

Company number 07316783



ARTICLES OF ASSOCIATION

of

PROVECA LIMITED

(Adopted by written resolution passed on 22 December 2023)

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Company number 07316783

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
PROVECA LIMITED (the "Company")

(Adopted by written resolution of the Company passed on 22 December 2023)

1 DEFINITIONS AND INTERPRETATION

1.1 In these Articles:

"Accounting Period" means an accounting reference period of the Company beginning on 1 August and ending on the following 31 July, or such other date that is notified to the Registrar of Companies from time to time.

"Acting in Concert" has the meaning given to it in the City Code on Takeovers and Mergers.

"Albion Investors" has the meaning given in the Investment Agreement.

"Albion Investor Director" means a Director appointed by the Albion Investors under Article 32.

"Albion Investor Observer" has the meaning given to it in Article 33.1.

"Albion Loan Stock" means the £2,500,000 loan stock constituted by the Loan Stock Deed dated 11 December 2012 and the £1,700,000 loan stock constituted by the Loan Stock Deed dated 25 February 2016.

"Albion Stock Deeds" means the instruments constituting the Albion Loan Stock dated 11 December 2012 and 25 February 2016.

"Allocation Notice" has the meaning given to it in Article 12.12.

"Approved Offer" has the meaning given to it in Article 14.2(a).

"Arrears" means the amount of any dividend payable on the Equity Shares which is unpaid for any reason on any due date.

"Articles" means these articles of association, as amended from time to time.

"Associated Company" means a company or other body corporate (having the meaning given to it in section 1173 CA 2006) which is associated with the Company for the purposes of section 256 CA 2006.

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

"Bad Leaver" means any Leaver who is not a Good Leaver.

"Balance" has the meaning given in Article 6.1(c).

"Board" means the board of Directors.

"B Ordinary Shares" means the B ordinary shares of £0.001 each in the capital of the Company.

"B Shareholder" means a registered holder of any B Ordinary Shares.

"Business Day" means a day (other than a Saturday or Sunday) on which the clearing banks in the City of London are open for business.

"business hours" means between the hours of 10.00 and 18.00 inclusive, London time.

"Buyer" has the meaning given to it in Article 14.1(a).

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

"Capital Return" has the meaning given in Article 6.1.

"Change of Control" means the transfer of shares in a company or its holding company as a result of which any person or persons connected with each other or persons Acting in Concert with each other would obtain control over that number of shares in that company which in aggregate confers more than 50% of the voting rights normally exercisable at general meetings of that company and **"control"** or **"controlling"** shall be construed accordingly. For the purpose of this clause, "connected" has the meaning given to that expression in section 1122 of the Corporate Tax Act 2012 and "persons connected with each other" shall be construed accordingly (except that, for the purposes of these Articles, each Shareholder shall not be deemed to be connected with each other Shareholder by virtue (and only by virtue) of that fact, together with the fact that some of all of them may be party to the Investment Agreement.

"Commencement Date" means the date on which these Articles are adopted.

"Companies Acts" has the meaning given to it in section 2 CA 2006 in so far as the provisions referred to in such section are in force from time to time.

"Conflict Situation" means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any 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) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective of whether the Company could take advantage of the property, information or opportunity).

"Controlling Interest" means shares conferring in aggregate over 50% of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote at all general meetings of the Company and shall include shares held by all persons who in relation to each other are persons Acting in Concert.

"C Ordinary Shares" means the C ordinary shares of £0.001 each in the capital of the Company.

"C Shareholder" means a registered holder of any C Ordinary Shares.

"Deferred Contingent Instalment" has the meaning given in Article 6.4.1.

"Deferred Instalment" has the meaning given in Article 6.4.2.

"Directors" means the directors of the Company from time to time.

"Disposal" means the sale by the Company, in one or a series of related transactions, of the whole, or substantially the whole of, its business and assets.

"Drag Along Right" has the meaning given to it in Article 15.1.

"D Ordinary Shares" means the D ordinary shares of £0.001 each in the capital of the Company.

"D Shareholder" means a registered holder of any D Ordinary Shares.

"E Ordinary Shares" means the E ordinary shares of £0.0001 each in the capital of the Company.

"E Shareholder" means a registered holder of any E Ordinary Shares.

"electronic form" has the meaning given to it in section 1168(3) CA 2006.

"electronic means" has the meaning given to it in section 1168(4) CA 2006.

"Effective Termination Date" means the date on which an employee, a director or consultant's employment or consultancy terminates.

"Equity Shareholder" means a registered holder of any Equity Shares.

"Equity Shares" means the issued Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares, H Ordinary Shares (unless otherwise specified) and I Ordinary Shares at any time, and all shares derived from them (and any of them) whether by conversion, consolidation or sub-division or by way of rights or bonus issue or otherwise in issue.

"Event of Default" as defined in Article 7.

"Exit" means a Disposal, a Sale or a Listing.

"Experts" has the meaning given to it in Article 1.4.

"Extra Shares" has the meaning given to it in Article 12.9.

"F Ordinary Shares" means the F ordinary shares of £0.001 each in the capital of the Company.

"F Shareholder" means a registered holder of any F Ordinary Shares.

"Family Trust" means a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) under which the only persons being (or capable of being) beneficiaries are the individual beneficial owner of the Shares held in trust and/or his Privileged Relations, and no power of control over the voting powers conferred by such Shares is exercisable at any time by or subject to the consent of any person other than the trustees as trustees or such individual beneficial owner or his Privileged Relations.

"Founders" means Simon Bryson and Helen Shaw, each being a **"Founder"**.

"FSMA" means the Financial Services and Markets Act 2000.

"Fund" means the GM & Cheshire Life Sciences Fund LP (LP016834) acting by its general partner Catapult Life Sciences GP LLP (OC401473).

"Fund's Group" the Fund, any holding company of any of the Fund and any other subsidiary of such holding company and any fund or person managed by any of the aforementioned entities from time to time.

"Fund Investor Director" means a Director appointed by the Fund under Article 32.

"Fund Loan Stock" means the £1,420,000 loan stock constituted by the Fund Loan Stock Deed dated 14 March 2017.

"Fund Loan Stock Deed" means the instrument constituting the Fund Loan Stock dated 14 March 2017.

"Fund Observer" has the meaning given to it in Article 33.

"G Ordinary Shares" means the G ordinary shares of £0.001 each in the capital of the Company.

"G Shareholder" means a registered holder of any G Ordinary Shares.

"Good Leaver" means a person who ceases to be an employee or director of or consultant to the company at any time by reason of:

- (a) death, illness or disability;
- (b) permanent incapacity; or
- (c) retirement after the age of 70;
- (d) the Board, with Investor Consent, determining that he is a Good Leaver.

"Group" means the Company and its subsidiary undertakings from time to time.

"group undertaking" means in relation to a company, its parent undertaking (if any) and its subsidiary undertakings and any other subsidiary undertakings of its parent undertaking.

"H Ordinary Shares" means the H ordinary shares of £0.001 each in the capital of the Company.

"H Shareholder" means a registered holder of any H Ordinary Shares.

"hard copy" has the meaning given to it in section 1168(2) CA 2006.

"I Ordinary Shares" means the I ordinary shares of £0.0001 each in the capital of the Company.

"I Shareholder" means a registered holder of any I Ordinary Shares.

"Interest" has the meaning given to it in Article 1.3(a).

"Investment Agreement" means the agreement dated 14 March 2017 and made between (1) the Company (2) the Founders (3) the Non-Founder Shareholders (as defined therein), (4) the Fund (5) Catapult Venture Managers Limited (6) the Albion Investors and (7) Albion Capital Group LLP (formerly Albion Ventures LLP).

"Investor Consent" has the meaning given to it in the Investment Agreement.

"Investors" has the meaning given to it in the Investment Agreement.

"Investors' Group" each of the Albion Investors and the Fund, any holding company of any of them and any other subsidiary of such holding company and any fund or person managed by any of the aforementioned entities from time to time.

"Listing" means the admission of all or any of the equity share capital of the Company to trading on:

- (a) the Main Market of the London Stock Exchange plc; or
- (b) the AIM Market of the London Stock Exchange plc; or
- (c) any other recognised investment exchange (as defined by Section 285, Financial Services and Markets Act 2000) and such admission becoming effective in accordance with the rules of the relevant investment exchange.

"Listing Rules" means the rules of the UK Listing Authority.

"Market Value" has the meaning given to it in Article 13 (*Valuation*).

"Member" means a registered holder of any Share as recorded in the Company's register of members.

"Model Articles" means the articles contained in Schedule 1 to the Companies (Model Articles) Regulations 2008.

"Notice" has the meaning given to it in Article 355 (*Notices*).

"Ordinary Shares" means the ordinary shares of £0.001 each in the capital of the Company (and, for the avoidance of doubt, it does not include the H Ordinary Shares).

"Ordinary Shareholder" means a registered holder of any Ordinary Shares.

"parent undertaking" and **"subsidiary undertaking"** have the meanings given to them in section 1162 CA 2006.

"Permitted Option" means options granted prior to the Commencement Date.

"Privileged Relation" means in relation to any Member, the Member's spouse or civil partner for the time being, parent, and all lineal descendants of that Member (including for this purpose any step-child, adopted child or illegitimate child of the Member or his lineal descendants).

"Proportionate Entitlement" has the meaning given to it in Article 12.9.

"Proposed Transferee" means a person to whom a Seller proposes to transfer Sale Shares.

"Relevant Shareholder" means any holder of Ordinary Shares, B Ordinary Shares or C Ordinary Shares from time to time. Where a Shareholder also holds Shares of whatever class via a company, reference to Shares held by a Relevant Shareholder shall be deemed to include Shares held by such company.

"Remaining Shareholders" has the meaning given to it in Article 15.12.

"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 would 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 the completion of the sale the shareholders of the purchaser 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.

"Sale Proceeds" means the value of the consideration payable as the result of completion of a Sale.

"Sale Shares" has the meaning given to it in Article 12.2(a).

"Seller" has the meaning given to it in Article 12.1.

"Share" means a share in the capital of the Company.

"Shareholder" means a holder of Shares and Shareholders means all of them.

"Single Class" means more than one type and/or class of Share which are specified under Article 6.1 (d)(ii), and which are treated as together forming one class of Shares for the purposes of any distributions made pursuant to that provision.

"Subscription Price" means in relation to any Share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such Share was issued).

"Subscription Rights" means any rights (whether under options, warrants on conversion of any indebtedness or otherwise) to call for the allotment or issue of any Shares.

"Statutes" means the Companies Acts and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Companies Acts.

"Total Transfer Condition" means a condition in a Transfer Notice stipulating that such Transfer Notice is conditional upon all and not some only of the Sale Shares specified in it being sold.

"Threshold Price" means £122.21, being the price which determines the extent to which an H Ordinary Share may participate in any payments made in accordance with Article 6.1(c)ii.

"Transfer Notice" means a notice in writing by a Seller of his wish to transfer any Shares.

"Transfer Price" has the meaning given to it in Article 12.4.

"UK Listing Authority" means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA.

"undertaking" has the meaning given to it in section 1161 CA 2006.

"Warrant Instrument" has the meaning given to it in the Investment Agreement.

1.2 Reference to:

- (a) a person includes a legal or natural person, partnership, trust, company, government or local authority department or other body (whether corporate or unincorporate);
- (b) an individual includes, where appropriate, his personal representatives;
- (c) a statutory or regulatory body shall include its successors and any substituted body;
- (d) the singular includes the plural and *vice versa*; and
- (e) one gender includes all genders.

1.3 Reference to a "transfer" of Shares or any similar expression will be deemed to include (without limitation):

- (a) any sale or other disposition of the legal or equitable interest in a Share (including any voting right attaching to a Share) ("**Interest**");
- (b) the creation of any mortgage, charge, pledge or other encumbrance over any Interest;
- (c) any direction by a Member entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself; and
- (d) any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Member entitled to any such Share.

- 1.4 Unless it is specifically stated otherwise, any dispute as to (or failure for whatever reason to agree) value, or the calculations or adjustments to be made, or any amount payable, including any dividend payable by reference to management accounts, the Market Value of Sale Shares under Articles 13 (*Valuation*) or otherwise pursuant to these Articles, will be referred immediately to the Auditors for final determination. If the Auditors decline to act in respect of any such referral, the matter will be determined by an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement, within five Business Days after the Auditors have declined to act, appointed by the president of the Institute of Chartered Accountants in England and Wales from time to time. The Auditors or independent accountants (as the case may be) (the "**Experts**") will act as experts and not as arbitrators and their costs will be borne as directed by the relevant Article or, if the Article is silent on the point, as directed by the Experts. In the absence of any such direction, such costs will be borne equally between parties concerned. The written decision of the Experts will be conclusive and binding on the Company and the Members (except in the case of fraud or manifest error).
- 1.5 The headings in these Articles are included for ease of reference and do not affect its construction.
- 1.6 The Company is a private limited company and accordingly, subject to the Statutes, no securities of the Company shall be offered to the public (whether for cash or otherwise) and no allotment or agreement to allot (whether for cash or otherwise) shall be made of any securities of the Company with a view to all or any of those securities being offered to the public.

2 **MODEL ARTICLES**

The Model Articles, apart from model articles 6(2) (committees), 11(2) (quorum for directors' meetings), 13 (casting vote), 16 (directors' discretion to make further rules), 21 (all shares to be fully paid up), 22(1) (powers to issue different classes of shares), 26(5) (share transfers), 43 (errors and disputes), 52 (indemnity) and 53 (insurance) apply to the Company except insofar as they are inconsistent with these Articles.

3 **SHARE CAPITAL**

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

4 **SHARE RIGHTS - GENERAL**

The rights and restrictions attaching to the Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares, H Ordinary Shares and I Ordinary Shares are set out in full in these Articles.

5 SHARE RIGHTS - INCOME

- 5.1 If the Board (with Investor Consent) has recommended payment of a dividend, then any profits which the Company determines to distribute in respect of any Accounting Period will be applied (subject to Article 5.2) pari passu amongst the Equity Shares (other than the H Ordinary Shares) as if the same constituted one class of Shares. Any such dividend will be paid as an amount in cash per Share on the basis that each Share is credited as paid up in full which amount shall be reduced by the same proportion as any amount unpaid on such Share bears to the total issue price of such Share including any premium and will belong to and be paid to the holders of the relevant class of Shares pro rata according to their holdings of such class of Share.
- 5.2 The Albion Investors holding D Ordinary Shares, E Ordinary Shares, G Ordinary Shares and I Ordinary Shares shall not be entitled to receive, in aggregate, a dividend payment under this Article 5 (Share Rights – Income) if, and to the extent that, such payment to the Albion Investors in aggregate would exceed 49.99% of the total amount of the profits of the Company available for distribution.
- 5.3 Holders of H Ordinary Shares shall not be entitled to participate in dividend distributions in respect of the H Ordinary Shares that they hold. The only economic rights arising in respect of the H Ordinary Shares are on the occurrence of a Capital Return under Article 6.1 or on an Exit. The H Ordinary Shares will only participate in an Exit once the Threshold Price has been returned to the Ordinary Shareholders, the B Ordinary Shareholders, the C Ordinary Shareholders, the D Ordinary Shareholders, the E Ordinary Shareholders, the F Ordinary Shareholders, the G Ordinary Shareholders and the I Ordinary Shares.

6 SHARE RIGHTS - RETURN OF CAPITAL

- 6.1 If the Company is wound-up, on a return of assets on liquidation the assets of the Company available for distribution amongst Members, after payment of its liabilities, (the “**Capital Return**”) shall (subject to Article 6.2) be applied in the following order and priority:
- (a) first, in paying to the holder of each Ordinary Share, B Ordinary Share, C Ordinary Share, D Ordinary Share, E Ordinary Share, F Ordinary Share, G Ordinary Share and H Ordinary Share £0.0001 per Ordinary Share, B Ordinary Share, C Ordinary Share, D Ordinary Share, E Ordinary Share, F Ordinary Share, G Ordinary Share and H Ordinary Share and to the holders of the I Ordinary Shares an amount per share held equal to the Subscription Price of the I Ordinary Shares (provided that, if there are insufficient surplus assets to pay the amounts per share set out in this Article 6.1 (a), the remaining surplus assets shall be distributed to the holders of Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares, H Ordinary Shares and I Ordinary Shares pro rata to the amount which such holders would otherwise have been entitled to receive under this Article 6.1 (a));
 - (b) second, in paying to the holder of each Ordinary Share, B Ordinary Share, C Ordinary Share, D Ordinary Share, E Ordinary Share, F Ordinary Share, H Ordinary Share and I Ordinary Share £0.0001 per Ordinary Share, B Ordinary Share, C Ordinary Share, D Ordinary Share, E Ordinary Share, F Ordinary Share, H Ordinary Share and I Ordinary Share and to the holders

of the G Ordinary Shares an amount per share held equal to the Subscription Price of the G Ordinary Shares (provided that, if there are insufficient surplus assets to pay the amounts per share set out in this Article 6.1 (b), the remaining surplus assets shall be distributed to the holders of Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares, H Ordinary Shares and I Ordinary Shares pro rata to the amount which such holders would otherwise have been entitled to receive under this Article 6.1 (b));

- (c) third, in paying to the holder of each H Ordinary Share and I Ordinary Share £0.0001 per H Ordinary Share and I Ordinary Share and to the holders of Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, E Ordinary Shares and F Ordinary Shares, an amount per share held equal to the Subscription Price of the I Ordinary Shares and to the holders of G Ordinary Shares an amount per share equal to the Subscription Price of the I Ordinary Shares less any amounts distributed to the holders of the G Ordinary Shares under Article 6.1 (b) (provided that, if there are insufficient surplus assets to pay the amounts per share set out in this Article 6.1 (c) the remaining surplus assets shall be distributed to the holders of Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares, H Ordinary Shares and I Ordinary Shares pro rata to the amount which such holders would otherwise have been entitled to receive under this Article 6.1 (c)); and
- (d) the balance of such assets (if any) (the “**Balance**”) shall be distributed amongst the holders of the Equity Shares at the time of the Capital Return as follows:
 - (i) the Balance shall first be paid as to £0.0001 per H Ordinary Share to the holders of the H Ordinary Shares and the remainder of the Balance to the holders of the Equity Shares (excluding the H Ordinary Shares) pro rata to the number of Equity Shares (excluding the H Ordinary Shares) held by each of them, until the earlier of: (a) an amount (such amount including, for the avoidance of doubt, amounts distributed to each Equity Share under 6.1 (a), (b) and (c) above) equal to the Threshold Price has been distributed to each Equity Share (excluding the H Ordinary Shares) from the Balance; and (b) the Balance has been fully distributed;
 - (ii) if any of the Balance remains unpaid following any payment pursuant to Article 6.1 (d)(i) then that part of the Balance will be paid to holders of Equity Shares (including the H Ordinary Shares), which together shall all be treated as a Single Class for the purposes of this Article 6.1 (d)(ii), pro rata to the number of Shares in that Single Class held by each of them,

6.2 The maximum aggregate distribution under Article 6.1 (but not, for the avoidance of doubt, on a Sale or a Listing) to the Albion Investors, together with persons connected with the Albion Investors, shall be limited to 49.99% of the surplus assets of the Company available for distribution to the Members (the “**Maximum Distribution**”). Where the Albion Investors, taken together, would, on a return of capital in accordance with this Article 6.2 but for the Maximum Distribution be

entitled to receive more than the Maximum Distribution (a "**Capped Shareholder**"), the amount in excess of the Maximum Distribution to which such Capped Shareholder would otherwise be entitled shall be distributed amongst the Members (other than any Capped Shareholder) in accordance with Article 6.1.

- 6.3 On a Sale or a Listing, the sale proceeds shall be paid to the holders of the Equity Shares in the priority set out in Article 6.1.
- 6.4 In the event of a Sale:
 - 6.4.1 if the payment of any part of the Sale Proceeds is deferred so that it is only due and payable on date(s) falling after the completion of the Sale and is also contingent on certain events or targets being met (a "**Deferred Contingent Instalment**"), the provisions of Article 6.1 shall be applied at the time of completion in respect of the Sale Proceeds to be paid on completion and repeated each time a Deferred Contingent Instalment becomes unconditionally due and payable. Each time the provisions of Article 6.1 are reapplied, when calculating the amount due to Shareholders, the Sale Proceeds shall include the sum of all consideration that has already been paid and the relevant Deferred Contingent Instalment being paid at that time, provided that account shall be taken of amounts already received by Shareholders, or not received (as the case may be), in respect of previous payments of consideration; and
 - 6.4.2 if the payment of any part of the Sale Proceeds is deferred such that it is only unconditionally due and payable on date(s) falling after completion of the Sale (a "**Deferred Instalment**"), the provisions of Article 6.1 shall be applied on completion in respect of the total amount of the Sale Proceeds. Shareholders shall be entitled to share in each payment of the Sale Proceeds (including the Deferred Instalments) pro-rata to their overall entitlement to the Sale Proceeds, as determined in accordance with Article 6.1 as and when they become payable.
 - 6.4.3 for the purposes of calculating the value of the Sale Proceeds when distributing these in accordance with Article 6.1 if any part of the Sale Proceeds comprises the issue of securities (not accompanied by a cash alternative):
 - (a) if the securities will rank pari passu with a class of securities already traded on a Recognised Investment Exchange, their value shall be treated as equal to the value of such securities traded on such exchange; and
 - (b) if the securities will not so rank, their value shall be determined by an Independent Expert.

- 6.5 If, prior to a Sale, Capital Return or Listing a dividend is paid, or the Company sells all or any part of its business or acquires another business, or in any other circumstances which the Board considers it to be appropriate, the Board may, in its discretion and with Investor Consent, determine that Threshold Price should be treated as adjusted for the purposes of the operation of this Articles 6. in order to reflect the fact that but for that event, the Balance would have been a greater or lesser amount and the H Ordinary Shares may or may not have otherwise been entitled to a share of the Balance. In exercising its discretion the Board shall act fairly and reasonably.

7 **SHARE RIGHTS – VOTING**

- 7.1 Subject to Articles 7.2 and 7.3, the Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares and I Ordinary Shares shall confer on each Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each Ordinary Share, D Ordinary Share, E Ordinary Share, F Ordinary Share, G Ordinary Share and I Ordinary Share shall carry one vote per Share. The B Ordinary Shares, C Ordinary Shares and H Ordinary Shares shall not carry any right to receive notice of or attend, speak and vote at any general meeting of the Company.
- 7.2 Subject to Article 7.3 to Article 7.9 the total number of votes attaching to all Shares held by the Albion Investors, together with persons connected with the Albion Investors shall be restricted to the lower of:
- (a) 49.99% of the votes attaching to all Shares; and
 - (b) the total number of votes that would have been conferred on the Members referred to in this Article 7.2 if this Article 7.2 (a) did not apply.
- 7.3 For the purposes of this Article 7.3 to Article 7.3.7 an "**Investor Step-In Event**" means:
- (a) there has occurred and is continuing an Event of Default under (and as defined in) the Albion Loan Stock Deeds, or the Fund Loan Stock Deed where such Event of Default has not been waived by the relevant Investor;
 - (b) in the reasonable opinion of the relevant Investor there is a high likelihood of an Event of Default under (and as defined in) the Albion Loan Stock Deeds or the Fund Loan Stock Deed and additional working capital would be necessary to avoid an Event of Default occurring;
 - (c) a breach or non-observance by the Company or any of the Board or any member of the Company (excluding any Investor Director or any Investor) of any of the provisions of the Investment Agreement or these Articles has occurred and at any time after, whilst such breach or non-observance is continuing unremedied, the Investors have notified the Company in writing that:
 - (i) in the reasonable opinion of the Investors such breach, together with its consequences (if any) for any holder of Shares, is not capable of being remedied;

- (ii) in the reasonable opinion of the Investors such breach, together with its consequences (if any) for any holder of Shares, is capable of being remedied and the Investors have in such notice specified what is to be done to achieve such remedy but all aspects of such remedy have not been carried out to the reasonable satisfaction of the Investors within 10 Business Days of such notice being given; or
 - (iii) any amount payable by the Company in respect of the Albion Loan Stock or the Fund Loan Stock, as the case may be, is more than ten Business Days in arrears (howsoever caused and whether or not demand has been made therefor and whether or not the payment of the same has been prevented or delayed by or would breach any intercreditor or other arrangements for the time being between (with or without other parties) the Company and the provider of any financial facilities provided to the Company).
- 7.3.2 If there is an Investor Step-In Event the Investors may serve notice of the same upon the Company ("**Investor Step-In Notice**") and may, in such notice, specify what steps the Company must take to remedy such breach.
- 7.3.3 Following service of the Investor Step-In Notice, at a general meeting of the Company, the Investors present in person, by proxy or by representative at that general meeting shall, subject to Investor Consent, be entitled by notice in writing to the Company to exercise on a show of hands or on a poll 20 votes for each Share held by each of the Investors ("**Investor Enhanced Voting Rights**").
- 7.3.4 The Investor Enhanced Voting Rights will continue until the relevant circumstances leading to the Step-In Event have been remedied to the satisfaction, confirmed in writing, of the Investors and appropriate controls or procedures designed to prevent a re-occurrence of such Investor Step-In Event, reasonably satisfactory to the Investors, have been established and implemented by the Company.
- 7.3.5 Revocation of the Investor Step-in-Notice shall be effected by:
 - (a) the Investors serving written notice on the Company confirming the revocation; or
 - (b) the Company serving written notice on each of the Investors demonstrating that the Investor Step-in-Event has been remedied and each of the Investors either confirming in writing, within 5 Business Days of receipt of the Company's notice, that the circumstances have been remedied to their reasonable satisfaction or failing to reply to the notice served by the Company within such 5 day period.
- 7.3.6 The Investor Enhanced Voting Rights shall cease:
 - (a) in the case of Article 7.6.1 upon the service of the notice by the Investors on the Company; and
 - (b) in the case of Article 7.6.2 upon the service of the confirmation from the Investors to the Company or upon the expiry of the 5 day period referred to in Article 7.6.2 in the event of the Investors failing to reply.

- 7.3.7 Nothing in Article 7.5 to 7.7 shall prevent the Investor Enhanced Voting Rights being activated by a further Investor Step-in-Notice.

8 VARIATION OF SHARE RIGHTS

- 8.1 The rights attaching to the Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with the prior consent of the holders of the issued Shares of that class given in accordance with Article 8.2.
- 8.2 The consent of the holders of a class of Shares may be given by:
- 8.2.1 a special resolution passed at a separate general meeting of the holders of that class; or
- 8.2.2 a written resolution in any form signed by or on behalf of the holders of not less than 75% in nominal value of the issued Shares of that class.

9 **ISSUE AND ALLOTMENT OF NEW SHARES AND PURCHASE OF SHARES**

- 9.1 Unless the Company by special resolution directs otherwise any new Shares or other securities of the Company will be offered by the Directors for subscription to the holders of the Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares and G Ordinary Shares as nearly as possible, on the same terms (and, without prejudice to the generality of the foregoing, including any obligation to subscribe for other securities or provide debt to the Group which can reasonably be considered as a term of the offer to subscribe for new Shares) in such proportions as equal (as nearly as possible) the proportion of Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares and I Ordinary Shares held by them respectively at that time. For the purpose of this Article 9 (Issue and allotment of new Shares), the D Ordinary Shares, the Ordinary Shares, the E Ordinary Shares, the F Ordinary Shares and the G Ordinary Shares will be treated as one class of Share. Except with Investor Consent, Ordinary Shares shall be allotted and issued only to the Ordinary Shareholders, D Ordinary Shares shall be allotted and issued only to the D Ordinary Shareholders, E Ordinary Shares shall be allotted and issued only to the E Ordinary Shareholders, F Ordinary Shares shall be allotted and issued only to the F Ordinary Shareholders, G Ordinary Shares shall be allotted and issued only to the G Ordinary Shareholders and I Ordinary Shares shall be allotted and issued only to the I Ordinary Shareholders.
- 9.2 The offer will be made by notice specifying the number and class of Shares or securities offered, the price per Share or security, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the persons to whom such notice is given that they decline to accept some or all of the Shares or securities so offered, the Directors will offer the declined Shares or securities in the same proportions to the holders of Ordinary Shares, D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares and I Ordinary Shares who have accepted all the Shares or securities initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the Directors, be limited to a period of seven days after which it will (to the extent that any Shares or securities remain unaccepted) be deemed to have been withdrawn.
- 9.3 Any Shares or securities not taken up at the end of the procedure set out in Articles 9.1 and 9.2 may be offered by the Directors to a third party (with Investor Consent) and, subject to these Articles, the provisions of the Statutes and to Investor Consent, such Shares or securities will be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms as they think fit. However:
- 9.3.1 no Shares will be issued at a discount;
- 9.3.2 no Shares or securities will be issued more than three months after the end of the period for acceptance of the last offer of such Shares or securities under Articles 9.1 and 9.2 unless the procedure set out in those Articles is repeated in respect of such Shares or securities; and
- 9.3.3 no Shares or securities will be issued on terms which are more favourable than those on which they were offered to the Members.

- 9.4 The provisions of sections 561(1) and 562(1) to (5) CA 2006 do not apply to the Company.
- 9.5 If, due to any inequality between the number of new Shares or securities to be issued and the number of Shares held by Members entitled to have the offer of new Shares or securities made to them, any difficulty arises in the apportionment of any such new Shares amongst the Members, such difficulties will be determined by the Board with Investor Consent.
- 9.6 Subject to CA 2006 but without prejudice to any provisions of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the CA 2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
- 9.7 (a) £15,000; and
- (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.
- 9.8 Article 9.1 shall not apply to the grant of a Permitted Option nor to the allotment of Shares on its exercise but subject always to the terms of any Investor Consent relevant to the Subscription Rights concerned.
- 9.9 Subject first to obtaining Investor Consent, the Company may exercise all powers conferred by the Act of paying commissions in relation to a subscription for Shares or other allotment. Subject to the Act, commissions may be satisfied in cash or by the allotment of fully or partly paid Shares or partly in one way and partly in the other. The Company may also (with Investor Consent) pay any brokerage in relation to a subscription for Shares which is lawful.

10 **TRANSFERS OF SHARES - PROHIBITED TRANSFERS**

General prohibitions

- 10.1 The Directors will not register any transfer of Shares to any of the following:
- (a) any person who, in the reasonable opinion of the Board (including the Albion Investor Director and the Fund Investor Director) is carrying on business directly or indirectly in competition with the Company or any member of the Group, except this restriction will not apply to:
- (i) any transfer of Shares pursuant to Articles 144 (*Change of control - Tag along rights*), 15 (*Change of control - Drag along rights*) 16 (*Compulsory Transfer*); or
- (ii) any transfer of Shares to any of the Albion Investors or the Fund; or
- (b) any person who does not have legal capacity to transfer such Shares or otherwise to comply fully with the provisions of these Articles; or
- (c) a person who has not been approved by the Board (including the Investor Director and the Fund Investor Director (such approval not to be unreasonably withheld)).

Prohibition unless in accordance with these Articles

- 10.2 Subject to Article 10.1, the Directors will not register a transfer of Shares unless:
- (a) the transfer is permitted by Article 11 (*Permitted transfers*), or has been validly made in accordance with Article 12 (*Pre-emption*), Article 14 (*Change of control - Tag along rights*), Article 15 (*Change of control - Drag along rights*) or Article 16 (*Compulsory Transfer*); and
 - (b) if not already a party to the Investment Agreement, the proposed transferee has entered into a deed of adherence to, and in the form required, by the Investment Agreement.

- 10.3 For the purpose of ensuring that:

- (a) a transfer of Shares is permitted under these Articles; or
- (b) no circumstances have arisen where a Transfer Notice is required to be or ought to have been given,

the Board may, and will if so requested by an Albion Investor Director and/or a Fund Investor Director, require any Member to procure that any person whom the Board or an Albion Investor Director and/or a Fund Investor Director reasonably believes to have information relevant to such purpose provides the Company with such information and evidence as the Board or an Albion Investor Director and/or a Fund Investor Director thinks fit. Pending the provision of such information the Board will be entitled to refuse to register any relevant transfer.

- 10.4 Any H Ordinary Share shall not, without Investor Consent, effect a transfer of such Share except in accordance with), Article 14 (*Change of control - Tag along rights*), Article 15 (*Change of control - Drag along rights*) or Article 16 (*Compulsory Transfer*).

11 PERMITTED TRANSFERS

For the purposes of this Article 11, "**fund**" means any venture capital trust or investment trust (within the meaning contained in the glossary of the Listing Rules), bank, building society, industrial and provident or friendly society, unit trust, any other collective investment scheme (as defined in section 235 FSMA), any intermediate customer (within the meaning of the Conduct of Business Rules made under FSMA), partnership, limited partnership, limited liability partnership, pension fund or insurance company or any person who is an authorised person (within the meaning of section 31(2) FSMA), and the term will include any subsidiary undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing.

- 11.1 Where any Shares are the subject of a Transfer Notice, no transfers of any such Shares shall be permitted pursuant to this Article 11 (*Permitted transfers*).
- 11.2 Subject to Articles 11.1 and Articles 11.3 to 11.8 (inclusive), any Share may be transferred:
- (a) by its beneficial owner to a person shown to the reasonable satisfaction of the Board (including the Albion Investor Director and the Fund Investor

Director) to be a nominee for such beneficial owner only, and by any such nominee to the beneficial owner or to another person shown to the reasonable satisfaction of the Board (including the Albion Investor Director and the Fund Investor Director) to be a nominee for the beneficial owner only;

- (b) by a Member or his personal representatives to his Privileged Relations or to the trustee(s) of a Family Trust, and by any such Privileged Relations or trustee(s) to such Member, or to any other person or persons shown to the reasonable satisfaction of the Board (including the Albion Investor Director and the Fund Investor Director) to be the trustee(s) for the time being (on a change of trustee) of the Family Trust in question;
- (c) when required by, and in accordance with, Articles 14 (*Change of Control Tag Along Rights*), Article 15 (*Change of Control – Drag Along Rights*) or Article 16 (*Compulsory Transfer*);
- (d) to a Buyer in acceptance of an Approved Offer under Article 14 (*Change of control - Tag along rights*), Article 15 (*Change of control - Drag along rights*) or Article 16 (*Compulsory Transfer*);
- (e) in the case of Shares held by an undertaking, subject to Article 11.4, to a group undertaking of the transferor;
- (f) in the case of D Ordinary Shares, E Ordinary Shares, F Ordinary Shares, G Ordinary Shares or I Ordinary Shares held by or on behalf of a fund:
 - (i) to another nominee or trustee for, or general partner of, the fund, and by any such nominee or trustee to another nominee or trustee for that fund or to the fund itself;
 - (ii) on a distribution in kind under the constitutive documents of the fund, to the partners in or holders of units in, or to the shareholders of, participants in or the holders of other interests in the Fund (or to a nominee or trustee for any such partners, holders, members or investors), and by a nominee or trustee for such holders, partners, members or investors to such holders, partners, members or investors or to another nominee or trustee for such holders, partners, members or investors; or
 - (iii) to another Fund which is managed or advised by the same manager or adviser as the transferor (or as the Fund on behalf of whom any such Share is held by the transferor as nominee or trustee) or by a group undertaking of such manager or adviser; or
 - (iv) to any investment manager which manages the business of the fund from time to time.
- (g) where the Share the subject of the proposed transfer is not held by or on behalf of or to be transferred to any Investor or the Fund, with Investor Consent.

Further transfers by Privileged Relatives, group members etc

- 11.3 Where Shares are held by one or more nominees of their beneficial owner, by a trustee or trustees of a Family Trust or by one or more Privileged Relations of a Member and any such person ceases to be:

- (a) a nominee of the beneficial owner of the Shares; or
- (b) a trustee of the Family Trust of the beneficial owner of the Shares; or
- (c) a Privileged Relation of a Member,

such person will on or before the cessation transfer such Shares to a transferee permitted (as the case may be) under Article 11.2(a) or Article 11.2(b).

- 11.4 Where Shares have been transferred under Article 11.2(e) and the transferee ceases to be a group undertaking of the transferor, it will, on or before the cessation, transfer such Shares to the original transferor or to another group undertaking of the original transferor.

- 11.5 If a Member fails or refuses to execute and deliver any transfer in respect of any Shares in accordance with Article 11.3 or Article 11.4, the Board may (and will if requested by the Albion Investor Director and the Fund Investor Director) authorise any Director to execute and deliver the necessary transfer(s) on the defaulting Member's behalf. The Board will authorise the registration of the transfer, and of the transferee as the holder of the Shares so transferred, once appropriate stamp duty (if any) has been paid. After registration, the title of the transferee as the registered holder of such Shares will not be affected by any irregularity in or invalidity of such proceedings, which, will not be questioned by any person.

Provisions specific to D Ordinary Shares E Ordinary Shares, G Ordinary Shares and I Ordinary Shares held by the Albion Investors

- 11.6 D Ordinary Shares, E Ordinary Shares, G Ordinary Shares and I Ordinary Shares held by the Albion Investors will, if so required by an Albion Investor Director by notice served on the Company, immediately and without resolution of the Directors or the Members be converted into Ordinary Shares, B Ordinary Shares or C Ordinary Shares as determined by the Albion Investors upon being held by any person who is not an Investor.

Provisions specific to F Ordinary Shares and G Ordinary Shares held by the Fund

- 11.7 F Ordinary Shares, G Ordinary Shares and I Ordinary Shares held by the Fund will, if so required by a Fund Investor Director by notice served on the Company, immediately and without resolution of the Directors or the Members be converted into Ordinary Shares, B Ordinary Shares or C Ordinary Shares as determined by the Fund upon being held by any person who is not an the Fund.

Provisions specific to Ordinary Shares, B Ordinary Shares and C Ordinary Shares

- 11.8 No transfer of Ordinary Shares, B Ordinary Shares or C Ordinary Shares may be made by a Member pursuant to Articles 11.2(a) and 11.2(b) without Investor Consent if the effect of such transfer would result in the Member personally holding the legal and beneficial title of less than 50% of the Ordinary Shares, B Ordinary Shares or C Ordinary Shares (as applicable) issued to him.
- 11.9 Shares transferred between Members will automatically convert without resolution of the Directors or the Members into such class of shares as held by the transferee immediately before the transfer.

12 PRE-EMPTION

Transfer Notices

- 12.1 Except in the case of a transfer under Article 11 (*Permitted transfers*) Article 14 (*Change of Control – Tag along rights*), Article 15 (*Change of Control – Drag along rights*) and subject to the prohibitions on transfers set out in Article 10 (*Transfers of shares - prohibited transfers*), any Member who wishes to transfer any Shares ("Seller") must give a Transfer Notice to the Company. No Transfer Notice may be served without the prior written consent of the Board (including the Investor Director).
- 12.2 Each Transfer Notice will relate to one class of Shares only and will specify:
- (a) the number and class of Shares which the Seller wishes to transfer ("**Sale Shares**");
 - (b) the identity of the Proposed Transferee (if any);
 - (c) the price per Share at which the Seller wishes to transfer the Sale Shares; and
 - (d) whether or not the Transfer Notice is subject to a Total Transfer Condition. In the absence of any such stipulation it will be deemed not to be so conditional.
- 12.3 No Transfer Notice will be capable of variation or cancellation without the consent of the Board (including the Investor Director).

Transfer Price

- 12.4 The Transfer Notice will constitute the Company as the agent of the Seller for the transfer of the Sale Shares in accordance with this Article 12 (*Pre-emption*) at the following price ("Transfer Price"):
- (a) with the consent of the Board (including the Albion Investor Director and the Fund Investor Director), the price specified in the Transfer Notice; or
 - (b) such other price that may be agreed between the Seller and the Board (subject to the consent of the Albion Investor Director and the Fund Investor Director); or

- (c) in default of agreement under Article 12.4(b) the lower of:
 - (i) the price per Share specified in the Transfer Notice; and
 - (ii) if the Board (including the Albion Investor Director and the Fund Investor Director) elects, within 15 Business Days after the date of service or deemed service of the Transfer Notice, to instruct the Experts for the purpose, the Market Value of the Sale Shares as at the date of service or deemed service of the Transfer Notice, and as determined in accordance with Articles 1.4 and 13 (*Valuation*).

First offer

12.5 The following provisions of this Article 12.5 will apply to the transfer of any Shares by any Member other than an Investor or the Fund.

12.5.1 Within ten Business Days after the later of:

- (a) the receipt by the Company of a Transfer Notice; and
- (b) the determination of the Transfer Price;

the Albion Investors and the Fund (acting together) may direct the Company (as agent for the Seller) immediately to offer at the Transfer Price such number of Sale Shares as they may determine to a person who will hold the Sale Shares for the benefit of existing or future employees of any member of the Group including (without limitation), any professional trustee to hold the Sale Shares upon the terms of a discretionary trust for the benefit of the class of beneficiaries which includes (without limitation) employees of any member of the Group.

12.5.2 If any offeree of the Sale Shares under this Article 12.5 applies for any such Sale Shares within ten Business Days of the date of the offer referred to in Article 12.5.1, the Company will allocate to such offeree the number of Sale Shares applied for within fifteen Business Days following receipt of the application from that offeree.

- 12.6 If all of the Sale Shares are allocated in accordance with Article 12.5, the provisions of Articles 12.7 to 12.10 will not apply. If none or some only of the Sale Shares are so allocated, the provisions of Articles 12.7 to 12.10 will have effect as if reference to Sale Shares was to those not allocated in accordance with Article 12.5.2 and the Company shall give notice to each of the Members in accordance with Article 12.7.

Offer to Members and notice to Investors

- 12.7 Subject to Article 12.5, within ten Business Days of the expiry of the period set out in Article 12.5.1 or, if earlier the date the Investors confirm in writing that they do not wish to make the direction referred to in Article 12.5 within five Business Days of the Transfer Price being determined in accordance with Article 12.4, the Company (as agent for the Seller) will give notice in writing to each of the Members (other than the Seller and any other Member who has served, or who is deemed to have served, a Transfer Notice in respect of his entire holding of Shares and under which the sale of such Shares has not then been concluded) offering the Sale Shares for sale at the Transfer Price in accordance with Articles 12.8 and 12.9. The notice will specify that the Members will have a period of up to 20 Business Days from the date of such notice to apply for some or all of the Sale Shares.

Pre-emption procedure

- 12.8 It will be a term of any offer made under Article 12.7 that, if Members holding Shares of more than one class apply for some or all of the Sale Shares, the Sale Shares of a particular class specified in column (1) in the table below will be treated as offered:
- (a) in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below; and
 - (b) to the extent not accepted by the persons in column (2) (whether as part of their Proportionate Entitlement or as Extra Shares), to all persons in the category set out in the corresponding line in column (3) in the table below:

(1)	(2)	(3)	(4)
Class of Sale Shares	First Priority	Second Priority	Third Position
Ordinary Shares	Ordinary Shareholders	D Ordinary Shareholders, E Ordinary Shareholder, F Ordinary Shareholders, G Ordinary Shareholders and I Ordinary Shareholders pro rata to the number of Shares held as a percentage of total issued Equity Shares	B Ordinary Shareholders and C Ordinary Shareholders pro rata to the number of Shares held between them

(1)	(2)	(3)	(4)
Class of Sale Shares	First Priority	Second Priority	Third Position
		(excluding the H Ordinary Shares)	
B Ordinary Shares	the Company	B Ordinary Shareholders	D Ordinary Shareholders, E Ordinary Shareholders, F Ordinary Shareholders, G Ordinary Shareholders and I Ordinary Shareholders pro rata to the number of Shares held between them
C Ordinary Shares	the Company	C Ordinary Shareholders	D Ordinary Shareholders, E Ordinary Shareholders, F Ordinary Shareholders, G Ordinary Shareholders and I Ordinary Shareholders pro rata to the number of Shares held between them
D Ordinary Shares	D Ordinary Shareholders and E Ordinary Shareholders	F Ordinary Shareholders, G Ordinary Shareholders and I Ordinary Shareholders	Ordinary Shareholders
E Ordinary Shares	D Ordinary Shareholders and E Ordinary Shareholders	F Ordinary Shareholders, G Ordinary Shareholders and I Ordinary Shareholders	Ordinary Shareholders
F Ordinary Shares	F Ordinary Shares	D Ordinary Shareholders, E	Ordinary

(1)	(2)	(3)	(4)
Class of Sale Shares	First Priority	Second Priority	Third Position
		Ordinary Shareholders, G Ordinary Shareholders and I Ordinary Shareholders	Shareholders
G Ordinary Shares	G Ordinary Shares	D Ordinary Shareholders, E Ordinary shareholders F Ordinary Shareholders and I Ordinary Shareholders	Ordinary Shareholders
I Ordinary Shareholders	I Ordinary Shares	D Ordinary Shareholders, E Ordinary shareholders, F Ordinary Shareholders and G Ordinary Shareholders	Ordinary Shareholders

- 12.9 It will be a further term of the offer that, if there is competition within any class of shareholder for the Sale Shares offered to that class, such Sale Shares will be treated as offered among the holders of such class in proportion (as nearly as possible) to their existing holdings of Shares of that class ("**Proportionate Entitlement**"). However, the offer will also invite Members to indicate in their applications for Sale Shares, whether they would be willing to buy Shares in excess of their Proportionate Entitlement should any such Shares be available and, if so, how many ("**Extra Shares**").

Allocation of Shares

- 12.10 After the expiry of the offer period specified in Article 12.7, (or, if sooner, upon valid applications being received for all of the Sale Shares in accordance with that Article), the Board will allocate the Sale Shares as follows:
- (a) if the total number of Sale Shares applied for (including Extra Shares) is equal to or less than the available number of Sale Shares, each offeree will be allocated the number of Sale Shares applied for in accordance with his application (subject to Article 12.14); or
 - (b) if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each offeree will be allocated his Proportionate Entitlement, or, if less, the number of Sale Shares which he has applied for; and

- (c) applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition within any class of shareholder, among those applying for Extra Shares in such proportions as equal (as nearly as possible) the proportions of all the Shares of the same class held by such offerees.

- 12.11 Allocations of Sale Shares made by the Company under this Article 12 (*Pre-emption*) will constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person will be obliged to take more than the maximum number of Sale Shares which he has indicated to the Company he is willing to purchase.

Completion of sale and purchase of Sale Shares

- 12.12 The Company will immediately upon allocating any Sale Shares (whether under Article 12.5.2 or Article 12.7 give notice in writing ("**Allocation Notice**") to the Seller and to each person to whom Sale Shares have been allocated specifying:

- (a) the number of Sale Shares so allocated;
- (b) the aggregate price payable for them;
- (c) any additional information required by Article 12.14(a) (if applicable); and
- (d) (subject to Article 12.14(a)) the place and time (being not later than five Business Days after the date of the Allocation Notice) when the sale of the Sale Shares will be completed.

- 12.13 Subject to Article 12.14, completion of the sale and purchase of Sale Shares in accordance with the Allocation Notice will take place at the place and time specified in the Allocation Notice when the Seller will, upon payment of the due price, transfer those Sale Shares specified in the Allocation Notice and deliver the relevant Share certificates to the persons to whom they have been allocated.

- 12.14 If the Transfer Notice included a Total Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares:

- (a) the Allocation Notice will refer to such Total Transfer Condition and will contain a further offer, open for 28 days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares; and
- (b) completion of the transfer in accordance with this Article 12 (*Pre-emption*) will be conditional upon all such Sale Shares being so allocated.

Default by the Seller

- 12.15 If the Seller fails by the due completion date to execute and deliver any transfer(s) in respect of any of the Sale Shares which he is due to transfer, the Board may (and will if requested by the Albion Investor Director and the Fund Investor Director) authorise any Director to:

- (a) execute and deliver the necessary transfer(s) on the Seller's behalf; and
- (b) against receipt by the Company of the Transfer Price payable for the relevant Sale Shares (to be held on trust for the Seller without interest) (the

receipt being a good discharge to the offeree who will not be bound to see to the application of it), deliver such transfer(s) to the relevant offeree(s).

The Board will authorise registration of the transfer(s), and of the offeree(s) as the holder(s) of the Sale Shares so transferred, once appropriate stamp duty has been paid. After registration, the title of such offeree(s) as registered holder(s) of such Sale Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person.

Exhaustion of pre-emption rights - rights and restrictions with regard to sale to third party

12.16 Immediately after the exhaustion of any pre-emption process followed in accordance with these Articles, if any Sale Shares remain unallocated, the Company will notify the Seller of that fact in writing. The Seller may, at any time within one calendar month after receiving such notice (but not otherwise unless the pre-emption procedure set out in these Articles is repeated), transfer any unsold Sale Shares to the Proposed Transferee at any price which is not less than the Transfer Price, except that:

- (a) the Board will refuse registration of any transfer to a Proposed Transferee who is a person to whom Shares may not be transferred by virtue of Articles 10.1 or 10.2;
- (b) if any such transfer would, if made and registered, result in the Proposed Transferee obtaining a Controlling Interest, the Board will refuse registration of such transfer until such time as an Approved Offer has been made and the provisions of Article 14 (*Change of control - Tag along rights*) complied with;
- (c) if the Seller included a Total Transfer Condition in the Transfer Notice which has not been satisfied, the Seller will be entitled to transfer all (but not some only) of the Sale Shares; and
- (d) any such transfer must be in good faith and the Board or the Albion Investor Director or the Fund Investor Director may require to be satisfied (in such manner as it or they may reasonably think fit) that the Sale Shares are being sold at a price which is not less than the Transfer Price without any deduction, rebate or allowance whatsoever. If not so satisfied, the Board may refuse to register the transfer.

13 VALUATION

Determination of Market Value

If the Experts are required to determine Market Value under Articles 12.4(c)(ii) or 16.1, the provisions set out below will apply.

13.1 Market Value will be determined by the Experts first valuing the Company as a whole:

- (a) assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;

- (b) assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion;
- (c) taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding;
- (d) taking account of any *bona fide* offer for the Company received from an unconnected third party within six months prior to the Transfer Notice being served or deemed to have been served; and
- (e) recognising that in any other circumstances the Shares are not freely marketable.

13.2 Having valued the Company as a whole, the Experts will determine the Market Value of the Shares concerned:

- (a) having deducted from the value of the Company as a whole (if not already taken into account when so valuing the Company):
 - (i) any amounts due to the holders of the Albion Loan Stock and the Fund Loan Stock (whether in respect of redemptions or arrears or accruals of interest); and
 - (ii) any arrears, accruals or deficiencies of dividend on Shares of any class;
- (b) disregarding whether the Shares concerned represent a majority or a minority interest; and
- (c) disregarding the rights and restrictions attaching to the Shares concerned in respect of income, capital and transfer.

The costs and expenses of the Experts for determining the Market Value will be borne by the Company.

14 **CHANGE OF CONTROL - TAG ALONG RIGHTS**

14.1 With the exception of any transfers of Shares in accordance with Article 11 (*Permitted transfers*), no transfer of Shares which would result, if made and registered, in a person or persons Acting in Concert obtaining ownership of more than 50% of the Equity Shares, will be made or registered unless:

- (a) an Approved Offer is made by the proposed transferee(s) ("**Buyer**") or, at the Buyer's written request, by the Company as agent for the Buyer; and
- (b) the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of Shares.

14.2 For the purposes of this Article 14 (*Change of control - Tag along rights*):

- (a) "**Approved Offer**" means a bona fide offer from an independent third party in writing served on all Members holding Equity Shares (including the proposing transferor), offering to purchase all the Equity Shares held by such Members (including any Shares which may be allotted as a result of

the exercise or conversion of options, rights to subscribe for or securities convertible into Equity Shares in existence at the date of such offer) which:

- (i) is stipulated to be open for acceptance for at least 15 Business Days;
- (ii) offers the same or equivalent consideration for each Equity Share (whether in cash, securities or otherwise in any combination), provided that a reduction, withholding or retention of consideration to take account of tax payable, or which might be payable, by a Member or by his employing company in relation to the conversion of securities, the exercise of an option over Equity Shares and/or the disposal of Equity Shares shall not prejudice the application of this Article;
- (iii) includes an undertaking by or on behalf of the Buyer that, subject to compliance by the Buyer with Article 14.2(a)(v), no other consideration, (whether in cash or otherwise) is to be received or receivable by any Member which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares to be sold by such Member, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other Member for the purchase of Equity Shares;
- (iv) in the case of the D Ordinary Shares, the E Ordinary Shares, the F Ordinary Shares and the G Ordinary Shares, includes provision for the payment of all Arrears;
- (v) makes provision for the redemption of the Albion Loan Stock and the Fund Loan Stock in accordance with the Albion Loan Stock Deeds and the Fund Loan Stock Deed or if the Company is unable lawfully to effect any such redemption, makes provision for the purchase of such Albion Loan Stock and Fund Loan Stock at the price at which they would have been redeemed; and
- (vi) is on terms that the sale and purchase of Shares in respect of which the offer is accepted will be completed at the same time; and
- (vii) is approved by the Board (including the Albion Investor Director and the Fund Investor Director).

15 **CHANGE OF CONTROL - DRAG ALONG RIGHTS**

15.1 If, at any time, an Approved Offer is made to:

- (a) the holders of 50% or more of each of the D Ordinary Shares, the E Ordinary Shares, the F Ordinary Shares, the G Ordinary Shares and the I Ordinary Shares at a price per share of £81.21 or less; or
- (b) the holders of 67% or more of the D Ordinary Shares, the E Ordinary Shares, the F Ordinary Shares, the G Ordinary Shares and I Ordinary Shares taken together at a price per share of more than £81.21

15.2 and such holders wish to accept the Approved Offer, they shall have the right ("**Drag Along Right**") to require (in the manner set out in Article 15.3) all of the other holders of Equity Shares, including persons who acquire Equity Shares following the making of the Approved Offer as a result of the exercise of options or conversion of securities, ("**Remaining Shareholders**") to accept the Approved Offer in full.

15.3 The Drag Along Right may be exercised by the service of notice to that effect on the Remaining Shareholders at the same time as, or within five Business Days following, the making of the Approved Offer (or, if later, within five Business Days following the acquisition by the relevant Remaining Shareholder of any Equity Shares).

15.4 On the exercise of the Drag Along Right, each of the Remaining Shareholders will be bound to accept the Approved Offer in respect of his entire holding of Equity Shares and to comply with the obligations assumed by virtue of such acceptance.

15.5 If any of the Remaining Shareholders fails to accept the Approved Offer or, having accepted such offer, fails to complete the sale of any of his Equity Shares pursuant to the Approved Offer, or otherwise fails to take any action required of him under the terms of the Approved Offer, any G Ordinary Shareholder or any persons so authorised by the Board (with the Investor Consent) may accept the offer on behalf of the Remaining Shareholder in question, or undertake any action required under the terms of the Approved Offer on the part of the Remaining Shareholder in question. In particular, such person may execute the necessary transfer(s) on that Remaining Shareholder's behalf and:

- (a) against receipt by the Company (on trust for such Remaining Shareholder without interest) of the consideration payable for the relevant Shares (the receipt being a good discharge to the Buyer, who will not be bound to see to the application of it); and
- (b) compliance by the Buyer and, where relevant, the Company with all other terms of the Approved Offer,

may deliver such transfer(s) to the Buyer (or its nominee). The Board will then authorise registration of the transfer(s) and of the Buyer (or its nominee) as the holder of the Shares so transferred. After registration, the title of the Buyer (or its nominee) as the registered holder of such Shares will not be affected by any irregularity in, or invalidity of, such proceedings, which will not be questioned by any person. The Remaining Shareholder will in such a case be bound to deliver up its certificate for its Shares to the Company, or a statutory declaration of loss (as appropriate) upon which the Remaining Shareholder will be entitled to receive the purchase price for such Shares.

15.6 For the purpose of this Article 15, an Approved Offer shall have the meaning given in Article 14.2(a)(i) to (v) but shall only be subject to approval by the Albion Investor Director and the Fund Investor Director.

16 **COMPULSORY TRANSFER**

16.1 Subject to article 16.2 if any Relevant Shareholder ceases for any reason to be a director or employee of or consultant to the Company or ceases to be engaged by the Company to provide professional services to it the Relevant Shareholder shall

be deemed to have given a Transfer Notice in respect of all the Relevant Shareholder's Shares on the Effective Termination Date. In such circumstances the Transfer Price shall be as follows:

- (a) where the Relevant Shareholder ceases to be a director or employee of or consultant to the Company or ceases to be engaged by the Company to provide professional services to it by reason of being a Bad Leaver, the original subscription price paid by the Relevant Shareholder for the Relevant Shareholder's Shares;
 - (b) where the Relevant Shareholder ceases to be an employee or director of or consultant to the Company by reason of being a Good Leaver, the higher of the Market Value and the original subscription price paid by the Relevant Shareholders for the Relevant Shareholder's Shares.
- 16.2 For the purpose of Article 16.1, where a Relevant Shareholder is a Founder, he/she shall be deemed to be a Good Leaver for all purposes in relation to all of the H Ordinary Shares held by him/her as at the Commencement Date and 50% of the other Shares held by him/her as at the Commencement Date.
- 16.3 For the purposes of this Article, the Relevant Shareholder's Shares and his/her H Ordinary Shares shall be offered in the following order of priority:
- (a) to a person or persons nominated by the Albion Investor Director and the Fund Investor Director to take the departing Relevant Shareholder's place conditionally upon them commencing employment with the Company; and/or
 - (b) to any of the existing Relevant Shareholders (other than the departing Relevant Shareholder); and/or
 - (c) to other participants or potential participants in, or trustees of the Employee Share Option Plan (other than the departing Relevant Shareholder); and/or
 - (d) to any other person or persons approved by the Albion Investor Director and the Fund Investor Director and by the Board (other than the departing Relevant Shareholder); and/or
 - (e) to the Company (subject always to the provisions of the Act).
- 16.4 All voting rights attached to a Relevant Shareholder's Shares if any, shall at the time he ceases to be an employee of or consultant to the Company be suspended unless the Board and the Albion Investor Director and the Fund Investor Director notify him otherwise.
- 16.5 Any Relevant Share whose voting rights are suspended pursuant to Article 16.4 ("**Restricted Shares**") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended pursuant to Article 16.4 shall be automatically restored immediately prior to a Listing. If a Relevant Shareholder transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the

transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

- 16.6 The provisions contained in this article 166 shall not apply to Bamburgh Capital Limited and any Shares held by it.

17 **LIEN**

- 17.1 The Company shall have a first and paramount lien on all Equity Shares, whether fully paid or not, for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Equity Share. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on an Equity Share shall extend to any amount payable in respect of it. This Article shall apply to all Equity Shares registered in the name of any person indebted or under liability to the Company whether that person be the sale registered holder thereof or one of several joint holders.

- 17.2 The Company may sell in such a manner as the Directors determine any Equity Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the Share or the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

- 17.3 To give effect to a sale the Board may authorise any Director to execute an instrument of transfer of the Equity Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the Equity Shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- 17.4 The net proceeds of the sale, after payment of the costs, shall be applied in or towards satisfaction of the amount due and payable, and any remainder shall (upon surrender to the Company for cancellation of the certificate for the Equity Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Equity Shares before the sale) be paid to the person entitled to the Equity Shares at the date of the sale.

18 **NOTICE OF GENERAL MEETINGS**

- 18.1 A general meeting shall be called by at least 14 clear days' notice but may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting who together hold not less than 90 per cent. in nominal value of the shares giving that right.

- 18.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted.

19 **GENERAL MEETINGS**

- 19.1 The Directors, or an Albion Investor Director or Fund Investor Director acting alone, may call a general meeting, and on the requisition of members pursuant to the CA 2006 shall proceed to convene a general meeting in accordance with the provisions of the CA 2006.

19.2 A general meeting may consist of a conference between Members, some or all of whom are in different places if each Member who participates is able:

- (a) to hear each of the other participating Members addressing the meeting; and
- (b) if he so wishes, to address all of the other participating Members simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods.

19.3 A quorum is deemed to be present if pursuant to Article 19.2 at least the number of Members required to form a quorum pursuant to Article 20.1 are present in person or by telephone. A meeting held in this way is deemed to take place at the place where the largest group of participating members is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each Member indicating to the chairman (in such manner as the chairman may direct) whether the Member votes in favour of or against the resolution or abstains. References in this Article 19 (*General meetings*) to Members includes their duly appointed proxies and, in the case of corporate members, their duly authorised representatives.

20 PROCEEDINGS AT GENERAL MEETINGS

20.1 No business shall be transacted at any meeting unless a quorum is present. Three persons entitled to vote upon the business to be transacted, (including at least one Investor and the Fund) each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

20.2 If any meeting is adjourned in accordance with Model Article 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present will form a quorum. Model Article 41 is modified accordingly.

20.3 A poll may be demanded by the chairman or by any Member present in person or by proxy and entitled to vote at the meeting.

20.4 In the case of on equality of votes, whether on a show of hands or on a poll, the chairman will not be entitled to a casting vote in addition to any other vote which he may have.

21 VOTES OF MEMBERS

21.1 No member shall, unless the Directors otherwise determine, vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

21.2 Model Article 45(1)(d) shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote

is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting to which they relate)".

21.3 Model Article 45(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid unless a majority of the Directors (at least one Investor Director and one Fund Investor Director being part of that majority) resolve otherwise" as a new paragraph at the end of that article.

21.4 Any proxy notice which does not comply with either Article 21.2 or 21.3 will be invalid unless a majority of the Directors (at least one Investor Director being part of that majority) resolve otherwise.

22 **WRITTEN RESOLUTIONS**

A proposed written resolution shall lapse if it is not passed before the end of the period of 28 days beginning with the circulation date (as defined in section 290 of the CA 2006).

23 **NUMBER OF DIRECTORS**

Unless and until otherwise determined by ordinary resolution of the Company, the minimum number of Directors shall be one and there shall be no maximum number.

24 **ALTERNATE DIRECTORS**

24.1 Subject to Article 24.2, any Director (other than an alternate director) may appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

24.2 An Albion Investor Director or a Fund Investor Director may appoint any person willing to act, whether or not he is a director of the Company, to be an alternate director and no resolution of the Directors will be required.

24.3 An 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, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director although he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as his appointor may direct by notice in writing to the Company. An alternate director may waive the requirement that notice be given to him of a meeting of Directors or of a committee of Directors of which his appointor is a member, either prospectively or retrospectively.

24.4 An alternate director shall cease to be an alternate director if his appointor ceases to be a Director.

24.5 An alternate director will be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.

- 24.6 An alternate director's appointment will terminate if he resigns by written notice left at or sent to the registered office of the Company.
- 24.7 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 24.8 An alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.
- 24.9 A Director, or any other person mentioned in Article 24.1 or Article 24.2, may act as an alternate director to represent more than one Director, and an alternate director will be entitled at any meeting of the Board to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he will count as only one person for the purpose of determining whether a quorum is present.

25 **DELEGATION OF DIRECTOR'S POWERS**

Model Article 5 is modified by the addition at the end of the model article of the following sentence: "Where a provision of these Articles refers to the exercise of a power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a committee, the provision must be construed as permitting the exercise of the power, authority or discretion by the committee".

26 **APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 26.1 A Director will not retire by rotation.
- 26.2 Model Article 19(1) is modified by addition of the words: "with the consent of the Investor Director" after the words "the directors" and before the word "decide" and Model Article 19(2) is modified with the same addition after the words "the directors" and before the word "determine".
- 26.3 No person shall be disqualified from becoming a Director or shall be required to vacate his office of director by reason of his attaining or having attained any age.
- 26.4 Upon the death of a Founder and for so long as the personal representatives of the relevant Founders' estate hold all the shares of such Founder (that were registered in his name immediately prior to his death), they shall have the right to appoint and maintain in office such natural person as they may from time to time nominate as a director of the Company (subject to approval by the Board of such person, not to unreasonably withheld) and to remove any director so appointed and, upon his removal, to appoint another director in his place. Any person holding office as a director under this Article 26.4 shall be deemed to have resigned as a director immediately upon the personal representatives of the Founder ceasing to hold any of the shares of such Founder.

27 **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

The office of a Director will be vacated if:

- (a) he ceases to be a Director by virtue of any provisions of the Statutes or he becomes prohibited by law from being a Director;
- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (c) he becomes, in the reasonable opinion of all his co-Directors, incapable by reason of mental disorder of discharging his duties as Director;
- (d) he resigns his office by notice in writing to the Company;
- (e) (other than in the case of an Albion Investor Director or Fund Investor Director) he has for more than three consecutive months been absent without permission of the Directors from meetings of Directors held during that period and his alternate director (if any) has not during that period attended any such meetings instead of him, and the Directors resolve that his office be vacated;
- (f) (other than in the case of an Albion Investor Director or Fund Investor Director) he is removed from office by a Member or Members in accordance with section 168 CA 2006; or
- (g) being an executive Director he ceases, for whatever reason, to be employed by any member of the Group, unless otherwise approved by the Board (including an Albion Investor Director and Fund Investor Director).

28 **DIRECTOR'S GRATUITIES AND PENSIONS**

Model Article 19(3) is modified by the addition of the words: "with the consent of the Investors" after the words "a director's remuneration may" in the first sentence.

29 **BORROWING POWERS**

The Directors may exercise all the powers of the Company (whether express or implied) to borrow and/or secure the payment of money, to guarantee the payment of money, the fulfilment of obligations and the performance of contracts and to mortgage or charge the property, assets and uncalled capital of the Company, and (subject to the provisions of the Statutes) to issue debentures, debenture stock and all other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

30 **PROCEEDINGS OF DIRECTORS**

- 30.1 In the case of an equality of votes, the chairman will not have a second or casting vote.
- 30.2 Subject to article 30.4 every Director may receive notice of a meeting, whether or not he is absent from the United Kingdom.
- 30.3 The quorum necessary for the transaction of business at any meeting of the Directors will be three of which one will be an Albion Investor Director and are a Fund Investor Director (in each case if one then holds office) and Model Article 11 will be modified accordingly. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such

quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Chairman, acting reasonably, determines with a view to the Albion Investor Director or the Fund Investor Director (as the case may be) being able to attend such meeting. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed despite the adjourned meeting having been organised at a time and place to enable an Investor Director or the Fund Investor Director (as the case may be) to attend (either in person, by telephone or proxy), then those Directors present shall constitute the quorum.

30.4 Notice of a meeting of the Board will be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in hard copy form to him at his last known address or any other address given by him to the Company for this purpose or sent in electronic form to him at an address given by him to the Company for this purpose. A Director who is absent or intending to be absent from the United Kingdom may request to the Board that notices of meetings of the Board will during his absence be sent in hard copy or electronic form to him (or his alternate) at an address given by him to the Company for this purpose, but if no such request is made it shall not be necessary to give notice of a board meeting to any Director who is absent from the United Kingdom. A Director may waive notice of any meeting of the Board either prospectively or retrospectively.

30.5 Directors may participate in or hold a meeting of the Board or of a committee of Directors by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. Participation by such means shall be deemed to constitute presence in person and business so transacted shall be effective for all purposes as that of a meeting of the Board or (as the case may be) a committee of the Directors duly convened and held with such Directors physically present.

31 **SECRETARY**

Subject to the provisions of the Companies Acts, the secretary, if any, shall be appointed by the directors for such term, at such remuneration and upon such conditions as they think fit; any secretary may be removed by them.

32 **INVESTOR DIRECTOR**

32.1 The Albion Investors will have the right to appoint one person as a non-executive Director of the Company (an "Albion Investor Director") and:

- (a) any such appointment must be effected by notice in writing to the Company by the Albion Investors, with the consent of the Albion Investors, who may in a similar manner remove from office any Albion Investor Director appointed under this Article, and appoint any person in place of any Albion Investor Director so removed or who had died or otherwise vacated office as such; and
- (b) subject to section 168 CA 2006, on any resolution to remove an Albion Investor Director, the D Ordinary Shares held by the Albion Investors will (if they would otherwise carry fewer votes) together carry one vote in excess of 50% of all the other votes exercisable at the general meeting at which such resolution is to be proposed, and if any such Albion Investor Director is removed under section 168 CA 2006 or otherwise, the Albion Investors may reappoint him or any other person as an Albion Investor Director.

32.2 An Albion Investor Director will be entitled to be appointed to the board of directors of any member of the Group and to any committee of the board of any member of the Group.

32.3 The Fund will have the right to appoint one person as a non-executive Director of the Company (a "**Fund Investor Director**") and:

(a) any such appointment must be effected by notice in writing to the Company by the Fund, with the consent of the Fund, who may in a similar manner remove from office any Fund Investor Director appointed under this Article, and appoint any person in place of any Fund Investor Director so removed or who had died or otherwise vacated office as such; and

(b) subject to section 168 CA 2006, on any resolution to remove a Fund Investor Director, the F Ordinary Shares held by the Fund will (if they would otherwise carry fewer votes) together carry one vote in excess of 50% of all the other votes exercisable at the general meeting at which such resolution is to be proposed, and if any such Fund Investor Director is removed under section 168 CA 2006 or otherwise, the Fund may reappoint him or any other person as a Fund Investor Director.

32.4 A Fund Investor Director will be entitled to be appointed to the board of directors of any member of the Group and to any committee of the board of any member of the Group.

33 **OBSERVER**

33.1 So long as the Albion Investors hold any Shares (and in addition to the right to appoint the Albion Investor Director) it will have the right to nominate any one person to attend observe and speak, but not the right to vote, at meetings of the Board, meetings of the board of any member of the Group and any committee of the Board or the board of any member of the Group ("**Albion Observer**"). Any Albion Observer so nominated will not be a Director.

33.2 Any such nomination must be effected by notice in writing to the Company by the Albion Investors, who may in a similar manner nominate any person in place of any Albion Observer.

33.3 The right to nominate an Albion Observer will be exercised by the consent of the Albion Investors.

33.4 So long as the Fund holds any Shares (and in addition to the right to appoint the Fund Investor Director) it will have the right to nominate any one person to attend observe and speak, but not the right to vote, at meetings of the Board, meetings of the board of any member of the Group and any committee of the Board or the board of any member of the Group ("**Fund Observer**"). Any Fund Observer so nominated will not be a Director.

33.5 Any such nomination must be effected by notice in writing to the Company by the Fund, who may in a similar manner nominate any person in place of any Fund Observer.

33.6 The right to nominate a Fund Observer will be exercised by the consent of the Fund.

34 **DIRECTORS' CONFLICTS OF INTERESTS**

34.1 The Directors are hereby empowered for the purposes of section 175 if the CA 2006 to authorise any Conflict Situation that may arise and to amend or vary any such authorisation so given. Any such authorisation, amendment or revocation shall be given by resolution of the directors made in accordance with these Articles and, in the case of such authorisation, that section. The director may give any such authorisation subject to such terms as they shall consider appropriate and reasonable in the circumstances.

34.2 For the purposes of sections 175 and 180(4) of the CA 2006 and for all other purposes, it is acknowledged that an Albion Investor Director and/or Fund Investor Director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been or being party to an agreement or arrangement or understanding or circumstances under which he may become an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a director or indirect investor in and/or otherwise commercially involved with or economically interested in any of the following:

- (a) any Investor; and/or
- (b) any affiliate of the Albion Investors, which for these purposes means any person who or which, as regards the Albion Investors or any affiliate of the Albion Investors:
 - (i) is a member for the time being of its Group or an associated company; and/or
 - (ii) is an investment manager or investment adviser to or of it and/or another affiliate of the Albion Investors; and/or
 - (iii) is a Person in which the Albion Investors and/or any affiliate of the Albion Investors may have or acquire a direct or indirect economic interest, including without limitation any portfolio company investee; and/or
 - (iv) controls or is controlled, managed, advised (in an investment adviser capacity) or promoted by the Albion Investors and/or such affiliate of the Albion Investors; and/or
 - (v) a trustee, manager, beneficiary, shareholder, partner, unitholder or other financier or any participant in or of it and/or that Investor affiliate, and/or
- (c) any Fund affiliate, which for these purposes means any person who or which, as regards the Fund or any other Fund affiliate:
 - (i) is a member for the time being of the Fund Group or an associated company; and/or
 - (ii) is an investment manager or investment adviser to or of it and/or another Fund affiliate; and/or

- (iii) is a Person in which the Fund and/or any Fund affiliate may have or acquire a direct or indirect economic interest, including without limitation any portfolio company investee; and/or
- (iv) controls or is controlled, managed, advised (in an investment adviser capacity) or promoted by the Fund and/or such Fund affiliate; and/or
- (v) a trustee, manager, beneficiary, shareholder, partner, unitholder or other financier or any participant in or of it and/or that Fund affiliate, and/or
- (d) any carried interest or similar incentive arrangement associated with any Person or arrangement referred to in Article 34.2(a), Article 34.2(b) or Article 34.2 (c),

where for these purposes "**Person**" shall mean any individual, body corporate, fund, trust, partnership or other entity whether or not having separate legal status.

34.3 An Albion Investor Director's and Fund Investor Director's duties to the Company arising from his holding office as director shall not be breached or infringed as a result of any Conflict Situation envisaged by Article 34.2 shall be entitled to:

- (a) receive notice (including any relevant board papers) of, attend, count in the quorum towards and vote at board meeting relating in any way to, and deal generally with, matters concerning, connected with or arising from the Conflict Situation concerned provided always that if the Conflict Situation relates to a director's service agreement or letter of appointment with the Company he shall not be entitled to vote on any resolution concerning that agreement or appointment; and
- (b) keep confidential and not disclose to the Company any information which comes into his possession as a result of such Conflict Situation where such information is confidential as regards any third party.

34.4 Without prejudice to the obligation of any Director to disclose his interest in accordance

35 **NOTICES**

Any notice or other document or information ("**Notice**") sent or supplied by or to the Company (whether authorised or required to be sent or supplied by the Statutes or otherwise) to or by a Member, or to or by any person entitled to enjoy or exercise all or any specified rights of a Member in relation to the Company, may be sent or supplied in any way in which CA 2006 provides for documents or information to be sent or supplied by or to the Company for the purposes of any provision of the Statutes, including in particular by the Company making them available on a website. A Notice sent in electronic form to the Company shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.

36 **SERVICE OF NOTICES**

36.1 The Company may send or supply any Notice to a member by whichever of the following methods it may in its absolute discretion determine:

- (a) personally;
- (b) by posting the Notice in a first class prepaid envelope addressed to the Member at his registered address;
- (c) by leaving the Notice at that address;
- (d) by sending or supplying the Notice by electronic means to such address (if any) as may for the time being be notified to the Company by or on behalf of the Member for that purpose generally or specifically (or as may be deemed by a provision in CA 2006 to have been specified for that purpose); or
- (e) by making the Notice available on a website.

36.2 In the case of joint holders of a Share, the Company shall treat as the only Member entitled to receive a Notice from the Company in respect of the joint holding (whether such Notices are required to be sent or supplied by the Statutes or otherwise) the joint holder whose name appears first in the register in respect of the joint holding.

36.3 Anything to be agreed or specified by the holder of a Share which is held in joint names must be agreed or specified by the holder whose name appears first in the register in respect of the joint holding and the other joint holder or holders shall be deemed to be bound by that.

36.4 A Member may send or supply any Notice pursuant to these Articles by whichever of the following methods it may in his absolute discretion determine:

- (a) personally;
- (b) by posting the Notice in first class prepaid envelope (or airmail if sent outside the United Kingdom) addressed to the Company or any officer of the Company at its registered address or such other place in the United Kingdom as may from time to time be specified by the Company;
- (c) by delivering personally or by hand the Notice to that address; or
- (d) by electronic means to the fax number or e-mail address provided for such purpose from time to time by the Company.

36.5 Proof that an envelope containing a Notice was properly addressed, prepaid and posted shall be conclusive evidence that the Notice was given. Proof that a Notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the Notice was given. A Notice (other than an appointment of proxy) will be deemed to be given:

- (a) if sent by post:
 - (i) within the United Kingdom, two Business Days after posting; and

- (ii) outside the United Kingdom, five Business Days after posting;
- (b) if delivered personally or by hand or left at an address in accordance with these Articles, on the day of delivery, if delivered at least two hours before the close of business hours on a Business Day, and otherwise on the next Business Day; and
- (c) if sent by electronic means, at the time of transmission, if received at least two hours before the close of business hours on a Business Day, and otherwise on the next Business Day.

37 INDEMNITY AND INSURANCE

37.1 Subject to the provisions of, and so far as may be permitted by and consistent with the Statutes, each Director or former director or other officer (other than an auditor) of the Company or any Associated Company may be indemnified out of the assets of the Company against:

- (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company other than, in the case of a Director or former director,;
 - (i) any liability to the Company or any Associated Company; and
 - (ii) any liability of the kind referred to in section 234(3) CA 2006;
- (b) any liability incurred by or attaching to him in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) CA 2006) other than a liability of the kind referred to in section 235(3) CA 2006; and
- (c) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers. For the purpose of this Article, references to "**liability**" shall include all costs and expenses incurred by the Director or former director or other officer (other than an auditor) in relation to such liability.

37.2 Subject to the provisions of and so far as may be permitted by the Statutes, the directors may exercise all the powers of the Company to:

- (a) provide any Director, former director or other officer (other than an auditor) of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company, or in connection with any application for relief under the provisions mentioned in section 205(5) CA 2006; and
- (b) do anything to enable any such person to avoid incurring such expenditure,
- (c) but so that the terms set out in section 205(2) CA 2006 shall apply to any such provision of funds or other things so done. For the purpose of this Article references to "**director**" in section 205(2) CA 2006 Act shall be

deemed to include references to a former director or other officer (other than an auditor) of the Company.

- 37.3 Without prejudice to Article 37.1, the Directors may purchase and maintain for or for the benefit of any person who holds or has at any time held a relevant office insurance against any liability or expense incurred by him in relation to the Company or any Associated Company or any third party in respect of any act or omission in the actual or purported discharge of the duties of the relevant office concerned or otherwise in connection with the holding of that relevant office and for this purpose "relevant office" means that of Director or other officer (other than an auditor) of the Company or any company which is or was an Associated Company or any predecessor in business of the Company or of any Associated Company or that of trustee of any pension fund or retirement, death or disability scheme or other trust for the benefit of any officer or former officer (other than an auditor) of the Company or any Associated Company or of any such predecessor in business or their respective dependants.

38 **CONVERSION OF G ORDINARY SHARES AND I ORDINARY SHARES**

- 38.1 Any holder of G Ordinary Shares or I Ordinary Shares shall be entitled, by notice in writing to the Company, to require conversion of his G Ordinary Shares or I Ordinary Shares into Ordinary Shares and such G Ordinary Shares or I Ordinary Shares shall convert on the date when such conversion shall take place as specified in such notice (the "**Conversion Date**"). The holders may in such notice, state that conversion of their G Ordinary Shares or I Ordinary Shares into Ordinary Shares is conditional upon the occurrence of particular events (the "**Conditions**").
- 38.2 Not more than five Business Days after the Conversion Date, each holder of G Ordinary Shares or I Ordinary Shares being converted shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of such G Ordinary Shares or I Ordinary Shares being converted to the Company at its registered office for the time being.
- 38.3 If the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date such conversion shall be deemed not to have occurred.
- 38.4 On the Conversion Date, the relevant G Ordinary Shares or I Ordinary Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.
- 38.5 The Company shall on the Conversion Date enter the holder of the converted G Ordinary Shares or I Ordinary Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of G Ordinary Shares or I Ordinary Shares converted in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of G Ordinary Shares or I Ordinary Shares by post to the address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.