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Signed AMR

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Muckle LLP

Newcastle upon Tyne

Date 9 March 2016

Company number: 08247189

The Companies Act 2006

Company Limited by Shares

Written Resolutions

of

Vertical Financial Services Limited

(Company)

THURSDAY



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COMPANIES HOUSE

On 1 March 2016, the members of the Company who were entitled to vote on the resolutions on their circulation date passed the resolutions below

Ordinary Resolutions

1. That, subject to Resolution 5 below being passed, in accordance with section 551 of the Companies Act 2006 and pursuant to the Company's articles of association, the directors of the Company be generally and unconditionally authorised to allot shares or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate amount of £70 and in respect of the grant of warrants to subscribe for up to 7,000 ordinary shares of £0.01 each in the capital of the Company, proposed to be granted by the Company provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date five years from the passing of this Resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to be granted and the directors may allot shares or grant rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the Companies Act 2006 but without prejudice to any allotment of shares or grant of rights already made or offered or agreed to be made pursuant to such authorities
2. That, subject to Resolution 5 below being passed, in accordance with section 551 of the Companies Act 2006 and pursuant to the Company's articles of association, the directors of the Company be generally and unconditionally authorised to allot shares or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate amount of £130 and in respect of the issue of up to 13,000 ordinary shares of £0.01 each in the capital of the Company proposed to be issued by the Company provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date five years from the passing of this Resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to be granted and the directors may allot shares or grant rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in addition to the previous authorities conferred on the directors in accordance with section 551 of the Companies Act 2006 as set out in Resolution 1 above but without prejudice to any allotment of shares or grant of rights already made or offered or agreed to be made pursuant to such authorities
3. That, subject to Resolution 5 below being passed, in accordance with section 551 of the Companies Act 2006 and pursuant to the Company's articles of association, the directors of the Company be generally and unconditionally authorised to allot shares or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate amount of £50 and in respect of the issue of up to 5,000 G shares of £0.01 each in the capital of the Company (being a new class of share in the capital of the Company and having the rights attaching to them as set out in the articles of association

proposed to be adopted by Resolution 5 below) proposed to be issued by the Company provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date five years from the passing of this Resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or rights to be granted and the directors may allot shares or grant rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in addition to the previous authorities conferred on the directors in accordance with section 551 of the Companies Act 2006 as set out in Resolutions 1 and 2 above but without prejudice to any allotment of shares or grant of rights already made or offered or agreed to be made pursuant to such authorities

Special Resolutions

- 4 That, subject to Resolutions 1 to 3 above being passed, the rights of pre-emption under the Company's articles of association or otherwise be disapplied in respect of the grant of warrants to subscribe for shares and the allotment and issue of shares referred to in Resolutions 1 to 3 above.
- 5 That, the regulations contained in the printed document attached to this Resolution be and the same are hereby approved and adopted as the articles of association of the Company in substitution for and to the entire exclusion of the existing memorandum and articles of association thereof
- 6 That, in accordance with clause 4.1, clause 9 and schedule 2 of the shareholders' agreement of the Company dated 22 July 2015, as amended from time to time, the following matters be hereby approved
 - a the grant of warrants by the Company to OneSavings Bank plc of, in aggregate, 7,000 warrants to subscribe for ordinary shares of £0.01 each in the capital of the Company at an exercise price of £20 each and the subsequent allotment and issue of such ordinary shares on the exercise of such warrants;
 - b the issue and allotment of 12,263 ordinary shares of £0.01 each in the capital of the Company at a subscription price of £100 per share and the issue and allotment of a further 737 ordinary shares of £0.01 each in the capital of the Company,
 - c the creation of a new class of G shares of £0.01 each in the capital of the Company and the issue and allotment of 5,000 G shares of £0.01 each in the capital of the Company,
 - d the issue of security to One Savings Bank plc convertible into shares in the capital of the Company pursuant to the terms of a facility agreement between (1) VFS Legal Limited, (2) Virtual Business Operation Services Limited, (3) the Company and (4) One Savings Bank plc (Facility) and the giving of a guarantee by the Company of VFS Legal Limited's obligations under such Facility, and
 - e the approval of the above transactions where the same relate to a transaction by the Company with any current shareholder of the Company or any connected person or associated company of a shareholder

.....

Director

Company number: 08247189

The Companies Act 2006
Private Company Limited by Shares
Articles of Association
of
Vertical Financial Services Limited
Adopted by special resolution on 1 March 2016

muckle^{LLP}

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The Companies Act 2006
Private Company Limited by Shares
Articles of Association
of
Vertical Financial Services Limited
(Company)

1 Definitions and Interpretation

1 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles

1 2 Articles 8, 11(2) and (3), 13, 14, 15, 17(2), 17(3), 18, 21(1), 22, 23, 26(5), 30, 34, 44(2), 52 and 53 of the Model Articles shall not apply to the Company

1 3 Article 7 of the Model Articles shall be amended by

1 3 1 the insertion of the words "for the time being" at the end of article 7(2)(a), and

1 3 2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"

1 4 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the company secretary (if any)" before the words "properly incur"

1 5 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to Article 8," after the word "But"

1 6 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name"

1 7 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

1 8 Article 36(3) of the Model Articles shall be amended by inserting the words "paying up the amounts (if any) unpaid on shares in issue or in" after the words "applied in"

1 9 In these Articles, the following expressions shall have the following meanings unless the context otherwise requires

Act the Companies Act 2006,

Adoption Date the date that the articles contained in this document are

	adopted as the Articles,
Appointor	has the meaning given in Article 10 1,
Articles	the Company's articles of association for the time being in force,
Bad Leaver	a Leaver who is not a Good Leaver,
Board	the board of directors of the Company,
Business Day	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,
Chairman	the chairman of the Board from time to time,
Conflict	has the meaning given in Article 6 1,
Deferred Share	a deferred share of £0 01 in the capital of the Company,
Director	a director of the Company,
eligible director	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter),
Employee	an employee of the Company or any member of the Company's Group,
Executive Director	a director who is an executive and the expression "Executive Directors" shall be construed accordingly,
G Share Shareholder	a person entered in the register of members of the Company as a holder of a G Share from time to time,
G Share	a G ordinary share of £0 01 each in the capital of the Company, including any issued GS1 Shares and GS2 Shares,
Good Leaver	a Leaver who <ul style="list-style-type: none"> (1) has been an Employee for not less than three years from the Adoption Date, or (2) becomes a Leaver by reason of <ul style="list-style-type: none"> (a) death, or (b) permanent disability or permanent incapacity through ill health, or

	<ul style="list-style-type: none"> (c) retirement at 65 years of age or as otherwise agreed with the Board, or (d) ceasing to be an Employee by the Company or any other company in the Company's Group as a result of that company ceasing to be a company in the Company's Group, or (e) dismissal by the Company (or other company in the Company's Group) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be wrongful or constructive, or
	(3) is determined by the Board (acting in good faith) to be a Good Leaver,
Group	a company and any subsidiary or holding company (both as defined in the Act) of that company from time to time together with any other subsidiary of such holding company,
GS1 Rights Hurdle	<ul style="list-style-type: none"> (1) the value of eligible assets (receivables) being £14,000,000 or more, as defined and audited by the main lender in place at the time of valuation, (2) a fair market valuation of the Company of £9,000,000 or more based on the Company's Group pre-tax profits in accordance with the last statutory accounts or management accounts having been adjusted for UK GAAP multiplied by the relevant FTSE Financials price/earnings ratio, or (3) the sale or transfer of 25% or more of the issued share capital of the Company at a price per Ordinary Share of £169.22 or more,
GS1 Exit Hurdle	£40,
GS1 Shares	the GS1 shares of £0.01 each in the capital of the Company,
GS2 Rights Hurdle	<ul style="list-style-type: none"> (1) the value of eligible assets (receivables) being £14,000,000 or more, as defined and audited by the main lender in place at the time of valuation, (2) a fair market valuation of the Company of £11,000,000 or more based on the Company's Group pre-tax profits in accordance with the last statutory accounts or

management accounts having been adjusted for UK GAAP multiplied by the relevant FTSE Financials price/earnings ratio, or

- (3) the sale or transfer of 25% or more of the issued share capital of the Company at a price per Ordinary Share of £197.61 or more,

GS2 Exit Hurdle	£75,
GS2 Shares	the GS2 shares of £0.01 each in the capital of the Company,
Leaver	a shareholder who is an Employee and who ceases to be so employed for any reason and who does not remain or thereupon immediately become an Employee,
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (<i>SI 2008/3229</i>) as amended prior to the date of adoption of these Articles,
Ordinary Share	an ordinary share of £0.01 in the capital of the Company,
Ordinary Shareholder	a person entered in the register of members of the Company as a holder of an Ordinary Share from time to time,
partly paid	in relation to a share, means that part of that share's nominal value or any premium at which it was issued has not been paid to the Company,
shareholder	any registered holder of Shares,
Shareholders' Agreement	the shareholders' agreement relating to the Company and dated 22 July 2015, as amended from time to time,
Shares	any shares in the capital of the Company, and
Solvent Reorganisation	a bona fide reconstruction or solvent reorganisation of the Company's Group

- 1 10 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles

- 1 11 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 12 A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 13 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- 1 13 1 any subordinate legislation from time to time made under it, and
- 1 13 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 14 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 2 Directors' decisions**
- 2 1 Decisions of the Directors may be taken
- 2 1 1 at a Directors' meeting, or
- 2 1 2 in the form of a directors' resolution
- 2 2 Any Director may propose a directors' resolution in writing, or by email or other electronic communication
- 2 3 The company secretary (if one has been appointed) must propose a directors' resolution if a Director so requests
- 2 4 A directors' resolution is proposed by giving notice of the proposed resolution to the Directors
- 2 5 Notice of a proposed directors' resolution must indicate
- 2 5 1 the proposed resolution, and
- 2 5 2 the time by which it is proposed that the directors should adopt it
- 2 6 Notice of a proposed directors' resolution must be given to each Director
- 2 7 Any decision which a person giving notice of a proposed directors' resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith
- 2 8 A proposed directors' resolution is adopted when all the eligible directors have signed one or more copies of it, or otherwise electronically indicated their agreement, provided that those Directors would have formed a quorum at such a meeting

2 9 It is immaterial whether any Director signs or agrees to the resolution before or after the time by which the notice proposed that it should be adopted

2 10 Once a directors' resolution has been adopted, it must be treated as if it had been taken at a Directors' meeting in accordance with the Articles

2 11 The Executive Directors must ensure that the Company keeps a record, in writing, of all directors' resolutions for at least ten years from the date of their adoption

2 12 In accordance with section 79 of the Act, the Company may change its name by decision of the Directors

3 Quorum for Directors' meetings

3 1 Subject to Article 3 2, the quorum for the transaction of business at a meeting of directors is three eligible directors, which must include two Executive Directors in office for the time being (or in each case their alternate)

3 2 For the purposes of any meeting (or part of a meeting) if there is only one eligible director in office, the quorum for such meeting (or part of a meeting) shall be one eligible director

4 Casting vote

If the numbers of votes for and against a proposal at a meeting of directors are equal, the Chairman or other director chairing the meeting shall not have a casting vote

5 Transactions or other arrangements with the Company

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

5 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

5 2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,

5 3 shall be entitled to vote (and count in the quorum) at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,

5 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

5 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

5 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

6 **Directors' conflicts of interest**

6 1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest
(Conflict)

6 2 Any authorisation under this Article will be effective only if

6 2 1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,

6 2 2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and

6 2 3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted

6 3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently)

6 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,

6 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine, and

6 3 3 be terminated or varied by the Directors at any time

This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation

6 4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to

6 4 1 disclose such information to the Directors, to any director or other officer of any member of the Company's Group or to any Employee, or

6 4 2 use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence

6 5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director

6 5 1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict,

6 5 2 is not given any documents or other information relating to the Conflict, and

6 5 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict

6 6 Where the Directors authorise a Conflict

6 6 1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and

6 6 2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation

6 7 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company by shareholder resolution (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

7 **Number of directors**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum and the minimum number of directors shall be two

8 **Appointment of directors**

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director

9 **Termination of a director's appointment**

A person ceases to be a director as soon as

- 9 1 in the case of a director who is an Employee he ceases to be so employed for any reason and who does not remain or thereupon immediately become an Employee (unless otherwise agreed by the Board),
- 9 2 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law,
- 9 3 a bankruptcy order is made against that person,
- 9 4 a composition is made with that person's creditors generally in satisfaction of that person's debts,
- 9 5 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,

9 6 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have, or

9 7 notification is received by the Company from the director that the director is resigning from office as director, and such resignation has taken effect in accordance with its terms

10 **Appointment and removal of alternate directors**

10 1 Any Director (**Appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to

10 1 1 exercise that Director's powers, and

10 1 2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the Appointor

10 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors

10 3 The notice must

10 3 1 identify the proposed alternate, and

10 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

11 **Rights and responsibilities of alternate directors**

11 1 An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the Appointor

11 2 Except as the Articles specify otherwise, alternate directors

11 2 1 are deemed for all purposes to be Directors,

11 2 2 are liable for their own acts and omissions,

11 2 3 are subject to the same restrictions as their appointors, and

11 2 4 are not deemed to be agents of or for their appointors,

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

11 3 A person who is an alternate director but not a Director

11 3 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if his Appointor is not participating),

11 3 2 may participate in a unanimous decision of the directors (but only if his Appointor is an eligible director in relation to that decision, but does not participate), and

11 3 3 shall not be counted as more than one Director for the purposes of Articles 11 3 1 and 11 3 2

11 4 A Director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an eligible director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present

11 5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the Appointor's remuneration as the Appointor may direct by notice in writing made to the Company

12 Termination of alternate directorship

An alternate director's appointment as an alternate terminates

12 1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

12 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director,

12 3 on the death of the alternate's Appointor, or

12 4 when the alternate's Appointor's appointment as a director terminates

13 Company secretary

The Directors may appoint any person who is willing to act as a company secretary (or persons who are willing to act as joint company secretary) for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors. If no such person is appointed, the Company shall not need a company secretary

14 Shares, Share capital and issue of Shares

14 1 Subject to the Articles, but without prejudice to the rights attached to any existing Share, the Company may issue shares

14 1 1 fully paid or partly paid, and

14 1 2 with such rights or restrictions as may be determined by an ordinary resolution

14 2 When the Company issues G Shares it shall determine, in respect of the G Shares to be issued, whether such G Shares will be GS1 Shares or GS2 Shares

14 3 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder with such terms, conditions and manner of redemption of any such shares as are determined by special resolution or set out in the Articles

14 4 Save to the extent authorised by an ordinary resolution passed before or on the Adoption Date and then after the Adoption Date, from time to time

14 4 1 in the case of an allotment and issue of Ordinary Shares at a price of £150 or more per Ordinary Share, by an ordinary resolution, and

14 4 2 in the case of an allotment and issue of Ordinary Shares for a price of less than £150 per Ordinary Share, by consent in writing from OneSavings Bank plc (and such consent is not to be unreasonably withheld) and an ordinary resolution, and

14 4 3 in the case of an allotment and issue of any other class of share in the capital of the Company, by an ordinary resolution,

the directors shall not exercise any power to allot or grant rights to subscribe, for or to convert any security into, shares in the Company

14 5 In accordance with sections 567(1) of the Act, sections 561 and 562 of the Act shall not apply to any allotment of equity securities (as defined in section 560(1) of the Act) made by the Company

14 6 Unless otherwise agreed, in writing, by shareholders holding not less than 75% of Shares with voting rights attaching to them, if the Company proposes to allot any equity securities, those equity securities shall not be allotted to any person unless the Company has first offered them to all holders of Ordinary Shares and G Shares on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari

passu and pro-rata basis to the number of Ordinary Shares and G Shares held by those holders (as nearly as possible without involving fractions) The offer

14 6 1 shall be in writing, shall be open for acceptance for a period of 15 Business Days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities, and

14 6 2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which he is entitled shall, in his acceptance, state the number of excess equity securities (**Excess Securities**) for which he wishes to subscribe

14 7 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 14 6 shall be used for satisfying any requests for Excess Securities made pursuant to Article 14 6 If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro-rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 14 6 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by him) After that allotment, any Excess Securities remaining shall be offered to any other person as the directors may determine, at the same price and on the same terms as the offer to the shareholders

14 8 Subject to these Articles, any equity securities shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper

14 9 No shares shall be allotted to any Employee or prospective Employee or any director or prospective director of any member of the Company's Group unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

14 10 A member of the Company may nominate another person as entitled to enjoy or exercise the rights set out in section 145(3) of the Act Except in accordance with such nominations or as required by law, no person is to be recognised by the Company as holding any share upon

any trust, and the Company is not in any way to be bound by or recognised any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

15 Share rights

15 1 Except as otherwise provided in these Articles, the Ordinary Shares, the G Shares and the Deferred Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares

15 2 Ordinary Shares

15 2 1 Dividends

The Company may by ordinary resolution, upon the recommendation of the Board, declare a dividend be paid in respect of the Ordinary Shares

15 2 2 Voting

The Ordinary Shares shall confer upon the holders thereof one vote per Ordinary Share on a written resolution, one vote per shareholder on a show of hands at a general meeting and/or one vote per Ordinary Share on a poll at a general meeting

15 2 3 Redemption

The Ordinary Shares shall not be redeemable

15 3 G Shares

15 3 1 Dividends

The Company may by ordinary resolution, upon the recommendation of the Board, declare a dividend be paid in respect of any of the sub-classes of G Shares, provided that

15 3 1 1 prior to the GS1 Rights Hurdle being met, the GS1 Shares shall not entitle their holders to any distribution or dividend and prior to the GS2 Rights Hurdle being met, the GS2 Shares shall not entitle their holders to any distribution or dividend,

15 3 1 2 on or after the GS1 Rights Hurdle being met, each GS1 Share shall be treated as an Ordinary Share for the purposes of dividends and distributions such that each GS1 Share shall be entitled to the same dividend or distribution as is paid on each Ordinary Share, and

15 3 1 3 on or after the GS2 Rights Hurdle being met, each GS2 Share shall be treated as an Ordinary Share for the purposes of dividends and distributions such that each GS2 Share shall be entitled to the same dividend or distribution as is paid on each Ordinary Share

15 3 2 Voting

15 3 2 1 Prior to the GS1 Rights Hurdle being met, the GS1 Shares do not confer upon their holders any rights to attend or vote at any general meeting or on a written resolution and prior to the GS2 Rights Hurdle being met, the GS2 Shares do not confer upon their holders any rights to attend or vote at any general meeting or on a written resolution

15 3 2 2 On or after the GS1 Rights Hurdle being met, the GS1 Shares shall confer upon the holders thereof one vote per GS1 Share on a written resolution, one vote per shareholder on a show of hands at a general meeting and one vote per GS1 Share on a poll at a general meeting

15 3 2 3 On or after the GS2 Rights Hurdle being met, the GS2 Shares shall confer upon the holders thereof one vote per GS1 Share on a written resolution, one vote per shareholder on a show of hands at a general meeting and one vote per GS2 Share on a poll at a general meeting

15 3 3 Conversion

The G Shares shall automatically convert to Deferred Shares in whole or in part in accordance with either Article 22 1 or Article 22 2

15 3 4 Redemption

The G Shares shall not be redeemable

15 4 Deferred Shares

15 4 1 Dividends

The Deferred Shares shall not entitle their holders to any distribution or dividend

15 4 2 Voting

The Deferred Shares shall confer upon the holders no rights to attend or vote at any general meeting or on a written resolution

15 4 3 **Redemption**

The Deferred Shares shall be redeemable by the Company at any time at the determination of the Board for their par value or such other value as the Board in its sole discretion shall determine

15 5 **Capital**

Upon

15 5 1 a liquidation of the Company, or

15 5 2 a winding up of the Company (except in relation to a Solvent Reorganisation carried out in accordance with Article 25), any surplus of assets, or

15 5 3 a sale of the entire issued share capital of the Company, any net proceeds of sale, or

15 5 4 any other return or distribution of capital to the shareholders, the amount of the return or distribution,

(in any case, the **Proceeds**), shall be distributed among the Ordinary Shareholders and, if applicable, the G Share Shareholders (and payment or repayment required to be made to the holders of any class of Shares shall be made to such holders in proportion to the amounts paid up thereon) as follows

15 5 5 first, any declared but unpaid dividends or distributions or return or distribution of capital to the Ordinary Shareholders and G Share Shareholders on a pari passu basis as if they constituted the same class of share, and

15 5 6 secondly, any remaining Proceeds to the Ordinary Shareholders and the G Share Shareholders on a pari passu basis as if they constituted the same class of share pro-rata and in proportion to the number of Shares held by the relevant shareholder, save that

15 5 6 1 each GS1 Share shall entitle its holder to the amount received by an Ordinary Shareholder in respect of each Ordinary Share he holds less the GS1 Exit Hurdle, and

15 5 6 2 each GS2 Share shall entitle its holder to the amount received by an Ordinary Shareholder in respect of each Ordinary Share he holds less the GS2 Exit Hurdle,

The formula to calculate the price per ordinary share where the GS1 Rights Hurdle has been met but the GS2 Rights Hurdle has not been met is

Total number of Ordinary Shares in issue x price per share + Total number of GS1 Shares in issue x (price per share – GS1 Exit Hurdle) = Offer Received

The formula to calculate the price per ordinary share where the GS2 Rights Hurdle has been met is

Total number of Ordinary Shares in issue x price per share + Total number of GS1 Shares in issue x (price per share – GS1 Exit Hurdle) + Total number of GS2 Shares in issue x (price per share – GS2 Exit Hurdle) = Offer Received

By way of example, if an offer of £12,000,000 was received

$$50,664 X + (2,520(X - 40)) + (2,480(X - 75)) = £12m$$

$$50,664 X + 2,520 X - 100,800 + 2,480 X - 186,000 = £12m$$

$$(50,664 + 2,520 + 2,480) X - 100,800 - 186,000 = £12m$$

$$55,664 X = 12m + 100,800 + 186,000$$

$$55,664 X = 12,286,800$$

$$X = 12,286,800 / 55,664$$

$$X = £220.73$$

Ordinary Shareholders would receive £220.73 per Ordinary Share

GS1 Shareholders would receive £180.73 per GS1 Share

GS2 Shareholders would receive £145.73 per GS2 Share

provided that,

15.5.6.3 in the event that the GS1 Rights Hurdle is not met, the GS1 Shares shall not entitle their holders to any Proceeds, and

15.5.6.4 in the event that the GS2 Rights Hurdle is not met, the GS2 Shares shall not entitle their holders to any Proceeds,

but a shareholder's entitlement in respect of the Ordinary Shares he holds shall not be affected

15.6 Class Rights

Subject to Article 14, whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders 75% of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise. The provisions of these Articles relating to the general meetings shall apply to such a class meeting, modified so far as necessary.

16 Lien

16 1 The Company has a lien (**Company's lien**) over every share which is partly paid for any part of

16 1 1 that share's nominal value, and

16 1 2 any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it

16 2 The Company's lien over a share

16 2 1 takes priority over any third party's interest in that share, and

16 2 2 extends to any dividend or other money payable by the Company in respect of that share and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share

16 3 The directors may at any time decide that a share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

16 4 The Company may sell in such manner as the directors determine any 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 days after notice has been given to the holder of the share or to 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

16 5 To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale

16 6 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale

17 **Calls**

17 1 Subject to the Articles and the terms on which shares are allotted, the Directors may send a notice (**call notice**) to a member requiring the member to pay the Company a specified sum of money (**call**) which is payable in respect of shares which that member holds at the date when the directors decide to send the call notice

17 2 A call notice

17 2 1 may not require a member to pay a call which exceeds the total sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium),

17 2 2 must state when and how any call to which it relates is to be paid, and

17 2 3 may permit or require the call to be paid by instalments

17 3 A member must comply with the requirements of a call notice, but no member is required to pay any call before 14 days have passed since the notice was sent

17 4 Before the Company has received any call due under a call notice the directors may

17 4 1 revoke it wholly or in part, or

17 4 2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the member in respect of whose shares the call is made

17 5 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid

17 6 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share

17 7 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices be sent to the holders of those shares which may require them

17 7 1 to pay calls which are not the same, or

17 7 2 to pay calls at different times

- 17 8 A call notice need not be issued in respect of sums which are satisfied, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium)
- 17 8 1 on allotment,
- 17 8 2 on the occurrence of a particular event or
- 17 8 3 on a date fixed by or in accordance with the terms of issue
- 17 9 If the due date for payment of such sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture
- 17 10 If a person is liable to pay a call and fails to do so by the call payment date
- 17 10 1 the directors may issue a notice of intended forfeiture to that person, and
- 17 10 2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate
- 17 11 For the purposes of this Article
- 17 11 1 the **call payment date** is the time when the call notice states that a call is payable unless the directors give a notice specifying a later date, in which case the call payment date is that later date,
- 17 11 2 the relevant rate is
- 17 11 2 1 the rate fixed by the terms on which the share in respect of which the call is due was allotted,
- 17 11 2 2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
- 17 11 2 3 if no rate is fixed in either of these ways, at the appropriate rate defined by the Act
- 17 12 The directors may waive any obligation to pay interest on a call wholly or in part
- 18 **Forfeiture**
- 18 1 A notice of intended forfeiture
- 18 1 1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,

- 18 1 2 must be sent to the holder of that share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- 18 1 3 must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of this notice,
- 18 1 4 must state how the payment is to be made, and
- 18 1 5 must state that if the notice is not complied with, the shares in respect of which the call is payment will be liable to be forfeited
- 18 2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the director may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture
- 18 3 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person
- 18 4 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal
- 18 5 A statutory declaration by a director or the company secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an

instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share

19 Share certificates

19 1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

19 2 Each certificate must specify

19 2 1 in respect of how many shares, of what class, it is issued,

19 2 2 the nominal value of those shares,

19 2 3 that the shares are fully paid or otherwise, and

19 2 4 any distinguishing numbers assigned to them

19 3 No certificate may be issued in respect of shares of more than one class

19 4 If more than one person holds a share, only one certificate may be issued in respect of it

19 5 Certificates must be executed in accordance with the Act

19 6 If a certificate issued in respect of a shareholder's shares is

19 6 1 damaged or defaced, or

19 6 2 said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares

19 7 A shareholder exercising the right to be issued with such replacement certificate

19 7 1 may at the same time exercise the right to be issued with a single certificate or separate certificates,

19 7 2 must return the certificate which is to be replaced to the Company if it is damaged or defaced, and

19 7 3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

20 Share transfers – general

20 1 No shareholder shall sell, transfer, assign, pledge, mortgage, charge or otherwise encumber or dispose of or agree to sell, transfer, assign, pledge, mortgage, charge or otherwise

encumber or dispose of any of his Shares in the Company or any interest in any of the Shares except for

20 1 1 a transfer of Shares which is approved by either

20 1 1 1 shareholders holding Ordinary Shares with at least 75% of the voting rights, or

20 1 1 2 the Board in its absolute discretion,

20 1 2 in the case of Ordinary Shares only, a transfer of Shares transferred in accordance with Article 21 (**Pre-emption rights on the transfer of shares**), or

20 1 3 a transfer of Shares in accordance with Article 23 (**Drag Along**) or Article 24 (**Tag Along**),

and the Directors shall refuse to register the transfer of any Share or any interest in any Share unless the transfer is made in accordance with this Article 20 1 If the Directors do refuse to register the transfer of any Shares, the instrument of transfer will be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

20 2 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor

20 3 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share

20 4 The Company may retain any instrument of transfer which is registered

20 5 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it

20 6 Notwithstanding any other provision of these Articles, no transfer of any Share in the capital of the Company shall be registered if it is to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind

20 7 For the purpose of ensuring that

20 7 1 a transfer of Shares is duly authorised under these Articles, or

20 7 2 no circumstances have arisen whereby the tag along provisions are required to be or ought to have been triggered pursuant to Article 24,

the Board may from time to time require any shareholder or the legal personal representatives of any deceased shareholder or any person named as transferee in any transfer lodged for

registration to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names and addresses and interests of all persons respectively having interests in the Shares from time to time registered in the shareholder's name. Failing such information or evidence being furnished to the satisfaction of the Board within 20 Business Days after request the Board shall refuse to register the transfer in question.

20 8 Articles 27, 28 and 29 of the Model Articles shall be modified to reflect the provisions of this Article 20 and Articles 21 to 24

21 **Pre-emption rights on the transfer of shares**

21 1 Except where the provisions of Article 20 1 1, Article 23 or Article 24 apply, any transfer of Ordinary Shares by a shareholder shall be subject to the pre-emption rights in this Article

21 2 A shareholder (**Seller**) wishing to transfer his Ordinary Shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including

21 2 1 the number of Sale Shares,

21 2 2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer,

21 2 3 the price (in cash) at which he wishes to sell the Sale Shares (which will be deemed to be fair market value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**)), and

21 2 4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**)

21 3 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn

21 4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles

21 5 As soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered

- 21 6 The Board shall offer the Sale Shares to all shareholders other than the Seller (the **Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy
- 21 7 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under Article 21 8 shall be conditional on the fulfilment of the Minimum Transfer Condition
- 21 8 If
- 21 8 1 at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the Board) No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
- 21 8 2 not all Sale Shares are allocated following allocations in accordance with article 21 8 1, but there are applications for Sale Shares that have not been satisfied, the Board shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 21 8 1 The procedure set out in this article 21 8 2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied, and
- 21 8 3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 21 9
- 21 9 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the

date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy

21 10 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the Board) No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy

21 11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications The balance (the **Second Surplus Shares**) shall be dealt with in accordance with article 21 16

21 12 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 21 7 to article 21 10, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

21 13 If

21 13 1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition, and

21 13 2 allocations under article 21 7 to article 21 10 have been made in respect of some or all of the Sale Shares,

the Board shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 28 Business Days, but not more than 28 Business Days, after the date of the Allocation Notice)

21 14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice

21 15 If the Seller fails to comply with article 21 14

21 15 1 the Chairman (or, failing him, one of the other directors, or some other person nominated by a resolution of the Board) may, as agent on behalf of the Seller

21 15 2 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,

21 15 3 receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration), and

21 15 4 (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them, and

the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the Board may reasonably require to prove good title to those Sale Shares, to the Company

21 16 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 21 11 then, subject to article 21 16 and within 4 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price The

sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 21 16 shall continue to be subject to any Minimum Transfer Condition

21 17 The Seller's right to transfer Sale Shares under article 21 16 does not apply if the Board reasonably considers that

21 17 1 the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company or with a subsidiary of the Company, or

21 17 2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or

21 17 3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above

21 18 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Sale Shares with the consent of shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article

22 **Conversion of G Shares**

22 1 Subject to Article 22 2, on the date falling 90 days after the date a G Share Shareholder becomes a Bad Leaver, all of the G Shares held by that Shareholder shall automatically convert to Deferred Shares

22 2 If, by the fifth anniversary of the Adoption Date, either the GS1 Rights Hurdle or GS2 Rights Hurdle has not been met, the G Shares shall automatically convert to Deferred Shares

23 **Drag Along Option**

23 1 If shareholders holding more than 85% of the Ordinary Shares (together the **Selling Shareholders**), wish to transfer all their shares (**Selling Shares**) to an arm's length third party purchaser, the Selling Shareholders shall have the option (**Drag Along Option**) to require any or all of the other shareholders to transfer all their Shares with full title guarantee to the third party purchaser or as the third party purchaser shall direct in accordance with this Article 23

23 2 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect (**Drag Along Notice**) to all other shareholders (**Called Shareholders**) at any time before the

registration of the transfer of the Shares held by the Selling Shareholders A Drag Along Notice shall specify

23 2 1 that the Called Shareholders are required to transfer all their shares (**Called Shares**) pursuant to Article 23 1 to the third party purchaser,

23 2 2 the price at which the Called Shares are to be transferred, which shall for each Called Share be the lower of

23 2 2 1 an amount equal to

23 2 2 1 1 in the case of GS1 Shares, the price per share offered by the third party purchaser for the Selling Shares less the GS1 Exit Hurdle, and

23 2 2 1 2 in the case of GS2 Shares, the price per share offered by the third party purchaser for the Selling Shares less the GS2 Exit Hurdle, or

23 2 2 2 the price that would be paid to the Called Shareholder for the Called Shares if the total consideration offered by the third party purchaser for all issued Shares were subject to the provisions of Article 15 5,
(being the **Drag Sale Price**),

23 2 3 the proposed date of transfer (if known), and

23 2 4 the identity and ownership of the third party purchaser

A Drag Along Notice shall be deemed served upon the envelope containing it being placed in the post

23 3 A Drag Along Notice may be revoked at any time prior to completion of the sale of the Called Shares and any such revocation notice shall be served in the manner prescribed for a Drag Along Notice in Article 23 2

23 4 A Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Selling Shares to the Proposed Buyer within 180 days of serving the Drag Along Notice The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice

- 23 5 No Drag Along Notice shall require the Called Shareholders to agree to any terms except those specifically set out in this Article 23, and a covenant for full title guarantee in respect of the Called Shares
- 23 6 Completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the Selling Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise
- 23 7 Within 5 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for a lost share certificate) to the Company
- 23 8 Each Called Shareholder shall on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his agent and attorney to execute any stock transfer form and covenant for full title guarantee in respect of the Called Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Called Shares pursuant to this Article 23 The rights of pre-emption and other restrictions contained in this Agreement shall not apply on any sale and transfer of shares by the Selling Shareholders, the Called Shareholders or any other shareholder to the third party purchaser named in a Drag Along Notice
- 24 **Tag Along**
- 24 1 Subject to Article 23, but otherwise notwithstanding any other provision in these Articles, no sale or other disposition of more than 85% of the Ordinary Shares (**Specified Shares**) shall have any effect (and the Company shall not register) unless before the transfer is lodged for registration the buyer (**Buyer**) has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in Article 24 4) all the shares held by the other shareholders who are not acting in concert or otherwise connected with the third party purchaser (**Uncommitted Shares**)
- 24 2 An offer made under Article 24 shall be in writing (**Tag Offer Notice**) and shall be open for acceptance for at least 15 Business Days, and shall be deemed to be rejected by any shareholder who has not accepted it in accordance with its terms within the time period

prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 15 Business Days of the date of the offer

24 3 To the extent not described in any accompanying documents, the Tag Offer Notice shall set out

24 3 1 the identity of the Buyer,

24 3 2 the purchase price and other terms and conditions of payment,

24 3 3 the proposed sale date, and

24 3 4 the number of shares proposed to be purchased by the Buyer (**Offer Shares**)

24 4 For the purposes of this Article 24 the expression **specified price** means

24 4 1 the lower of

24 4 1 1 in the case of GS1 Shares, the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the third party purchaser or its nominees for the shares being sold by the holders of the Specified Shares less the GS1 Exit Hurdle, and

24 4 1 2 in the case of GS2 Shares, the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the third party purchaser or its nominees for the shares being sold by the holders of the Specified Shares less the GS2 Exit Hurdle, and

24 4 1 3 the price which would be paid to the holders of the Uncommitted Shares if the total consideration offered by the Buyer for all issued Shares were subject to the provisions of Article 15 5, plus

24 4 2 the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares

24 5 If the specified price or its cash equivalent cannot be agreed within 15 Business Days of the proposed sale or transfer referred to in Article 24 1 between the third party purchaser and the holders of any Uncommitted Shares such matter shall be referred to the Expert by any shareholder for determination and, pending such determination, the sale or transfer referred to in Article 24 1 shall have no effect

24 6 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale or transfer to an arm's length third party purchaser provided that the provisions of this Article 24 have been complied with

25 **Reorganisation**

Upon a Solvent Reorganisation, the shareholders shall enter into such reorganisation of the share capital of the Company (or another member of the Company's Group, as appropriate) as they may agree or, in default of such agreement as the auditors of the Company for the time being (the costs of such auditors being borne by the Company) may specify, to ensure that the rights to capital conferred on the Shares in accordance with these Articles are reallocated between the shareholders in the same proportions as provided by Article 15 5

26 **Declaration of dividends**

26 1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

26 2 A dividend must not be declared unless the directors have made a recommendation as to its amount Such a dividend must not exceed the amount recommended by the directors

26 3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights

26 4 Unless the terms on which Shares are issued specify otherwise, a dividend must be paid by reference to each shareholder's holding of Shares A shareholder's holding of Shares shall be determined as on the date of the resolution or decision to declare or pay it unless the Articles, resolution or decision specifies otherwise

26 5 If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears

26 6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment

26 7 If the directors act in good faith, they do not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights

27 Calculation of dividends

27 1 Except as otherwise provided by the Articles or the rights attached to Shares, all dividends must be

27 1 1 declared and paid according to the amounts paid up on the Shares on which the dividend is paid, and

27 1 2 apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid

27 2 If any share is issued on terms providing that it ranks for dividend as from a particular date that share ranks for dividend accordingly

27 3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount

28 Non cash distributions

28 1 Subject to the terms of issue of the share in question, the Company may decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company)

28 2 For the purposes of paying a non-cash distribution the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution

28 2 1 fixing the value of any assets,

28 2 2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and

28 2 3 vesting any assets in trustees

29 Poll Votes

29 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

29 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

30 **Proxies**

30 1 Article 45(1)(d) of the Model Articles 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 the general meeting (or adjourned meeting) to which they relate"

30 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

31 **Means of communication to be used**

31 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

31 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),

31 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

31 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

31 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this Article, no account shall be taken of any part of a day that is not a working day

31 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

32 **Indemnity**

32 1 Subject to Article 32 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

32 1 1 each relevant officer may be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

32 1 1 1 in the actual or purported execution and/or discharge of his duties, or in relation to them, and

32 1 1 2 in relation to the Company's (or any associated Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated Company's) affairs, and

32 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 32 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

32 2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

32 3 In this Article

32 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

32 3 2 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

33 **Insurance**

33 1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

33 2 In this Article

33 2 1 a "relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

33 2 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and

33 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate