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination
- 11 6 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 11 7 The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose
- 11 8 The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within [five] Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares
- 11 9 The cost of obtaining the certificate shall be paid by the Company unless
  - (a) the Seller cancels the Company's authority to sell, or
  - (b) the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the cost

## **12. Compulsory transfers – general**

- 12 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors
- 12 2 If a Share remains registered in the name of a deceased Shareholder for longer than two years after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either
  - (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer), 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 Shareholder

If either requirement in this Article 12 2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice, following Investor Majority Consent shall be deemed to

have been given in respect of each such Share save to the extent that, the Directors may otherwise determine

**13 Not Used**

**14. General meetings**

- 14 1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act. A Shareholder holding less than 10% of the ordinary issue share capital of the Company shall not be entitled to call a general meeting of the Company
- 14 2 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman so appointed for that meeting
- 14 3 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 14 4 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded
- 14 5 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken
- 14 6 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day

**15 Proxies**

- 15 1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)"
- 15 2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may

- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,
- (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director, or
- (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

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

#### **16. Directors' borrowing powers**

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

#### **17 Alternate Directors**

17 1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "Appointor") may appoint any director or any other person as he thinks fit to be his alternate Director to

- (a) exercise that Director's powers, and
- (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor

The appointment of an alternate Director shall require Investor Majority Consent

17 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors

17 3 The notice must

- (a) identify the proposed alternate, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice

17 4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor

17 5 Except as these Articles specify otherwise, alternate directors

- (a) are deemed for all purposes to be Directors,
- (b) are liable for their own acts and omissions,
- (c) are subject to the same restrictions as their Appointors, and
- (d) are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member

17 6 A person who is an alternate Director but not a Director

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating), and
- (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate)

No alternate may be counted as more than one Director for such purposes

17 7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision)

17 8 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company

17 9 An alternate Director's appointment as an alternate shall terminate

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director,
- (c) on the death of the alternate's Appointor, or
- (d) when the alternate's Appointor's appointment as a Director terminates

## **18 Number of Directors**

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than two

## **19. Appointment of Directors**

19 1 In addition to the powers of appointment under article 17(1) of the Model Articles, each Investor for so long as it and its Permitted Transferees holds more than 50 per cent of

the Shares in issue shall be entitled to nominate four persons to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. Each Investor shall be entitled to remove their nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place. In the event an Investor holds between 40 per cent and 50 per cent of the Shares in issue they shall be entitled to nominate three persons to act as a Director of the Company, and if an investor holds between 25 per cent and 40 per cent of the Shares in issue they shall be entitled to nominate two persons to act as a Director of the Company, and if an Investor holds not less than 15 per cent of the Shares in issue they shall be entitled to appoint one person as a Director of the Company.

- 19.2 An appointment or removal of a Director under Article 19.1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company.
- 19.3 Each Investor shall be entitled to appoint one person to act as an observer to the Board. The observer shall be entitled to attend and speak at all meetings of the Board and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting.

## **20. Disqualification of Directors**

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated following Investor Majority Consent, or
- (b) in the case of Directors other than an Investor Director, if a majority of his co-Directors serve notice on him in writing following Investor Majority Consent, removing him from office.

## **21. Proceedings of Directors**

- 21.1 The quorum for Directors' meetings shall be two Directors. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 21.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only two Directors are physically present.
- 21.3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participants in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.

- 21 4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 21 5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 21 6 A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

## **22. Directors' interests**

### *Specific interests of a Director*

- 22 1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
  - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
  - (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company,
  - (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
  - (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
  - (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee

or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,

- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

*Interests of which a Director is not aware*

- 22 2 For the purposes of this Article 22, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

*Accountability of any benefit and validity of a contract*

- 22 3 In any situation permitted by this Article 22 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

*Terms and conditions of Board authorisation*

- 22 4 Subject to Article 22 5, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation
  - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
  - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or
  - (iii) restricting the application of the provisions in Articles 22 6 and 22 7, so far as is permitted by law, in respect of such Interested Director,
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time, and

subject to Article 22 5, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 22

*Terms and conditions of Board authorisation for an Investor Director*

- 22 5 Notwithstanding the other provisions of this Article 22, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of,



or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 22 8

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

- 22 6 Subject to Article 22 8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 22), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director
- 22 7 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 22 7 shall apply only if the conflict arises out of a matter which falls within Article 22 1 or Article 22 2 or has been authorised under section 175(5)(a) of the Act

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

- 22 8 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
  - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

*Requirement of a Director to declare an interest*

- 22 9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 22 1 or Article 22 2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest
- (a) falling under Article 22 1(g),
  - (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or

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

*Shareholder approval*

22 10 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 22

22 11 For the purposes of this Article 22

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director,
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified

**23 Notices**

23 1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied

- (a) in hard copy form,
- (b) in electronic form, or

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

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 23

*Notices in hard copy form*

23 2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas)

- (a) to the Company or any other company at its registered office, or
- (b) to the address notified to or by the Company for that purpose, or
- (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or
- (d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors, or

- (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied, or
  - (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company
- 23 3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective
- (a) if delivered, at the time of delivery,
  - (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first
- Notices in electronic form*
- 23 4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may
- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
  - (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 23 2, or
  - (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify
    - (i) on its website from time to time, or
    - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time
- 23 5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective
- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
  - (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
  - (c) if delivered in an electronic form, at the time of delivery, and
  - (d) if sent by any other electronic means as referred to in Article 23 4(c), at the time such delivery is deemed to occur under the Act
- 23 6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

## *General*

- 23 7 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**") Notice so given shall constitute notice to all the joint holders
- 23 8 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise)

## **24. Indemnities and insurance**

- 24 1 Subject to the provisions of and so far as may be permitted by, the Act

(a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against

- (i) any liability incurred by the director to the Company or any associated company, or
- (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or
- (iii) any liability incurred by the director
  - (A) in defending any criminal proceedings in which he is convicted,
  - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him, or
  - (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 24 1(a)(i), 24 1(a)(iii)(B) and 24 1(a)(iii)(C) applying,

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be

guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

- 24 2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

## **25. Data Protection**

- 25 1 Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a "**Recipient**") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group ("**Recipient Group Companies**") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so

## **26. Secretary**

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

## **27 Lien**

- 27 1 The Company shall have a first and paramount lien (the "**Company's Lien**") over every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable

- 27 2 The Company's Lien over a Share

- (a) shall take priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

The Directors may, with Investor Majority Consent at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part.

27 3 Subject to the provisions of this Article 27, if

- (a) a notice complying with Article 27 4 (a "**Lien Enforcement Notice**") has been given by the Company in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

the Company shall be entitled to sell that Share in such manner as the Directors decide, following Investor Majority Consent

27 4 A Lien Enforcement Notice

- (a) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum payable within 28 days of the notice,
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

27 5 Where any Share is sold pursuant to this Article 27

- (a) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser, and
- (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale

27 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice,
- (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice

27 7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and

- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share

## **28. Forfeiture of Shares**

### **28 1 A notice of intended forfeiture**

- (a) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (b) shall require payment of the call and any accrued interest [and all expenses that may have been incurred by the Company by reason of such non-payment] by a date which is not fewer than 28 days after the date of the notice,
- (c) shall state how the payment is to be made, and
- (d) shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited

**28 2** If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors with investor Majority Consent may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture

### **28 3 Subject to these articles, the forfeiture of a Share extinguishes**

- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company

### **28 4 Any Share which is forfeited in accordance with these Articles**

- (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited,
- (b) shall be deemed to be the property of the Company, and
- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit

### **28 5 If a person's Shares have been forfeited then**

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

- (e) the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal
- 28 6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest [and expenses] due in respect of it and on such other terms as they think fit
- 28 7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer
- 28 8 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share
- 28 9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share
- 28 10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which
- (a) was, or would have become, payable, and
  - (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,
- but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds

## **29. Surrender of Shares**

- 29 1 A Shareholder shall be entitled to surrender any Share
- (a) in respect of which the Directors issue a notice of intended forfeiture,
  - (b) which the Directors forfeit, or
  - (c) which has been forfeited
- The Directors shall be entitled to accept the surrender of any such Share
- 29 2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share
- 29 3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited