

Company no. 07051667

The Companies Act 2006
Private company limited by shares
Written resolutions
of
Red and Yellow Limited

27 May 2011 (the "Circulation Date")



Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of Red and Yellow Limited (the "Company") propose that

- resolution 1 below is passed as an ordinary resolution (the "Ordinary Resolution"), and
- resolutions 2 and 3 below are passed as special resolutions (the "Special Resolutions")

Ordinary Resolution:

- 1 **That** the directors be generally and unconditionally authorised pursuant to section 551, Companies Act 2006 to exercise all the powers of the Company to allot relevant securities in the Company up to a maximum nominal amount of £12,513 01 (including the aggregate nominal value of the issued share capital in the Company from time to time) at any time or times during the period of five years from the date of the passing of this resolution on which date this authority shall expire, provided that the Company may, prior to such expiry make any offer or agreement which would or might require such relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred had not expired

Special Resolutions:

- 2 **That** the draft articles of association attached to this resolution be adopted by the Company in substitution for, and to the exclusion of, its existing articles of association
- 3 **That** Section 567, Companies Act 2006, sub-section (1) of Section 561, Companies Act 2006, and sub-sections (1) to (5) inclusive of Section 562, Companies Act 2006 be excluded from applying to the authority conferred by resolution (1) above

Important:

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

The undersigned, being persons entitled to vote on the resolutions on the Circulation Date (see Note 4), hereby irrevocably agree to the Ordinary Resolution and Special Resolutions

Signed 

Bahbak Miremadi

Date 27/5/11

Signed

Ahmad Miremadi

Date

Signed 

David Boulter

Date 27th May 2011

Signed

Lucy Boulter

Date

Signed

John Boulter

Date

Signed

Emma Boulter

Date

Signed

Patrick Boulter

Date

Signed

Bahbak Miremadi

Date

Signed

Ahmed Miremadi

Date

Signed

David Boulter

Date

Signed

Lucy Boulter

Date

Signed

John Boulter

Date 27/5/2011

Signed

Emma Boulter

Date

Signed

Patrick Boulter

Date

Notes

- 1 You can choose to agree to the Ordinary Resolution and the Special Resolutions or none of them but you cannot agree to only some of them. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods
 - By hand (by delivering the signed copy to 2 Temple Back East, Temple Quay, Bristol BS1 6EG marked for the attention of Simon Jones)
 - By post (by returning the signed copy to 2 Temple Back East, Temple Quay, Bristol BS1 6EG marked for the attention of Simon Jones)
- 2 **The resolutions will lapse if sufficient votes in favour of them have not been received by the end of the date which is 28 days after the Circulation Date (the Circulation Date being counted as day one)** Unless you do not wish to vote on any of the resolutions, please ensure that your agreement reaches the Company on or before this date and time. If the Company has not received this document from you by then you will be deemed to have voted against all of the resolutions.
- 3 Once you have signified your agreement to the resolutions such agreement cannot be revoked.
- 4 In the case of joint holders of shares, only the vote of the holder whose name appears first in the register of members of the Company in respect of such joint holding will be counted by the Company to the exclusion of the other joint holder(s).
- 5 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 of attorney or authority when returning this document.

Articles of Association

of

Red and Yellow Limited

Company number 07051667

(Private company limited by shares)

as adopted by special resolution passed on 27 May 2011

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Company number: 07051667

The Companies Act 2006

Private company limited by shares

Articles of Association

of

Red and Yellow Limited ("the Company")

(as adopted by special resolution passed on 27 May 2011)

Part 1

Interpretation, Limitation of Liability and other miscellaneous provisions

1 Preliminary

Notwithstanding any other provision of these Articles, no regulations for management of the Company set out in any statute concerning companies or contained in any regulations, order, instrument or other subordinate legislation made pursuant to a statute (including, but not limited to, the regulations contained in the Model Articles (as amended from time to time)) shall apply to the Company. The following shall be the Articles of the Company.

2 Defined terms

In these Articles, unless a contrary intention is expressly stated, the following words and expressions shall have the following meanings:

"acting in concert" has the meaning set out in the City Code on Takeovers and Mergers (as amended from time to time)

"Acts" means the Companies Acts and every other statute, order, regulation, or other subordinate legislation from time to time in force concerning companies and affecting the Company.

"alternate" or **"alternate director"** has the meaning set out in Article 34 (*Appointment and removal of alternates*)

"A Ordinary Shares" means the A ordinary shares of £0.01 each in the capital of the Company.

"A Ordinary Shareholders" means the holders of A Ordinary Shares and an **"A Ordinary Shareholder"** shall mean any of them.

"appointor" has the meaning set out in Article 34 (*Appointment and removal of alternates*)

"Approved Offer" means an irrevocable offer in writing that is for all the shares in the capital of the Company on terms providing for a distribution of proceeds in accordance with Article 8.2 (*Rights attaching to shares – capital*) which has received Shareholder Consent

"Articles" means these articles of association as altered or varied from time to time (and **"Article"** means a provision of these Articles)

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy

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

"Called Shareholders" has the meaning set out in Article 16.1 (*Drag along*)

"Called Shares" has the meaning set out in Article 16.1 (*Drag along*)

"capitalised sum" has the meaning set out in Article 42 (*Authority to capitalise and appropriate of capitalised sum*)

"chairman of the meeting" has the meaning set out in Article 45 (*Chairing general meetings*)

"Companies Acts" has the meaning set out in Section 2, CA2006

"Company's lien" has the meaning set out in Article 38.1 (*Company's lien*)

"Conflicted Director" has the meaning set out in Article 29.1 (*Authorisation of conflicts of interest*)

"Conflict Situation" has the meaning set out in Article 29.1 (*Authorisation of conflicts of interest*)

"Controller" means in relation to a corporate member a person who has the power or ability to direct the management or the policies of that member, whether through the ownership of voting capital, by contract or otherwise

"Controlling Interest" means an interest in shares (as defined in Schedule 1 of the CA2006) conferring in aggregate more than 50% of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue

"Deed of Adherence" means a deed of adherence to the Investment Agreement in a form approved by the Board

"director" means a director of the Company, and includes any person occupying the position of director, by whatever name called

"distribution recipient" has the meaning set out in Article 41 (*Payment of dividends and other distributions*)

"document" includes, unless otherwise specified, any summons, notice, order, register, certificate or other legal process and includes any such document sent or supplied in electronic form

"eligible director" means a director who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but excluding any director whose vote is not to be counted in respect of the resolution in question)

"Employee" means a person who at the date of the adoption of these Articles or subsequently is employed by, or is a consultant to, any Group Company and/or holds the office of executive or non-executive director in any Group Company

"Equity Shares" means the Ordinary Shares and the A Ordinary Shares

"Exit Notice" has the meaning set out in Article 16 2 (*Drag along*)

"Exit Option" has the meaning set out in Article 16 1 (*Drag along*)

"Founders" means David Boulter, Bahbak Miremadı and Jamie Hornby

"fully paid" in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company

"Further Issue" has the meaning set out in Article 9 (*Further issues of shares*)

"Group" means the Company and its Subsidiaries (if any) for the time being and **"Group Company"** means any of them

"holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares

"instrument" means a document in hard copy form

"Investment Agreement" means the investment agreement entered into on or around the date of adoption of these Articles between the Company (1), the Managers (2) and the Investors (as defined therein) (3) as that agreement may be amended from time to time

"Listing" means the becoming effective of a listing of any Group Company's securities on a Stock Exchange or the granting of permission for any Group Company's securities to be traded on a Stock Exchange and the listing shall be treated as occurring on the day on which trading in the securities began

"Majority Sellers" has the meaning set out in Article 16 1 (*Drag along*)

"Majority Sellers' Shares" has the meaning set out in Article 16 1 (*Drag along*)

"Managers" means David Boulter and Bahbak Miremadı

"Market Price" means the price which the Valuer states in writing to be in their opinion the market value of the shares concerned on the following assumptions and bases

- (a) to have regard to the rights and restrictions attached to the shares in respect of income, capital and transfer,
- (b) to assume that the sale is on an arms' length basis-between a willing vendor and a willing purchaser,
- (c) to disregard whether or not the shares represent a minority or majority interest,
- (d) to take no account of whether the shares do or do not carry control of the Company, and
- (e) if the Company is then carrying on business as a going concern, to assume that it will continue to do so in the same manner as immediately prior to the date of the Transfer Notice or deemed Transfer Notice giving rise to the valuation

"Model Articles" means the model Articles for private companies limited by shares as set out in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229)

"nil paid" in relation to a share, means that none of that share's nominal value or any premium at which it was issued has been paid to the Company

"Offered Shares" has the meaning set out in Article 13 2 (*Pre-emption procedure*)

"Ordinary Shares" means the ordinary shares of £0 01 each in the capital of the Company

"Ordinary Shareholders" means the holders of Ordinary Shares and an **"Ordinary Shareholder"** shall mean any of them

"Original Subscription Price" means, in respect of any shares, the original subscription price (including any premium) paid for that share

"paid" means paid or credited as paid

"partly paid" in relation to a share, means that part of that share's nominal value or any premium at which it was issued that has not been paid to the Company

"Pre-emption Purchasers" has the meaning set out in Article 13 5 (*Pre-emption procedure*) and **"Pre-emption Purchaser"** means any one of them

"Realisation Price" means the value of each Ordinary Share in issue immediately prior to a Listing, determined by reference to the price per share at which Ordinary Shares in the Company are to be offered for sale, placed or otherwise marketed pursuant to such Listing

"relevant director" means any director or former director

"relevant loss" means any costs, charges, losses, expenses and liabilities which have been or may be incurred by a relevant director, secretary or other officer in the actual or purported execution or discharge of his duties or in the actual or purported exercise of his powers in relation to the affairs of the Company, any associated company (within the meaning of Section 256, CA2006), any pension fund (including any occupational pension scheme) or any employees' share scheme of the Company or associated company

"Relevant Securities" means all shares, rights to subscribe for shares or to receive them for no consideration and all securities convertible into shares, but excluding

- (a) the shares proposed to be issued under the Investment Agreement,
- (b) shares issued in order for the Company to comply with its obligations under the Articles (other than Article 12 (*Further issues of shares*)),
- (c) shares or securities convertible into shares issued in consideration of an acquisition by the Company of any company or business, such acquisition having received Shareholder Consent

"Sale" means

- (a) the sale or other disposal (whether by one transaction or a series of related transactions) of the entire issued share capital of the Company, or
- (b) where the purchaser(s) and their connected persons (within the meaning of Section 252, CA 2006) or associated bodies corporate (within the meaning of Section 256, CA2006), as appropriate, already hold shares in the capital of the Company, the sale or other disposal of such number of shares such that the purchaser(s) and his connected persons or associated bodies corporate, as appropriate, hold the entire issued share capital of the Company)

"Sale Price" has the meaning set out in Article 13 3 (*Pre-emption procedure*)

"shareholder" means a person who is the holder of a share

"shares" means shares in the Company

"Shareholder Consent" means the written consent of the holders of 50% or more of the Equity Shares in issue at the time

"Stock Exchange" means The London Stock Exchange plc (including the Alternative Investment Market operated by The London Stock Exchange plc), PLUS Markets plc (including the PLUS-listed market and PLUS-quoted market operated by PLUS Markets plc) or any other recognised investment exchange (as defined by Section 285, Financial Services and Markets Act 2000) and their respective share dealing markets

"Subsidiary" means a subsidiary (as defined in Section 1159, CA2006) or a subsidiary undertaking (as defined in Section 1163, CA2006) and **"Subsidiaries"** shall be construed accordingly

"Third Party Purchaser" has the meaning set out in Article 16 1 (*Drag along*)

"Total Transfer Condition" has the meaning set out in Article 13 2 (*Pre-emption procedure*)

"Transfer Notice" has the meaning set out in Article 13 1 (*Pre-emption procedure*)

"transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law

"Valuer" means an independent accountant nominated by agreement between the Board (acting with Shareholder Consent) and the transferor(s) or, failing agreement within 10 working days, nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods and **"written"** shall be construed accordingly

3 Interpretation

3 1 In these Articles

- (a) words in the singular include the plural and vice versa and words in one gender include any other gender,
- (b) a reference to
 - (i) **"transfer of shares"** or any similar expression shall be deemed to include, in respect of a share in the capital of the Company
 - (A) any sale or other disposition of the legal or equitable interest in a share (including any voting right attached to a share),
 - (B) the creation of any mortgage, charge, pledge or other encumbrance over any legal or equitable interest in a share,
 - (C) any direction by a person entitled to an allotment or issue of shares that a share be allotted or issued to some other person, and
 - (D) any grant of an option to acquire, or agreement to enter into a grant of an option to acquire, any legal or equitable interest in a share,
 - (ii) **"person"** includes any individual, firm, corporation, body corporate, association, partnership, trust, unincorporated association, employee

representative body, government or state or agency or department thereof, executors, administrators or successors in title (whether or not having a separate legal personality),

- (c) the table of contents and headings are for convenience only and do not affect the interpretation of these Articles, and
- (d) general words shall not be given a restrictive meaning
 - (i) if they are introduced by the word "other" or "including" or similar words by reason of the fact that they are preceded by words indicating a particular class of act, matter or thing, or
 - (ii) by reason of the fact that they are followed by particular examples intended to be embraced by those general words

3 2 Unless the context otherwise requires (or unless otherwise defined or stated in these Articles), words or expressions contained in these Articles shall have the same meaning as in the CA2006 as in force from time to time

4 **Liability of members**

The liability of the members is limited to the amount, if any, unpaid on the shares held by them

5 **Company's name**

The Company may change its name with Shareholder Consent by means of a decision of the directors made in accordance with the provisions of Article 23 (*Directors to take decisions collectively*) or Article 24 (*Unanimous decisions*) The provisions of Section 79, CA2006 shall be complied with on any change of Company name made pursuant to this Article

6 **Domicile**

The Company's registered office is to be situated in England and Wales

Part 2

Share capital, rights and transfers

7 **Share capital**

7 1 Except as otherwise provided in these Articles, the Ordinary Shares and the A Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares

7 2 Whenever the Company has only one class of shares, unless otherwise authorised by these Articles, the directors shall not (save with Shareholder Consent) exercise any power of the Company pursuant to Section 550, CA2006 to allot shares or to grant rights to subscribe for, or convert any security into, any shares in the Company

Articles 3 and 22(1) of the Model Articles are modified accordingly

7 3 Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may (with Shareholder Consent) issue shares with such rights or restrictions as may be determined by ordinary resolution

7 4 The Company may (with Shareholder Consent) issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may (with Shareholder Consent) determine the terms, conditions and manner of redemption of any such shares

7 5 Shares may be issued by the Company which are nil, partly or fully paid Article 21 of the Model Articles shall not apply to the Company

8 Rights attaching to shares

8 1 *Income*

Any profits which the Company or Board may determine to distribute following the adoption of these Articles shall be distributed as follows (a "**Distribution**")

- (a) first, in paying to the holders of the A Ordinary Shares the Original Subscription Price in respect of such shares, and
- (b) thereafter amongst the holders of the Equity Shares (equally as if they were one class of share) in proportion to the number of shares held by them respectively

For the avoidance of doubt, once each holder of A Ordinary Shares has received an aggregate, cumulative amount equal to the Original Subscription Price in respect of each A Ordinary Share held by such member in accordance with Article 8 1(a), all additional amounts shall be distributed in accordance with Article 8 1(b) amongst the holders of the Equity Shares (equally as if they were one class of share) in proportion to the number of shares held by them respectively

8 2 *Capital*

On a return of assets on liquidation or capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares), the assets of the Company available for distribution amongst its members after payment of its liabilities shall be applied in the following manner and order of priority

- (a) first, in paying to the holders of the A Ordinary Shares the Original Subscription Price in respect of such shares,
- (b) second, in paying to the holders of the Ordinary Shares the Original Subscription Price in respect of such shares, and
- (c) third, in paying the balance to the holders of the Equity Shares (pari passu as if they constituted one class of share) in proportion to the number of shares held by each of them respectively

8 3 *Exit provisions*

Upon a Sale, the members who sell their shares in such Sale will be entitled to share in the proceeds of the Sale (the "**Sale Proceeds**") in the following manner and order of priority

- (a) where the aggregate total amount of the Sale Proceeds is less than £5,000,000 the Sale Proceeds shall be distributed in the following manner and order of priority
 - (i) first, in paying pro rata to the holders of the A Ordinary Shares in proportion to the number of shares held by each of them respectively an amount equal to the lesser of
 - (A) the aggregate total amount of the Sale Proceeds, and
 - (B) the total aggregate amount of the Original Subscription Price of all of the A Ordinary Shares in issue at such time,
 - (ii) second, in paying the balance (if any) to the holders of the Equity Shares (pari passu as if they constituted one class of share) in proportion to the number of shares held by each of them respectively

- (b) where the aggregate total amount of the Sale Proceeds is equal to or greater than £5,000,000 but less than £15,000,000 the Sale Proceeds shall be distributed in the following manner and order of priority
 - (i) first, in paying pro rata to the holders of the A Ordinary Shares in proportion to the number of shares held by each of them respectively an amount equal to between
 - (A) the total aggregate amount of the Original Subscription Price of all of the A Ordinary Shares in issue at such time ("**Preference Amount**"), and
 - (B) Nil,
 calculated on a straight line basis reducing from the Preference Amount to Nil as the aggregate Sale Proceeds increases from £5,000,000 to £15,000,000, and
 - (ii) second, in paying the balance (if any) to the holders of the Equity Shares (pari passu as if they constituted one class of share) in proportion to the nominal value of the shares held by each of them respectively
- (c) where the aggregate total amount of the Sale Proceeds is equal to or greater than £15,000,000 the Sale Proceeds shall be distributed to the holders of the Equity Shares (pari passu as if they constituted one class of share) in proportion to the nominal value of the shares held by each of them respectively

8.4 **Voting**

The holders of the Equity Shares shall have the right to receive notice of and attend and vote and speak at any general meeting of the Company and shall be entitled to vote on any written resolution of the Company. Save, in each case, as provided otherwise in the CA2006, each such holder present in person or by proxy or by representative shall be entitled on a show of hands to one vote and on a poll or written resolution to one vote for each Equity Share held by him.

9 **Further issues of shares**

9.1 Unless Shareholder Consent to the contrary is given

- (a) any Relevant Securities to be granted or allotted by the Company ("**Further Issue**") shall first be offered to the holders of the Equity Shares by way of written offer in the same proportion as nearly as possible as the nominal amount of their existing holding of Equity Shares bears to the total nominal amount of the Equity Shares in issue and such offers shall be open for acceptance for not less than 15 working days from the latest date of despatch of the written offer to the members, and
- (b) when applying for his allocation, it shall be open to each such holder to specify the number of Relevant Securities in excess of his proportionate entitlement for which he is willing to subscribe

9.2 If the total number of Relevant Securities applied for pursuant to an offer made under Article 9.1 is

- (a) equal to or less than the number of Relevant Securities available, the Relevant Securities shall be allocated in satisfaction of the applications received, or
- (b) more than the number of Relevant Securities available, the Board shall allocate Relevant Securities in accordance with the following formula. This formula shall be

applied repeatedly until there are no Relevant Securities remaining to be allocated
Each application of the formula is referred to below as an "iteration"

$$A = \frac{B}{C} \times D$$

A is the number of Relevant Securities to be allocated to the relevant member in the iteration

B is the number of Equity Shares held by the relevant member

C is the number of Equity Shares held by all the members to whom the iteration is being applied

D is the number of Relevant Securities or, after the first iteration, the number of Relevant Securities remaining unallocated by previous iterations

If in any iteration, a member would be allocated more than all of the Relevant Securities for which he applied (including allocations from previous iterations) then any excess will not be allocated to that member, who will cease to take part in any further iterations, and the excess Relevant Securities will be available for allocation in the next iteration

- 9 3 The Board shall notify each member who applied for Relevant Securities of the number of Relevant Securities that have been allocated and the persons to whom they have been allocated. The notification shall include the place and time (being not later than 10 working days after the latest date by which applications had to be received) at which the allotment of the Relevant Securities shall be completed
- 9 4 Any Relevant Securities not accepted or subscribed for by the members shall be at the disposal of the directors who may (within a period of 3 months from the end of the offer period under Article 9 1) allot, grant options over or otherwise dispose of the same to such persons at a price per share and on terms no less favourable than that/those at which the same were offered to the holders of Equity Shares, and otherwise on such terms as they think proper
- 9 5 Pursuant to Section 567, CA2006, sub-section (1) of Section 561, CA2006 and sub-sections (1) to (5) inclusive of Section 562, CA2006 shall be excluded from applying to the Company

10 **Dispute**

In the event of disagreement as to whether any dividend, shares or Relevant Securities shall be due under the provisions of these Articles to the holders of any class of share capital in the Company, or as to the amount of such dividend or number of such shares or Relevant Securities, any such disagreement shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination by the President for the time being of the Institute of Chartered Accountants in England and Wales on application by any such party) whose decision shall be final and binding (save in the case of fraud or manifest error) and the costs of such umpire shall be borne equally by the parties to the dispute or disagreement or as the umpire shall otherwise determine

11 **Variation of class rights**

Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled only with the consent in writing of the holders of 75% of the issued shares of that class

12 **Permitted transfers**

12 1 **Transfers by corporate shareholders**

A corporate member may at any time transfer shares to another member of its Wholly-owned Group

12 2 **Transfers with consent**

A transfer of shares may be made to any person with Shareholder Consent

13 **Pre-emption procedure**

13 1 Except as permitted in these Articles, any member who desires to transfer (or enter into an agreement to transfer) any interest in his shares must first offer them to the other members whether or not of the same class in accordance with this Article 13. The offer may be in respect of all or part only of the shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company (a "**Transfer Notice**")

13 2 The Transfer Notice shall specify the number and class of shares offered (the "**Offered Shares**") and the name and address of the proposed transferee(s) (if any). The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this Article, none shall be sold ("**Total Transfer Condition**") and that provision shall have effect. The Transfer Notice shall constitute the directors as the agent of the proposing transferor for the sale of the Offered Shares at the Sale Price. Save for as set out in Article 14 3, a Transfer Notice may not be varied or revoked other than with Shareholder Consent.

13 3 The Sale Price means the price as agreed between the transferor and the Board (with Shareholder Consent) save that if agreement is not reached within 10 working days of the day on which the Transfer Notice is given, either the transferor or the Board may refer the matter to a Valuer.

13 4 As soon as practicable after the determination of the Sale Price (and provided the Transfer Notice has not been withdrawn in accordance with Article 14 3) as soon as practicable after the shares are available to be offered to the members, the directors shall give notice to all the members (other than the proposing transferor) of the number and description of the Offered Shares, the Sale Price and whether or not the Offered Shares are subject to a Total Transfer Condition. The notice shall invite each of the members to state in writing to the Company within 20 working days of such notice being given whether he is willing to purchase any of the remaining Offered Shares, and if so the maximum number. The directors shall at the same time give a copy of the notice to the proposing transferor.

13 5 On the expiration of the 20 working day period the directors shall allocate the remaining Offered Shares to or amongst the members who have accepted the invitation ("**Pre-emption Purchasers**") and such allocation shall be made so far as practicable as follows:

(a) The allocation shall be made in the following order of priority:

(ii) first, to the Founders on a *pari passu* basis pro rata to their existing shareholdings but so that the number allocated shall not exceed the maximum which such holders have expressed a willingness to purchase,

(iii) second, to the holders of the Equity Shares (other than the Founders) on a *pari passu* basis (as if they were one class of shares) pro rata to their existing holdings but so that the number allocated shall not exceed the maximum which such holders have expressed a willingness to purchase, and

(b) if the Transfer Notice contains a valid Total Transfer Condition, no allocation will be made unless all the Offered Shares are allocated.

13 6 On the allocation being made, the directors shall give details of the allocation in writing to the proposing transferor and each Pre-emption Purchaser and, on the 5th working day after such

details are given, the Pre-emption Purchasers to whom the allocation has been made shall be bound to pay the Sale Price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the Sale Price, to transfer the Offered Shares to the respective Pre-emption Purchasers to whom the allocation has been made

- 13 7 If the proposing transferor after becoming bound to transfer any or all of the Offered Shares fails to do so, the Company may receive the Sale Price and the directors may appoint a person (acting as agent for the transferor(s)) to execute instruments of transfer of the Offered Shares in favour of the Pre-emption Purchasers to whom the allocation has been made and shall (subject only to stamping of the transfers, if required) cause the names of those Pre-emption Purchasers to be entered in the register of members of the Company as the holders of the Offered Shares and shall hold the Sale Price on trust for the proposing transferor. The receipt of the Company shall be a good discharge to those Pre-emption Purchasers and, after their names have been entered in the register of members of the Company under this provision, the validity of the transactions shall not be questioned by any person
- 13 8 If, following the expiry of the 20 working day period referred to in Article 13 4, any of the Offered Shares have not been allocated under that Article, the proposing transferor may at any time within a period of 3 months after the expiry of the 20 working day period transfer the Offered Shares not allocated to any person and at any price (being not less than the Sale Price) provided that
- (a) the transferee is a person (or nominee for a person),
 - (b) if the Transfer Notice contained a Total Transfer Condition, he shall not be entitled to transfer any of the Offered Shares unless in aggregate all the Offered Shares are so transferred,
 - (c) the directors may require to be satisfied that those shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the instrument of transfer (without prejudice, however, to the directors' absolute discretion to refuse to approve or register any transfer of shares in the circumstances described in Article 17), and
 - (d) the transferor has not failed or refused to provide promptly information available to him and reasonably requested by the directors for the purpose of enabling them to form the opinions mentioned above

14 Valuation

- 14 1 Any Valuer appointed under these Articles shall be considered to be acting as an expert and not as an arbitrator and its decision shall be final and binding on the parties (in the absence of fraud or manifest error)
- 14 2 The Board will give the Valuer 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
- 14 3 The Valuer shall be requested to reach its determination within 20 working days of its appointment and to notify the Board of its determination. The Board shall deliver a copy of the determination to the relevant transferor(s) (or their agent) as soon as reasonably practicable after receipt. The transferor may revoke the Transfer Notice by written notice to the Company within 5 working days of the service on him (or his agent) of the Valuer's determination
- 14 4 The fees, expenses and any other charges of the Valuer in respect of a valuation shall be borne

- (a) by the relevant transferor if the last price proposed by him (or by the Leaver if the valuation is in respect of Leaver's Shares) before the matter was referred to the Valuer exceeds the price certified by the Valuer by 10% or more of such certified price,
- (b) by the Company if the last price proposed by the Board before the matter was referred to the Valuer is lower than the price certified by the Valuer by 10% or more of such certified price, and
- (c) otherwise, as to 50% by the relevant transferor(s) and 50% by the Company

15 Tag along

- 15 1 Except as permitted by Article 12, no sale or transfer of any interest in any Equity Shares may be made or validly registered if, as a result of such sale or transfer and registration, a Controlling Interest in the Company would be obtained by a person or persons acting in concert unless such persons are bona fide arms' length purchasers and have made an Approved Offer
- 15 2 Any transfer of shares pursuant to an Approved Offer shall not be subject to the restrictions on transfer contained in these Articles

16 Drag along

- 16 1 If the holders of 75% or more of the Equity Shares in issue for the time being (the "**Majority Sellers**") wish to transfer all their interest in Equity Shares (the "**Majority Sellers' Shares**") to a bona fide purchaser or purchasers acting in concert (the "**Third Party Purchaser**") who has made an Approved Offer, the Majority Sellers shall have the option (the "**Exit Option**") to require

- (a) all the other members, and
- (b) any holders of any options or other rights to acquire or convert an interest into shares (which is fully and unconditionally exercisable) to exercise them,

(together the "**Called Shareholders**") to sell and transfer all their shares, including those allotted pursuant to such exercise or conversion (the "**Called Shares**") to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of Articles 16 2 to 16 8 below

- 16 2 The Majority Sellers may exercise the Exit Option by giving a written notice to that effect (an "**Exit Notice**") at any time before the transfer of the Majority Sellers' Shares to the Third Party Purchaser. An Exit Notice shall specify that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer which shall be at least 5 working days after the date on which the Exit Notice is served
- 16 3 Exit Notices shall be irrevocable but shall lapse if for any reason there is not a sale of the Majority Sellers' Shares by the Majority Sellers to the Third Party Purchaser within 30 working days after the date of service of the Exit Notice. The Majority Sellers shall be entitled to serve further Exit Notices following the lapse of any particular Exit Notice
- 16 4 The Called Shares shall be acquired on the same terms and conditions (including time of payment and form of consideration) for which the Majority Sellers shall have agreed to sell
- 16 5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Majority Sellers' Shares unless
 - (a) all of the Called Shareholders and the Majority Sellers agree otherwise, or

- (b) that date is less than three working days after the Exit Notice where it shall be deferred until the third working day after the Exit Notice
- 16 6 The restrictions in Article 13 shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which an Exit Notice has been duly served in accordance with Article 16 2
- 16 7 If any Called Shareholder fails to complete the sale of his Called Shares in accordance with this Article 16, he shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Sellers to be his agent to execute all necessary transfer(s), power(s) of attorney relating to the rights attached to his Called Shares and indemnities for missing share certificate(s) on his behalf and, against receipt by the Company of the purchase monies or any other consideration payable for the Called Shares (held on trust for the relevant Called Shareholder), to deliver such transfer(s), power(s) and indemnities to the Third Party Purchaser (or as he may direct) The directors shall (subject only to stamping of the transfers, if required) immediately register the Third Party Purchaser (or as he may direct) as the holder of the relevant Called Shares After the Third Party Purchaser (or his nominee) has been registered as the holder of the relevant Called Shares, the validity of such proceedings shall not be questioned by any person It shall be no impediment to registration of shares under this Article 16 7 that no share certificate has been produced
- 16 8 Upon any person, following the issue of an Exit Notice which has not lapsed, exercising a pre-existing option to acquire shares, whether or not such person is registered as a member of the Company, an Exit Notice shall be deemed to have been served upon such person on the same terms as the previous Exit Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article 16 shall apply mutatis mutandis to such person save that completion of the sale of such shares shall take place immediately upon the Exit Notice being deemed served on such person where completion of the transfer of the Called Shares has already taken place
- 17 Registration**
- 17 1 The directors shall refuse to register
- (a) a purported transfer of any share not made under or permitted by Articles 12 to 16,
- (b) a purported transfer of any share on a Sale where the proceeds of such Sale are not distributed in accordance with Article 8 2,
- (c) an allottee or transferee of shares or a person entitled to shares by transmission (unless he is already a party to the Investment Agreement, the transfer is pursuant to an Approved Offer or Shareholder Consent is given) until he has executed a Deed of Adherence under which he undertakes to adhere to and be bound by the provisions of the Investment Agreement as if he were an original party to it and an original copy of this Deed of Adherence has been delivered to the Company, and/or
- (d) a transfer to an Employee or prospective Employee until such Employee has made an election pursuant to Section 431(1), Income Tax (Earnings and Pensions) Act 2003, in the form prescribed by HMRC, to elect that the market value of the shares or securities covered by the election is to be calculated as if the shares or securities were not restricted and that Sections 425 to 430, Income Tax (Earnings and Pensions) Act 2003 do not apply to such shares or securities
- 17 2 The directors may in their absolute discretion refuse to register a transfer of any share, whether or not it is a fully paid share and whether or not the Company has a lien on such share (save that (in the absence of fraud) the directors shall have no such discretion in respect of and shall register a transfer of shares made under or permitted by Articles 12 to 16) Article 26(5) of the Model Articles is modified accordingly

- 17 3 For the purposes of ensuring that a transfer of shares is duly authorised or that no circumstances have arisen whereby a Transfer Notice is required to be given the directors may and shall at the written request of a Shareholder Majority and at the Company's expense request any member or past member or the personal representative or trustee in bankruptcy, administrative receiver or liquidator or administrator of any member or any person named as transferee in any instrument of transfer lodged for registration to furnish to the Company such information and evidence as the directors may reasonably think fit regarding any matter which they may deem relevant to such purpose
- 17 4 Failing such information or evidence being furnished to the reasonable satisfaction of the directors within 10 working days after such request or if such information or evidence discloses that the transfer was made in breach of these Articles (including that a Transfer Notice ought to have been given in respect of any shares)
- (a) the directors shall be entitled to refuse to register the transfer in question,
 - (b) the relevant shares shall cease to confer upon the holder of them (or any proxy) any rights
 - (i) to vote on a show of hands or poll at a general meeting of the Company or at any meeting of the class of shares in question or on any written resolution of the Company or the class of shares in question, or
 - (ii) to receive dividends or other distributions otherwise attaching to the shares or to receive any further shares issued in respect of those shares, and
 - (c) the directors may by notice in writing require that a Transfer Notice be given forthwith in respect of all the shares concerned
- 17 5 Any transfer of a share by way of sale which is required to be made under these Articles will be deemed to include a warranty that the transferor sells with full title guarantee
- 17 6 No share shall be issued or transferred to any undischarged bankrupt or a person who lacks mental capacity

Part 3

Directors and secretary

Number and appointment of directors

18 Number of directors

The number of directors (other than alternate directors) shall not be less than 2

19 The Chairman

The Board shall by majority vote appoint one person to act as chairman of the Board

20 Termination of director's appointment

A person ceases to be a director as soon as

- (a) that person ceases to be a director by virtue of any provision of the CA2006 or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,

- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- (e) by reason of that person's mental health, [he is admitted to hospital in pursuance of an application for admission for treatment under any mental health legislation for the time being in force in any part of the United Kingdom or] a court having jurisdiction (whether in the United Kingdom or elsewhere) makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms, or
- (g) that person has, for more than six consecutive months, been absent without permission of the directors from meetings of directors held during that period and the directors make a decision that that person's office be vacated

Directors' powers and responsibilities

21 Directors may delegate

21 1 Subject to these Articles and with Shareholder Consent, the directors may delegate any of the powers which are conferred on them under these Articles

- (a) to such person or committee,
- (b) by such means (including by power of attorney),
- (c) to such an extent,
- (d) in relation to such matters or territories, and
- (e) on such terms and conditions,

as they think fit (including whether any such delegation shall be made either collaterally with or to the exclusion of the powers otherwise conferred on the directors under these Articles)

21 2 If the directors so specify, acting with Shareholder Consent, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated

21 3 The directors, acting with Shareholder Consent, may revoke any delegation in whole or part, or alter its terms and conditions

22 Committees

22 1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by directors

22 2 The directors may, acting with Shareholder Consent, make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them

Decision-making by directors

23 Directors to take decisions collectively

23 1 The general rule about decision-making by directors is that, save as otherwise provided for in these Articles, any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 24 (*Unanimous decisions*)

23 2 At any meeting of the directors each director (or his alternate director) present at the meeting shall be entitled to one vote

24 Unanimous decisions

24 1 A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter

24 2 Such a decision 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

24 3 A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at a directors' meeting held to discuss the matter in question

Article 8 of the Model Articles shall not apply to the Company

25 Calling a directors' meeting

25 1 Save as otherwise provided in these Articles, notice of a directors' meeting must be given to each director, but need not be in writing

Article 9(3) of the Model Articles is modified accordingly

26 Participation in directors' meetings

26 1 Article 10(1)(b) of the Model Articles is modified by the addition, after the word "communicate", of the words

"orally, including by means of telephone, video conference or other audio or audio-visual link or any other form of telecommunication"

26 2 Article 10(2) of the Model Articles is modified by the addition, at the end of that article, of the words

", provided that all persons participating in the meeting can hear each other "

27 Quorum for directors' meetings

27 1 The quorum necessary for the transaction of business of the directors is 2 eligible directors, save that where there is a sole director, the quorum is one

27 2 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision

(a) to appoint (subject to Shareholder Consent) further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors

28 Casting vote

If, at a meeting of the directors, the numbers of votes for and against a proposal are equal, the chairman or other director appointed to chair the meeting pursuant to these Articles shall not have a casting vote

29 Authorisation of conflicts of interest

29 1 Subject to and in accordance with the CA2006

- (a) the directors may authorise any matter or situation arising on or after 1 October 2008 in which a director (the "**Conflicted Director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "**Conflict Situation**"),
- (b) any authorisation given in accordance with this Article 29 may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, excluding the Conflicted Director and any other interested director from certain directors' meetings, withholding from him or them certain board or other papers and/or denying him or them access to certain confidential Company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated, and
- (c) in considering any request for authorisation in respect of a Conflict Situation, the directors shall be entitled to exclude the Conflicted Director from any meeting or other discussion (whether oral or written) concerning the authorisation of such Conflict Situation and they shall also be entitled to withhold from such Conflicted Director any Board or other papers concerning the authorisation of such Conflict Situation

29 2 If any Conflict Situation is authorised or otherwise permitted under these Articles, the Conflicted Director (for as long as he reasonably believes such Conflict Situation subsists)

- (a) shall not be required to disclose to the Company (including the directors or any committee) any confidential information relating to such Conflict Situation which he obtains or has obtained otherwise than in his capacity as a director of the Company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person,
- (b) shall be entitled to attend or absent himself from all or any meetings of the directors (or any committee) at which anything relating to such Conflict Situation will or may be discussed, and
- (c) shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including, without limitation, directors' papers (or those of any committee of the directors)) relating to any such Conflict Situation and/or for such documents or information to be received and read by a professional adviser on his behalf,

and in so doing, such Conflicted Director shall not be in breach of any general duty he owes to the Company pursuant to Sections 171 to 177 (inclusive), CA2006 and the provisions of this Article 29 shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles

29 3 Provided permitted by the Acts, and provided he has disclosed to the other directors the nature and extent of his interest pursuant to Section 177 or Section 182, CA2006 or otherwise in accordance with these Articles (as the case may be), a director, notwithstanding his office

- (a) may be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested and may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in addition to the office of director and may act by himself or through his firm in a

professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the directors may arrange either in addition to or in lieu of any remuneration provided for by any other Article,

- (b) may be a member, director or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in, any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any Group Company,,
- (c) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from
 - (i) any matter, office, employment or position which relates to a Conflict Situation authorised in accordance with Article 29 1, or
 - (ii) any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to paragraphs (a) and (b) of this Article 29 3,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any director having any such interest or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit authorised in accordance with Article 29 1 or permitted pursuant to paragraphs (a) or (b) of this Article 29 3 and the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176, CA2006

- 29 4 For the avoidance of doubt, a director may be or become subject to one or more Conflict Situations as a result of any matter referred to in paragraph (b) of Article 29 3 without requiring authorisation under the provisions of Article 29 1 provided he has declared, as soon as reasonably practicable, the nature and extent of his interest in the Conflict Situation The provisions of Section 177(2), Section 177(3), Section 177(5), Section 177(6), Section 184 and Section 185, CA2006 shall be applied (with any necessary modifications) in respect of any declaration required pursuant to this Article

30 **Directors may have interests and vote and count for quorum**

- 30 1 Subject to Section 175(6), CA2006 and save as otherwise provided in these Articles, a director may vote at any meeting of the directors or any meeting of any committee of which he is a member on any resolution and a director may participate in the transaction of the business of the directors and count in the quorum at any such meeting of the directors or meeting of any committee of which he is a member notwithstanding that it concerns or relates in any way to a matter in which has directly or indirectly any kind of interest or duty This Article does not affect any obligation of a director to disclose any such interest, whether pursuant to Section 177, CA2006, Section 182, CA2006 or otherwise

- 30 2 Subject to Article 30 3, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive (except in a case where the nature or extent of any interest of the director has not been fairly disclosed)

- 30 3 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes

31 **Records of decisions to be kept**

The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors. Notwithstanding the provisions of Article 23, where the Company only has one director, the provisions of this Article 31 shall apply to any decision taken by such director, howsoever taken by him

Article 15 of the Model Articles is modified accordingly

32 Directors' discretion to make further rules

Article 16 of the Model Articles shall be modified by the inclusion of the words "and subject to Shareholder Consent" after the words "Subject to the articles,"

Remuneration of Directors

33 Directors' remuneration and expenses

- 33 1 Article 19(2) of the Model Articles is modified by the addition, after the second reference to the word "directors", of the words "acting with Shareholder Consent" The Company may pay any reasonable expenses which the directors and the Company secretary (if any) properly incur in connection with their attendance at (or returning from)

- (a) meetings of directors or committees of directors,
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company,

or otherwise in connection with the business of the Company, the exercise of their powers and the discharge of their duties and responsibilities in relation to the Company

Article 20 of the Model Articles is modified accordingly

Alternate directors and Secretary

34 Appointment and removal of alternates

- 34 1 Any director (other than an alternate director) (the "**appointor**") may appoint as an alternate any other director, or any other person, who is willing to act 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. A person (whether or not otherwise a director) may be appointed as an alternate by more than one appointor

- 34 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
- 34 3 The notice must identify the proposed alternate and, 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
- 34 4 The appointment of an alternate director who is not otherwise a director shall be valid notwithstanding that he is approved by a resolution of the directors after his appointment as alternate director. Where an alternate director who is not otherwise a director attends a

meeting of the directors and no objection is raised at the meeting to his presence then he shall be deemed to have been approved by a resolution of the directors

35 Rights and responsibilities of alternate directors

35 1 Except as these Articles specify otherwise, an alternate director has the same rights in relation to any directors' meeting, directors' written resolution or any other directors' decision-making as the alternate's appointor, including, but not limited to, the right to receive notice of all meetings of directors and all meetings of committees of directors of which his appointor is a member

35 2 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

35 3 A person who is an alternate director but not otherwise 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 participate in a unanimous decision of the directors (but only if that person's appointor is an eligible director in respect of such decisions and only that person's appointor does not participate),

provided that (notwithstanding any other provision of these Articles) such person shall not be counted as more than one director for the purposes of paragraphs (a) and (b) above

35 4 A director who is also an alternate for one or more directors is entitled, in the absence of the relevant appointor, to a separate vote on behalf of each appointor in addition to his own vote on any decision of the directors (provided the relevant appointor is an eligible director in relation to that decision)

35 5 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

36 Termination of alternate directorship

An alternate director's appointment as an alternate terminates

- (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 ceases to be a director for any reason

37 Secretary

The directors may appoint any person who is willing to act as the secretary of the Company on such terms (including but not limited to, term of office and remuneration) and subject to such conditions as they may think fit and from time to time remove such person and, if the directors determine, appoint a replacement secretary of the Company, in each case by a decision of the directors

Part 4

Liens, share certificates and distributions

Liens, calls and forfeiture

38 Company's lien

38 1 The Company has a lien (the "**Company's lien**") over every share (whether fully paid or not) registered in the name of any person (whether he is the sole registered holder or one of two or more joint holders) for all moneys payable by him or his estate (and whether payable by him alone or jointly with any other person) to the Company (whether presently payable or not)

38 2 The Company's lien over a share

- (a) takes priority over any third party's interest in that share, and
- (b) extends to any dividend (or other assets attributable to it) 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

38 3 The directors may, at any time, decide that a share which is or would otherwise be subject to a lien pursuant to these Articles shall not be subject to it, either wholly or in part

39 Share certificates

39 1 The Company must issue each shareholder with one or more certificates in respect of the shares which that shareholder holds and, save as provided otherwise in these Articles, such certificates must be issued free of charge

Article 24(1) of the Model Articles is modified accordingly

39 2 Article 24(2)(c) of the Model Articles is modified by

- (a) the deletion of the words "that the shares are fully paid", and
- (b) the insertion instead, of the words "the amount paid up on the shares"

Dividends and Other Distributions

40 Calculation of dividends

40 1 Except as otherwise provided by these Articles and by the rights attached to shares, all dividends must be

- (a) declared and paid according to the amounts paid up on the shares on which the dividend is paid, and
- (b) apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid

40 2 If any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly

40 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of a call or otherwise paid up in advance of its due payment date

Article 30(4) of the Model Articles shall be excluded from applying to the company

41 **Payment of dividends and other distributions**

41 1 Each of articles 31(1)(a) to (d) of the Model Articles is modified by the deletion of the words "either" and "or as the directors may otherwise decide"

41 2 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 requirement payment under a lien enforcement notice. Money so deducted must be used to pay any of the sums payable in respect of that share

41 3 The Company must notify the distribution recipient in writing of

(i) the fact and amount 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

41 4 In these Articles, "**the distribution recipient**" means, in respect of a share in respect of which a dividend or other sum is payable

(a) the holder of the share, or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members, or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

Capitalisation of Profits

42 **Authority to capitalise and appropriation of capitalised sums**

42 1 A capitalised sum which was appropriated from profits available for distribution may be applied

(a) in or towards paying up any amounts unpaid on existing shares held by the person(s) entitled, or

- (b) in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct

Article 36(4) of the Model Articles is modified accordingly

- 42 2 Subject to the articles, the directors may apply capitalised sums in accordance with article 42 1(a) and 42 1(b) partly in one way and partly in another

Article 36(5)(a) of the Model Articles is modified accordingly

Part 5

Decision-making by Shareholders

43 Notice of general meetings

- 43 1 A general meeting of the Company (other than an adjourned meeting) shall be called by notice of at least 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the shareholders having a right to attend and vote being a majority together holding not less than ninety percent in nominal value of the shares giving that right

- 43 2 Every notice convening a general meeting shall specify

- (a) the place, the date and the time of the meeting,
- (b) the general nature of the business to be dealt with at the meeting,
- (c) if the meeting is convened to consider a special resolution, the text of the resolution and intention to propose the resolution as a special resolution, and
- (d) with reasonable prominence, that a member is entitled to appoint another person (who does not have to be a member) as his proxy to exercise all or any rights of his to attend, speak and vote at the meeting and that a member may appoint more than one proxy in relation to the meeting (provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him) and shall also specify any more extensive rights (if any) conferred by these Articles to appoint more than one proxy]

- 43 3 The notice shall be given to the members (other than any who under the provisions of these Articles or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the directors and to the auditors and if more than one for the time being, to each of them

- 43 4 Subject to the provisions of these Articles, notice of a general meeting of the Company may be given

- (a) in hard copy form,
- (b) in electronic form, or
- (c) by means of a website,

or partly by one such means and partly by another and the provisions of Article 53 (*Company Communications*) shall apply accordingly

- 43 5 The accidental failure to give notice of general meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, or to give notice of a resolution intended to be moved at a general meeting to, or the non-receipt of any of them by, any person or persons

entitled to receive the same shall not invalidate the proceedings at that meeting and shall be disregarded for the purpose of determining whether the notice of the meeting, instrument of proxy or resolution were duly given

44 Quorum for general meetings

44 1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless the persons attending it constitute a quorum when the meeting proceeds to business (and nothing in these Articles shall prevent any other business being transacted at such general meeting if the persons attending it do not constitute a quorum from time to time thereafter throughout the meeting)

44 2 Whenever the Company has only one member, the member present (being an individual) in person or by proxy, or (being a corporation) by a duly authorised representative or by proxy, shall be a quorum. Whenever the Company has two or more members, two persons entitled to vote upon the business to be transacted each being a member (being an individual) present in person or by proxy, or (being a corporation) present by a duly authorised representative or by proxy, shall be a quorum.

Article 38 of the Model Articles is modified accordingly

45 Chairing general meetings

Article 39(2) of the Model Articles is modified by the addition, after the words "director or shareholder", of the words

"(which may not include any proxy appointed by a shareholder)"

46 Adjournment

46 1 Article 41(1) of the Model Articles is modified by the deletion of the words

"or if during a meeting a quorum ceases to be present"

46 2 If a quorum is not present at any adjourned meeting within half an hour from the time appointed for that meeting (or if, during the meeting, a quorum ceases to be present), the meeting shall be dissolved

47 Voting. general

No shareholder shall, unless the directors otherwise decide, be entitled to vote (either in person or by proxy) at a general meeting, at any adjournment of it or on any poll called at or in relation to it in respect of any share held by him or to exercise any right as a shareholder unless all calls or other sums presently payable by him in respect of that share in the Company have been paid to the Company

48 Errors and disputes

Article 43(2) of the Model Articles is modified by the addition, at the end of that article, of the words "and conclusive"

49 Demanding a poll and procedure on a poll

49 1 A poll may be demanded by

- (a) the chairman of the meeting,
- (b) the directors,
- (c) two or more persons having the right to vote on the resolution,

- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution, or
- (e) by a person or persons holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up to not less than one tenth of the total sum paid up on all the shares conferring that right

Article 44(2) of the Model Articles is modified accordingly

49 2 A demand for a poll may be withdrawn if

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal,

and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made

Article 44(3) of the Model Articles is modified accordingly

50 **Delivery of proxy notices**

50 1 The appointment of a proxy and the power of attorney or other authority (if any) under which it is signed (or a copy of such authority certified notarially or in some other way approved by the directors) shall be sent or supplied in hard copy form, or (subject to any conditions and limitations which the directors may specify) in electronic form

- (a) to the registered office of the Company, or
- (b) to such other address (including electronic address) as is specified 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, or
- (c) as the directors shall otherwise direct,

to be received before the time for the holding of the meeting or adjourned meeting to which it relates or, in the case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the poll

50 2 Any instrument of proxy not so sent or supplied or received shall be invalid unless the directors at any time prior to the meeting or the chairman of the meeting at the meeting, in their or his absolute discretion, accept as valid an instrument of proxy where there has not been compliance with the provisions of this Article and such proxy shall thereupon be valid notwithstanding such default

50 3 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person

50 4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf

Article 46 of the Model Articles is modified accordingly

51 **Revocation of proxy notices**

The validity of

- (a) a vote given or poll demanded in accordance with the terms of an appointment of a proxy, or
- (b) anything done by a proxy acting as duly appointed chairman of a meeting, or
- (c) any decision determining whether a proxy counts in a quorum at a meeting,

shall not be affected notwithstanding the death or mental disorder of the appointor or the revocation of the appointment of the proxy (or of the authority under which the appointment of the proxy was executed) or the transfer of the share in respect of which the appointment of the proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been

- (a) sent or supplied to the Company or any other person as the Company may require in the notice of the meeting, any instrument of proxy sent out by the Company in relation to the meeting or in any invitation to appoint a proxy issued by the Company in relation to the meeting, in any manner permitted for the sending or supplying of appointments of proxy pursuant to these Articles, and
- (b) received at the registered office of the Company (or such other address (including electronic address) as has been designated for the sending or supplying of appointments of proxy), before the time for the holding of the meeting or adjourned meeting to which it relates or, in the case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the poll

52 Votes of proxies

- 52 1 The Company shall be under no obligation to ensure or otherwise verify that any vote(s) cast by a proxy are done so in accordance with any such instructions given by the member by whom such proxy is appointed. In the event that a vote cast by such proxy is not done so in accordance with the instructions of the member by whom such proxy is appointed, such vote shall not be deemed to be invalid
- 52 2 On a vote on a resolution on a show of hands, where a proxy is appointed by more than one member (provided that, where some only of those members by whom the proxy is appointed instruct the proxy to vote in a particular way, those members all instruct such proxy to vote in the same way on a resolution (either "for" or "against")) such proxy shall be entitled to cast a second vote the other way in relation to any discretionary vote(s) given to him by other members by whom such proxy is appointed

Part 6

Administrative Arrangements

53 Company communications

- 53 1 Subject to the provisions of the Acts (and save as otherwise provided in these Articles), any document or information required or authorised to be sent or supplied by the Company to any member or any other person (including a director) pursuant to these Articles, the Companies Acts or any other rules or regulations to which the Company may be subject, may be sent or supplied in hard copy form, in electronic form, by means of a website or in any other way in which documents or information may be sent or supplied by the Company pursuant to the Companies Acts
- 53 2 Subject to these Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked in writing to be sent or supplied with such notices or documents for the time being

- 53 3 The provisions of the CA2006 which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts by making it available on a website shall, *mutatis mutandis*, apply to the sending or supplying of any document or information required or authorised to be sent by these Articles or any other rules or regulations to which the Company may be subject, by making it available on a website
- 53 4 The Company may send or supply any document or information to a member or any other person (including a director) pursuant to these Articles, the Companies Acts or any other rules or regulations to which the Company may be subject, either personally, or by post in a prepaid envelope addressed to the member (or such other person) at his registered address or at his address for service, or by leaving it at that address or any other address for the time being notified to the Company by the member (or such other person) for the purpose, or by sending or supplying it using electronic means to an electronic address for the time being notified to the Company by the member (or such other person) for the purpose, or by any other means authorised in writing by the member (or such other person) concerned
- 53 5 A shareholder whose registered address is not within the United Kingdom and who gives the Company an address within the United Kingdom to which documents or information may be sent or supplied to him or gives an electronic address to which documents or information may be sent or supplied using electronic means, shall be entitled to have documents or information sent or supplied to him at that address, but otherwise no such shareholder shall be entitled to receive any document or information from the Company
- 53 6 In the case of joint holders of a share, if the Company sends or supplies any document or information to one of the joint holders, it shall be deemed to have properly sent or supplied such document or information to all the joint holders
- 53 7 If, on at least 2 consecutive occasions, the Company has attempted to send any document or information by electronic means to an address specified (or deemed specified) for the purpose and a delivery failure (or other similar) notification has been received by the Company, the Company thereafter shall, send documents or information in hard copy form or electronic form (but not by electronic means) to such member at his registered address or address for service within the United Kingdom (whether by hand, by post or by leaving it or them at such address), in which case the provisions of Article 53 7 shall apply
- 53 8 If on 3 consecutive occasions documents or information have been sent or supplied to any shareholder at his registered address or address for the service of such documents or information in the United Kingdom but have been returned undelivered, such shareholder shall not thereafter be entitled to receive any documents or information from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of documents or information or an electronic address to which documents or information may be sent or supplied using electronic means
- 53 9 Any shareholder present, in person or by proxy at any meeting of the Company or of the holders of any class of shares of the Company, shall be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was called
- 53 10 Save as provided otherwise in these Articles, any document or information, addressed to a shareholder (or other person to whom such document or information is required or authorised to be sent pursuant to these Articles, the Companies Acts or otherwise) at his registered address or address for service (in the case of a shareholder, in the United Kingdom) or electronic address, as the case may be shall
- (a) if hand delivered or left at a registered address or other address for service (in the case of a shareholder in the United Kingdom), be deemed to have been served or delivered on the day on which it was so delivered or left,

- (b) if sent or supplied by post (whether in hard copy form or in electronic form), be deemed to have been received at the expiration of 24 hours after the envelope was posted,
 - (c) if sent or supplied by electronic means (other than by means of website), be deemed to have been received (if sent or supplied between the hours of 9 a m and 5 p m on a working day) at the time it was sent, or (if sent or supplied at any other time) at 9 a m on the next following working day, and
 - (d) if sent or supplied by means of a website, be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website
- 53 11 In calculating a period of hours for the purpose of Article 53 10, no account shall be taken of any part of a day that is not a working day
- 53 12 A director may agree with the Company that documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than those set out in Article 53 10
- 53 13 Subject to Article 53 9, in proving such service or delivery it shall be sufficient to prove that the envelope containing the document or information was properly addressed and put into the post in a prepaid envelope or, in the case of a document or information sent or supplied by electronic means, that it was sent or supplied in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators entitled "Electronic Communications with Shareholders 2007" (as such guidance is amended or updated from time to time)
- 53 14 The Company shall not be held responsible for any failure in transmission beyond its reasonable control and the provisions of Article 53 9 to Article 53 13 (inclusive) shall apply regardless of any document or information being returned undelivered and regardless of any delivery failure notification or "out of office" or other similar response and any such "out of office" or other similar response shall not be considered to be a delivery failure
- 53 15 This Article 53 is subject to the provisions of the Investment Agreement
- 54 **Company seals**
- Article 49 of the Model Articles is modified by the addition, after the word "directors", of the words
- "or a committee of the directors"
- 55 **Indemnity and Funds**
- 55 1 Subject to Article 55 2 (but otherwise to the fullest extent permitted by law) and without prejudice to any indemnity to which he may otherwise be entitled
- (a) a relevant director, secretary or other officer (other than any person engaged as auditor) of the Company or an associated Company may, at the discretion of the directors, be indemnified out of the Company's assets against all or any part of any costs, charges, losses, expenses and liabilities incurred by that director, secretary or other officer
 - (i) in the actual or purported exercise of his powers in relation to the affairs of the Company or associated Company, and
 - (ii) in connection with the activities of the Company or an associated Company in its capacity as a trustee of an occupational pension scheme, and

- (b) a relevant director, secretary or other officer (other than any person engaged as auditor) of the Company or any holding Company may, at the discretion of the directors] be provided with funds to meet any expenditure incurred or to be incurred by him as provided in Section 205 and/or Section 206, CA2006 (or enable him to avoid incurring any such expenditure)

55 2 This Article does not authorise any indemnity or provision of funds which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

56 Insurance

Subject to the provisions of the CA2006, the directors may in their absolute discretion decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director, secretary or other officer (other than any person engaged as auditor) of the Company or associated Company in respect of all or any part of any relevant loss