

The Companies Act 2006

Private Company Limited By Shares

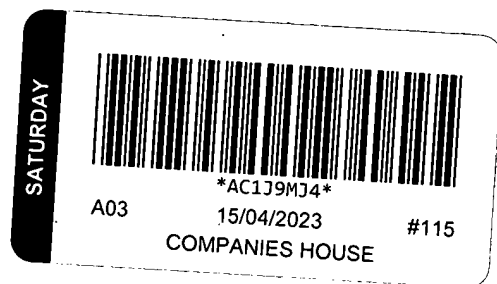
New Articles of Association

relating to

The Motorists Organisation Limited

(Company Number 8339147)

as amended on 11 April 2023



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1 Definitions

1.1 In these Articles the following words and phrases have the meanings set out opposite them below

alternate or alternate director has the meaning given in Article 28,

Accounts means the accounts of the Company prepared in accordance with the Act for each financial year,

ACNL means Ashridge Capital (Nominee) Limited (company number 08565346) whose registered office is at Ashridge House Golf Club Road, Ashridge, Little Gaddesden, Hertfordshire HP4 1LY,

ACNL Deed of Adherence means the deed of adherence dated 1 April 2015 between (1) the various persons named therein as the New Shareholders acting by their attorney ACNL and (2) the Company,

AC Ordinary Shares means the ordinary shares of £0.001p each in the capital of the Company and subscribed by the New Shareholders through their nominee ACNL,

the Act means the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force,

A Ordinary Shares means the A ordinary shares of £0.001p each in the capital of the Company,

Articles mean the articles of association of the Company from time to time,

Associate means any person who in relation to a shareholder is an Associated Company or a Privileged Relation,

Associated Company means any body corporate more than 50% of the equity share capital of which is owned directly or indirectly by the shareholder in question,

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

Available Profits means profits available for distribution within the meaning of Part 23 of the Act,

B Ordinary Shares means the B ordinary shares of £0.01p each in the capital of the Company,

Bad Leaver means

- (a) a Relevant Shareholder who is dismissed by the Company for Gross Misconduct or ceases to be employed by the Company in circumstances in which the Company would have been entitled to dismiss him or her for Gross Misconduct,
- (b) a Relevant Shareholder who provides services to the Company where the contract pursuant to which a Relevant Shareholder provides services to the Company is

terminated by the Company for conduct which had the Relevant Shareholder been an employee would have amounted to Gross Misconduct or such contract terminates in circumstances in which had the Relevant Shareholder been an employee the Company would have been entitled to dismiss him or her for Gross Misconduct,

- (c) circumstances arise as a result of which a Relevant Shareholder is designated as a Bad Leaver by agreement between the Relevant Shareholder and the Company

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

Business Days means any day other than a Saturday, Sunday or English bank holiday,

Business Sale means the acquisition by any person of the whole or substantially the whole of the assets business and undertaking of the Company,

Conflict Authorisation shall carry the meaning in Article 26.1,

Conflict Authorisation Terms shall carry the meaning in Article 26.7,

Conflict Situation shall carry the meaning in Article 26.1,

Connected Persons means as defined by section 839 Income and Corporation Taxes Act 1988,

a Controlling Interest means an interest in shares in the Company carrying the right to 50 per cent or more of the total number of votes which may be cast on a poll at a general meeting of the Company,

Equity Shares means the A Ordinary Shares and the Ordinary Shares,

ES Shares means the redeemable shares of £1.00 each in the capital of the Company,

Family Trust means a trust which only permits the settled property or the income therefrom to be applied for the benefit of -

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

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor For purposes of this definition 'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member,

Founder means Douglas Rotberg % Regus Suite, 1000, Western Road, Portsmouth PO6 3EZ Lakeside or (for the purposes of Article 15 only) any other person designated as a Founder by agreement between such person and the Company,

Founder Director means any director appointed pursuant to Article 23.3

Gross Misconduct means conduct which as a matter of general law (disregarding any particular definition of gross misconduct in any contract of employment or handbook of a Group Company from time to time in force) amounts to gross misconduct justifying the summary dismissal of the director or employee in question,

Group means the Company and its Subsidiary Undertakings from time to time and references to **Group Company** and **members of the Group** shall be construed accordingly,

Group Conflict Authorisation shall carry the meaning in Article 26.8,

Group Conflict Authorisation Terms shall carry the meaning in Article 26.8,

Independent Expert means an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales,

Interested Director has the meaning given in Article 26.1,

Investment Agreement means the agreement dated 31 January 2014 between amongst others, the Company and the Investors,

Investment Date means the date of completion of the Investment Agreement,

Investors and **Investor** shall carry the meaning in the Investment Agreement,

Investor Representative means the person appointed as a non-executive director or an observer pursuant to Article 23,

IPO means the admission of any part of the share capital of the Company to trading on a public market or stock exchange,

Issue Price means in relation to any share, the amount paid up or credited as paid up on it (including the full amount of any premium at which such share was issued whether or not such premium is applied for any purpose after that),

Leaver means

- (a) a Relevant Shareholder who ceases to be employed by the Company in circumstances in which he is not a Bad Leaver,
- (b) a Relevant Shareholder who provides services to the Company where the contract pursuant to which a Relevant Shareholder provides services to the Company terminates in circumstances in which he is not a Bad Leaver,
- (c) circumstances arise as a result of which a Relevant Shareholder is designated as a Leaver by agreement between the shareholder and the Company

and does not forthwith become or continue to be an employee of or contractor to any other Group Company

Model Articles means the model articles prescribed by Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles,

New Shareholders shall carry the meaning in the ACNL Deed of Adherence,

New Shareholder Representative means the person appointed as a non-executive director or an observer pursuant to Article 23.2,

Nominated Representative(s) means an Investor Representative, a New Shareholder Representative and any Founder Director,

Ordinary Shares means the ordinary shares of £0.001p each in the capital of the Company and (for the avoidance of doubt) the AC Ordinary Shares,

Privileged Relations means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children,

Proceeds means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to shareholders under a Share Sale or IPO (less any fees and expenses payable by the selling shareholders under that Share Sale or in respect of that IPO)

Proportionate Entitlement means that number of Sale Shares which is in proportion (as nearly as possible) to their existing holdings of shares,

Relevant Shareholder means any holder of Equity Shares other than the Founder

- (a) who is an employee, or
- (b) who provides services to the Company (other than in the capacity of a nonexecutive director), or
- (c) who is designated as a Relevant Shareholder by agreement between the Relevant Shareholder and the Company,

Sale Shares shall carry the meaning in Article 16.1,

Share Sale means the transfer (whether through a single transaction a series of transactions) of Ordinary Shares as a result of which any person (or persons connected with each other, or persons acting in concert with each other (within the meaning given in the City Code on Takeovers and Mergers as in force at the Investment Date) would hold or acquire beneficial ownership of or over that number of Ordinary Shares which in aggregate confer 50% or more of the voting rights normally exercisable at general meetings of the Company,

Subsidiary means as defined in s1159 of the Act,

Subsidiary Undertakings means as defined in s1162 of the Act, and

Transfer Notice shall carry the meaning in Article 16.1

- 1.2 Words and expressions defined in the Model Articles and words and expressions defined in the Act shall carry the same meaning in these Articles unless the context otherwise requires

2 Adoption of Model Articles

- 2.1 The Model Articles shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and together with these Articles shall be the articles of the Company
- 2.2 Model Articles 8, 11(2) and (3), 12, 14(1) to (4)(inclusive), 26(5), 27 to 29 (inclusive), 42, 52 and 53 shall not apply to the Company

3 Share Capital

The share capital of the Company is divided into Ordinary Shares, A Ordinary Shares, ES Shares, and B Ordinary Shares

4 Dividend Rights

- 4.1 Subject in each case to the Board recommending payment of the same, any Available Profits which the Company may determine to distribute shall be applied amongst the holders of Ordinary Shares and the A Ordinary Shares (par passu as if the same constituted the same class of share) pro rata to their respective holdings of Equity Shares
- 4.2 Neither the ES Shares nor the B Ordinary Shares shall be entitled to share in any Available Profits
- 4.3 The Company shall procure (so far as it is able) that each of its Subsidiaries and each of its Subsidiary Undertakings which has Available Profits shall from time to time declare and pay to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company or parent undertaking) such dividends as are necessary to permit lawful and prompt payment by the Company of any dividend

5 Sums payable to the holders of the B Ordinary Shares and the Ordinary Shares on a Share Sale or IPO

- 5.1 On a Share Sale or IPO the Proceeds shall be distributed as set out in Articles 5.2-5.4 (inclusive) The directors shall not register any transfer of shares if the Proceeds are not distributed in that manner (save in respect of any shares not sold in connection with a Share Sale)
- 5.2 The Proceeds shall be divided into
- 5.2.1 a part of the Proceeds equal to the proportion which the total number of A Ordinary Shares bears to the total number Equity Share in issue at the relevant time (**First Distribution**), and

- 5.2.2 a part of the Proceeds equal to the proportion which the total number of Ordinary Shares bears to the total number of Equity Shares in issue at the relevant time
(Second Distribution)
- 5.3 The First Distribution shall be distributed to the holders of A Ordinary Shares pro rata to their respective holdings of A Ordinary Shares
- 5.4 The Second Distribution shall be shall be distributed as follows
 - 5.4.1 First a part of the Second Distribution equal to the proportion which the total number of Ordinary Shares but excluding the AC Ordinary Shares bears to the total number of Ordinary Shares in issue at the relevant time shall be distributed to each holder of Ordinary Shares, other than the holders of the AC Ordinary Shares, pro rata to their respective holdings,
 - 5.4.2 Next the balance of the Second Distribution shall be distributed as follows and in the following priority order
 - (a) first in paying to each holder of AC Ordinary Shares an amount per AC Ordinary Share up to the Issue Price, next
 - (b) as to 20% of the balance of the Second Distribution (if any) to the holders of the B Ordinary Shares pro rata to their respective holdings, and
 - (c) as to 80% of the balance of the Second Distribution (if any) to the holders of the AC Ordinary Shares, pro rata to their respective holdings

6 Redemption of the ES Shares

- 6.1 Subject to the Act and provided that the directors shall have first obtained all requisite authorities, the ES Shares are redeemable either out of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose and the Company may at any time redeem all or any of the ES Shares in cash at par
- 6.2 Redemption of the ES Shares pursuant to this Article 6 shall be subject to the following terms and conditions
 - 6.2.1 if there is more than one holder of ES Shares, any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings,
 - 6.2.2 not less than one week and not more than three weeks' notice of a redemption shall be given by the Company to the registered holder(s) of any ES Shares to be redeemed (a **Redemption Notice**) In the event of a proposed redemption of ES Shares not comprising all the ES Shares then in issue, the ES Shares shall (if relevant) be redeemed pro rata (as nearly as may be) to each holding at the date of redemption,
 - 6.2.3 a Redemption Notice shall be in writing and shall fix the time and place for such redemption and shall specify the particular shares to be redeemed At the time and place so fixed the registered holder(s) of the ES Shares to be redeemed shall be

bound to deliver to the Company the certificates for such shares for cancellation (or if any certificate is lost an indemnity in a form reasonably satisfactory to the Board), and thereupon the Company shall pay to (or to the order of) such holder(s) (by cheque despatched at each holder's risk) within five Business Days of receipt of the certificate (or certificates) (or an indemnity in respect of the certificate (or certificates) in a form reasonably satisfactory to the Board) all the monies payable in respect of the redemption of such shares. The receipt by the registered holder(s) for the time being of the moneys payable on redemption of any ES Shares held by them (or, in the case of joint registered holders, the receipt by any one of them) shall constitute an absolute discharge to the Company in respect thereof,

6.2.4 if any certificate so delivered to the Company shall include any ES Shares not redeemed on the occasion for which it is so delivered, the Company shall, at each holder's risk, issue without charge a fresh certificate for the balance of such ES Shares,

6.2.5 as from the date specified for redemption in the Redemption Notice, such ES Shares shall be extinguished and shall cease to confer any rights on the holder(s) thereof (except the right to receive all monies due on the redemption of the ES Shares)

6.2.6 if any holder of ES Shares whose shares are liable to be redeemed shall fail or refuse to deliver up the certificate(s) for its shares, the Company may retain the redemption monies until delivery up of the certificate(s) (or of an indemnity in respect thereof reasonably satisfactory to the Board) and shall, within five Business Days thereafter, pay (by cheque despatched at each holder's risk) the redemption monies due to them. No holder of ES Shares shall have any claim against the Company for interest on any redemption monies so retained, and

6.2.7 all ES Shares redeemed as aforesaid shall be cancelled and not be capable of re-issue

7 Purchase of own Shares

To the extent permitted by the Act, the Company shall be authorised to make a payment in respect of the redemption or purchase of any of its own shares including, but without limitation where the purchase is funded otherwise than out of Available Profits of the Company or the proceeds of a fresh issue of shares

8 Variation of Rights

8.1 Subject to Article 8.2, Whenever the capital of the Company is divided into different classes of shares the rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up with the prior written consent of the holders of more than three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of that class, but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or

representing by proxy one-third in number of the issued shares of the class (unless all shares of any class are registered in the name of a single shareholder, in which case the quorum shall be that person or its duly authorised representative) (but so that, if at any adjourned meeting of such holders a quorum as above defined is not present, those members or the member then present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the relevant class held by them respectively

- 8.2 If an Ordinary Share is transferred or issued to the holder of an A Ordinary Share it shall, upon registration of the transferee or allottee (as appropriate) in the register of members of the Company, automatically be converted into and re-designated as an A Ordinary Share. No resolution of the Company or of the holders of any class of the Equity Shares shall be required to effect a conversion and re-designation of any Ordinary Shares so transferred or issued

9 Return of Capital

- 9.1 Save where Article 9.2 applies, on a return of assets on a capital reduction or a liquidation, the proceeds or (as applicable) the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares and the A Ordinary Shares *pari passu* as if the same constituted one class of share
- 9.2 On a return of assets on a capital reduction or a liquidation following a Business Sale, the proceeds or (as applicable) the surplus assets of the Company remaining after the payment of its liabilities (each a **Capital Repayment**) shall be distributed in the order of priority and in accordance with Articles 5.2 – 5.4 inclusive, with the term "Proceeds" in those Articles being replaced with the term "Capital Repayment"
- 9.3 The ES Shares do not confer on the holder(s) thereof any right to participate in the assets of the Company
- 9.4 Save as provided in Article 9.2, the B Ordinary Shares do not confer on the holder(s) thereof any right to participate in the assets of the Company on a return of assets on liquidation or capital reduction

10 Voting

- 10.1 The shares in the Company shall carry votes and rights as follows

Ordinary shares	one vote per Ordinary Share The holder shall be entitled to receive notice of and attend and speak at all general meetings of the Company
A Ordinary Shares, B Ordinary Shares and ES Shares	no entitlement to vote or to receive notice of any general meeting

- 10.2 Votes on the Ordinary Shares may be exercised (i) on a show of hands by every member who (being an individual) is present in person or (being a corporation) is present by a representative (in which case each member holding shares with votes shall have one vote)

and (ii) on a poll by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each member holding shares with votes shall have one vote for each such share held)

11 Pre-Emption on Issues

11.1 Subject to Article 11.3, all shares in the capital of the Company to be allotted and issued, (other than pursuant to or to be held under an employees' share scheme) shall first be offered on a pre-emptive basis to the holders of the Equity Shares on the same terms and at the same price as the shares are proposed to be offered, in the proportion that the aggregate nominal value of the Equity Shares for the time being held respectively by each such holder bears to the aggregate nominal value of all issued Equity Shares To the extent that all such shares are not taken up within 30 days following such offer then they may (subject to the remainder of these Articles) be allotted and issued to any person at the same price and on the same terms as the offer to the holder of Equity Shares under Article 11.1

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

11.3 Article 11.1 shall not apply to

11.3.1 any allotment of Ordinary Shares in the Company, or grant of rights to subscribe for or to convert any security into Ordinary Shares in the Company within 3 calendar months of the date of adoption of these Articles up to a maximum aggregate nominal value of £6.721 divided into 6,721 Ordinary Shares provided that the Issue Price for such new issue is equal to or greater than the Issue Price of the AC Ordinary Shares, and

11.3.2 any allotment of A Ordinary Shares up to a maximum of 1,190 A Ordinary Shares

12 Transfer of Shares

12.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share

12.2 The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles or the provisions of the Investment Agreement but shall not otherwise be entitled to refuse to register any transfer of shares unless they suspect the proposed transfer to be fraudulent For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant to ensure that it is a bona fide transfer on arm's length terms for the consideration stated Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question

13 No Transfer of ES Shares or B Ordinary Shares

- 13.1 No ES Share may be transferred unless the Board consents in writing to the transfer
- 13.2 Save as provided for in Article 14 no B Ordinary Share may be transferred unless the Board consents in writing to the transfer
- 13.3 The directors shall not be required to give reasons for refusing any transfer under this Article 13 and any consent to transfer may be given subject to such conditions as the directors see fit in their absolute discretion

14 Permitted Transfers

- 14.1 Any holder of Ordinary Shares or B Ordinary Shares (the **Original Shareholder**) may, at any time during his lifetime, transfer all or any Ordinary Shares or B Ordinary Shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor
- 14.2 On the death of an Original Shareholder
 - 14.2.1 any Ordinary Shares or B Ordinary Shares may be transferred to a Privileged Relation of the deceased member or to the trustees of a Family Trust of the deceased member,
 - 14.2.2 or to an executor or administrator of the deceased member's estate, and
 - 14.2.3 by an executor or administrator of the deceased member's estate to a Privileged Relation of the deceased member or to the trustees of a Family Trust of the deceased member
- 14.3 Notwithstanding any other provisions of these Articles, the New Shareholders may transfer the beneficial interest in their AC Ordinary Shares without any price or other restriction
 - 14.3.1 to any other New Shareholder, or
 - 14.3.2 provided that the New Shareholder has first exhausted the pre-emption process under Article 16 in relation to the transfer of his or her beneficial interest in the AC Ordinary Shares, to any other person who nominates ACNL as the legal owner of those AC Ordinary Shares (or the balance remaining after the pre-emption process) in which the beneficial interest is transferred
- 14.4 Where any Ordinary Shares or B Ordinary Shares are held by trustees upon a Family Trust
 - 14.4.1 on any change of trustees such Ordinary Shares or B Ordinary Shares may be transferred to the new trustees of that Family Trust,
 - 14.4.2 such Ordinary Shares or B Ordinary Shares may be transferred at any time to the settlor or to any Privileged Relation of the settlor or to another Family Trust of the settlor

- 14.5 Notwithstanding any other provisions of these Articles a transfer of any Ordinary Shares in the Company held by an Investor or by his or her respective trustee, custodian or nominee at any time may be made to
- 14.5.1 to any trustee, nominee or custodian of the Investor, or
 - 14.5.2 to any partnership or company owned by the Investor for the purposes of holding investments, or
 - 14.5.3 to any other Investor, or
 - 14.5.4 to the relevant Investor
- 14.6 Any holder of shares who holds such shares as a nominee may transfer the relevant shares to:
- 14.6.1 any person who is the beneficial owner of such Shares; or
 - 14.6.2 any person who is to hold the shares as nominee for that beneficial owner in substitution for the then registered shareholder;
 - 14.6.3 and, for the avoidance of doubt, any transfer of the beneficial ownership of such share, where the nominee remains the same before and immediately after such transfer, shall not be considered a transfer of shares for the purposes of these Articles.
- 14.7 If and whenever (i) any person to whom Ordinary Shares have been transferred pursuant to Article 14.5 ceases to act as trustee, nominee or custodian of the Investor who made the transfer or (ii) any partnership or company owned by an Investor for the purposes of holding investments ceases to be controlled by the Investor who made the transfer, the person ceasing to be a permitted transferee under Article 14.5 shall within 30 days of ceasing to be a permitted transferee, transfer the Ordinary Shares held by it to
- 14.7.1 the Original Shareholder, or
 - 14.7.2 a person that would qualify as a permitted transferee under Article 14.5,
- without any price or other restriction If the holder fails to make a transfer in accordance with this Article 14.6, a Transfer Notice shall be deemed to have been given in respect of such Ordinary Shares on the expiry of the period set out in this Article 14.7
- 14.8 If and whenever any Ordinary Shares or B Ordinary Shares held by trustees upon a Family Trust pursuant to clauses 14.1 or 14.2 cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor, to any Privileged Relation of the settlor or other permitted transfer) or there ceases to be any beneficiaries of the Family Trust other than a charity or charities, a Transfer Notice shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such relevant shares may not otherwise be transferred

14.9 If the Original Shareholder is an individual and a permitted transfer has been made to a Privileged Relation of the Original Shareholder under Article 14.1 or Article 14.2, the permitted transferee (or the transmittee(s) of any such person), shall within 30 days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either

14.9.1 execute and deliver to the Company a transfer of the shares held by him to the Original Shareholder (or to any person who would qualify as a permitted transferee of the Original Shareholder under this Article 14 (a **Permitted Transferee**) for such consideration as may be agreed between them, or

14.9.2 give a Transfer Notice to the Company,

failing which a Transfer Notice shall be deemed to have been given in respect of such shares on the expiry of the period set out in this Article 14.9. This Article 14.9 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those shares

14.10 For the purposes of Articles 14.8 and 14.9 the expression 'relevant shares' means and includes the Ordinary Shares or B Ordinary Shares originally transferred to the trustees or Privileged Relation and any additional Ordinary Shares or B Ordinary Shares issued or transferred to the trustees or Privileged Relation by virtue of the holding of the relevant shares or any of them

15 Mandatory Transfers

Employee or director who holds Equity Shares (other than the Founder)

15.1 If any Relevant Shareholder becomes a Bad Leaver then (unless the Board resolves otherwise within two months following the date on which the Relevant Shareholder becomes a Bad Leaver) a Transfer Notice shall be deemed to have been given by the Relevant Shareholder in respect of all of the Equity Shares held by him/ her, all of the Equity Shares held by his Associates, all of the Equity Shares held by Privileged Relations and all of the Equity Shares held by the trustees of any Family Trust of which he was the settlor or is a beneficiary (together **Relevant Shares**)

15.2 If any holder of Equity Shares becomes a Leaver then (unless the Board resolves otherwise within two months following the date on which that person becomes a Leaver a Transfer Notice shall be deemed to have been given by the Relevant Shareholder in respect of 60% of the Equity Shares held by him, 60% of the Equity Shares held by his Associates, 60% of the Equity Shares held by Privileged Relations and 60% of the Equity Shares held by the trustees of any Family Trust of which he was the settlor or is a beneficiary (also together **Relevant Shares**)

Founder

15.3 If the Founder is dismissed by the Board at any time for Gross Misconduct arising from fraud against the Company then (unless the Board resolves otherwise within two months following the date on which the Founder ceases to be an employee) a Transfer Notice shall be deemed

to have been given by the Founder in respect of all of the Equity Shares held by him, all of the Equity Shares held by his Associates, all of the Equity Shares held by his Privileged Relations and all of the Equity Shares held by the trustees of any Family Trust of which he was the settlor or is a beneficiary (also together **Relevant Shares**)

- 15.4 If the Founder is dismissed by the Board at any time for Gross Misconduct arising from any circumstances other than fraud then (unless the Board resolves otherwise within two months following the date on which the Founder ceases to be an employee) a Transfer Notice shall be deemed to have been given by the Founder in respect of 50% of the Equity Shares held by him, 50% of the Equity Shares held by his Associates and 50% of the Equity Shares held by the trustees of any Family Trust of which he was the settlor or is a beneficiary (also together **Relevant Shares**)

Bankruptcy

- 15.5 If any person becomes entitled to Equity Shares in consequence of the bankruptcy or insolvency of a shareholder then, unless the Board determines otherwise at any time, a Transfer Notice shall be deemed to have been given immediately prior to such bankruptcy or insolvency in respect of all the Equity Shares then registered in that shareholder's name, all shares held by that shareholder's Associates, all shares held by that Shareholder's Privileged Relations and all shares held by the trustees of any Family Trust of which the shareholder was the settlor or is a beneficiary (also together **Relevant Shares**)

Existing Transfer Notices

- 15.6 Once a Transfer Notice is deemed to have been given by virtue of any of Article 15.1 to 15.5, all prior outstanding Transfer Notices in respect of the Relevant Shares (or any of them) shall be immediately cancelled and no further Transfer Notices may be served in respect of any of the Relevant Shares

16 Pre-emption on Sale or Transfer

- 16.1 Save as otherwise provided in these Articles, every member who desires to transfer any Equity Shares (and has such consents or is required by these Articles to make any such transfers) shall give to the Company notice in writing of such desire and of the identity of the person (if known) to whom the member wishes to transfer such Equity Shares and the price at which such Equity Shares are proposed to be transferred (a **Transfer Notice**) Where the Transfer Notice is deemed to have been given under these Articles it is referred to as a **Deemed Transfer Notice** The transferor under a Transfer Notice and under a Deemed Transfer Notice is hereinafter called the **Vendor** Transfer Notices and Deemed Transfer Notices shall constitute the Company as the Vendor's agent for the sale of the Equity Shares specified therein (the **Sale Shares**) in one or more lots at the discretion of the Board at the Sale Price (as defined in Article 16.4)

Sale Price

- 16.2 If a Deemed Transfer Notice shall be given by a Relevant Shareholder pursuant to Article 15.1 or by the Founder pursuant to Article 15.3, the Sale Price at which the Relevant Shares shall be offered shall be their par value,

16.3 If a Deemed Transfer Notice is given pursuant to Article 15.5 or at any time by a Relevant Shareholder pursuant to Article 15.2 or by the Founder pursuant to Article 15.4 the Sale Price at which the Relevant Shares shall be offered shall be determined by agreement between the Board (any director with whom the Vendor is connected not voting) and the respective Relevant Shareholder or the Founder as the case may be or, in default of agreement within two months of the date on which the Deemed Transfer Notice is given, the fair value of the Relevant Shares shall be determined by the Independent Expert in accordance with Article 16.4

16.4 In all other cases, the sale price of the Sale Shares shall be the price referred to in the Transfer Notice except that if no price is specified, it will instead be the price which the Independent Expert shall certify (at the request of the Company) to be in his opinion a fair value of the Sale Shares (the **Sale Price**) In arriving at his opinion the Independent Expert will value the Sale Shares

16.4.1 as at the date the Transfer Notice is given or is deemed to have been given,

16.4.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,

16.4.3 as on an arms length sale as between a willing seller and a willing buyer,

16.4.4 on the assumption that the Sale Shares are capable of transfer without restriction,

16.4.5 as a rateable proportion of the total number of all the issued Equity Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent and having valued the Company as a whole

The decision of the Independent Expert as to the Sale Price shall be final and binding in the absence of manifest error

16.5 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (a **Total Transfer Condition**) that unless all the shares comprised therein are sold by the Company pursuant to this Article none shall be sold Any such provision shall be binding on the Company

16.6 If the Independent Expert is asked to certify the fair value of the Sale Shares his certificate shall be delivered to the Company As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor Unless the Sale Shares are to be sold pursuant to a Deemed Transfer Notice, the Vendor shall be entitled to cancel the Company's authority to sell the Sale Shares by notice in writing given to the Company within seven days of the service upon him of the copy certificate The cost of obtaining the certificate shall be paid by the Company unless the Vendor cancels the Company's authority to sell the Sale Shares in which case the Vendor shall bear the cost

16.7 Once the Sale Price has been determined then unless the Vendor has given a valid notice of cancellation, the Sale Shares shall first be offered for sale to the Company The Company shall notify the Vendor if it accepts the offer and the number of Sale Shares that it intends to

purchase If the Company does not accept the offer for the Sale Shares within 30 Business Days of the date of the offer or, in the case of a Transfer Notice (but not a Deemed Transfer Notice) that does not contain a Total Transfer Condition, the Company accepts the offer in respect of some but not all of the Sale Shares, the Company shall offer the Sale Shares (or such remaining Sale Shares) to the holders of Equity Shares as set out below

- 16.8 If there are Sale Shares remaining after the offer procedure under clause 16.7 has been followed they shall be offered for sale by the Company giving notice in writing to that effect to all holders of Equity Shares (other than the Vendor) The notice shall specify

16.8.1 the number of Sale Shares on offer and the Sale Price,

16.8.2 whether the Sale Shares are subject to a Total Transfer Condition,

16.8.3 the date by which the application to purchase the Sale Shares has to be received by the Company (being a date no less than 14 days and no more than 21 days after the date of the notice), and

16.8.4 the method of allocation of the Sale Shares and shall invite each member to apply in writing to the Company for as many of the Sale Shares (if any) as that member would like to purchase The offer will also invite members to indicate in their applications for Sale Shares, whether they would be willing to buy Sale Shares in excess of their Proportionate Entitlement should any such Sale Shares be available and, if so, how many (**Extra Shares**)

- 16.9 If the total number of Sale Shares applied for by the members is equal to or less than the number of Sale Shares available, the Sale Shares shall be allocated, in satisfaction of the applications received

- 16.10 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 the member applied for

- 16.11 Applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition with any other shareholder, among those applying for Extra Shares in such proportions as equal (as nearly as possible) to the proportions of all the shares held by such offerees

- 16.12 Allocations of Sale Shares made by the Company pursuant to this Article 16 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

- 16.13 The Company shall notify the Vendor and each member who applied for Sale Shares of the number of Sale Shares that have been allocated and the persons to whom they have been allocated The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Sale Shares shall be completed

16.14 If the Company finds a purchaser or purchasers for all or any of the Sale Shares under the terms of this Article 16, subject to Article 16.15, the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall, if so required by the person or persons willing to purchase such Sale Shares, receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise a director to execute the transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the register of members as the holder of such of the Sale Shares as shall have been transferred to them. If the Transfer Notice contained a Total Transfer Condition and the Company does not find a purchaser for all of the Sale Shares, the Vendor shall not be bound to transfer any of the Sale Shares to the purchasers, and the provisions of Article 16.15 shall apply.

16.15 If the Company does not find purchasers for

16.15.1 any of the Sale Shares under the terms of this Article 16, or

16.15.2 (where the Transfer Notice contains a Total Transfer Condition) all of the Sale Shares under the preceding provisions of this Article 16,

the Vendor shall at any time within six months after the date of the offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been sold to any person at a price which is no less than the Sale Price. However if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the Sale Shares and not part only.

16.16 The Board may refuse to register a transfer (other than a Permitted Transfer) to a third party if

16.16.1 they are not satisfied that it represents a bona fide transfer for the consideration stated, or

16.16.2 they reasonably consider that the transferee is a person (or a nominee for a person) who is

- (a) a competitor of the business of the Group or of the business of a key customer of the Group, or
- (b) a director of or holds a Controlling Interest in a company which carries on a business which competes with the business of the Group or a key customer of the Group, or
- (c) a director of or holds a Controlling Interest in a company whose Subsidiary carries on a business which competes with the business of the Group or a key customer of the Group.

and for the purposes of this clause 16.16.2 a **key customer** means a customer which accounts for more than 3% of the turnover of any member of the Group.

16.17 Any purported transfer of shares otherwise than in accordance with the provisions of these Articles shall be void and have no effect.

17 Tag Along

- 17.1 Subject always to Article 15, no sale or transfer of the legal or beneficial interest in any shares in the Company (the **Transferors' Shares**) may be made or validly registered without the prior written consent of the holders of 100 per cent of the Equity Shares if, as a result of such sale or transfer and registration thereof (whether made as one or a series of transactions), a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert, unless the proposed transferee or transferees or his or their nominees has or have offered to purchase all of the issued Equity Shares in the Company at the Specified Price (calculated as set out below)
- 17.2 Any offer made to the holders of the Equity Shares under Article 17.1 must
- 17.2.1 state the identity of the proposed purchaser,
 - 17.2.2 be made in writing and be open for acceptance for a period of not less than 30 and not more than 60 days,
 - 17.2.3 state the Specified Price and provide that the purchase of all the Equity Shares in respect of which the offer is accepted will be completed at the same time as the purchase of the Transferors' Shares, and
 - 17.2.4 not contain any requirement for any holder of Equity Shares (in that capacity) to give any representation, warranties or undertakings other than as to their title, capacity and capability to sell the relevant Equity Shares and all rights thereto and interests therein free from any option, lien, charge or other encumbrance
- 17.3 In this Article 17 the 'Specified Price' means the consideration (in cash or otherwise) per Equity Share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the Transferors' Shares

18 Drag Along

- 18.1 If at any time the holders of in excess of 51% of the Ordinary Shares in issue for the time being (the **Selling Shareholders**) wish to transfer their entire holdings of Ordinary Shares to a bona fide third party prospective purchaser who is not a Connected Person of any member of the Company, then subject to the Selling Shareholders obtaining a recommendation from an independent financial adviser addressed to all the shareholders of the Company that a sale of the entire issued share capital of the Company at a price per share equal to the Equity Share Price (as defined below) would be fair and reasonable they shall have the option (the **Drag Along Option**) to require all the other holders of Equity Shares and all other persons who become holders of Equity Shares within three months of completion of a transfer of Equity Shares under this Article 18 (other than the third party purchaser to whom Equity Shares are transferred) (the **Called Shareholders**) to transfer all their Equity Shares to the third party purchaser or as the third party purchaser shall direct in accordance with this Article 18
- 18.2 Subject as aforesaid the Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (a **Drag Along Notice**) to all the Called Shareholders A Drag

Along Notice shall specify that the Called Shareholders are required to transfer all their Equity Shares (the **Called Shares**) pursuant to this Article 18, the price at which the Called Shares are to be transferred calculated in accordance with Article 18.4 and the proposed date of transfer. Service of the Drag Along Notice shall terminate the operation of the transfer provisions in Articles 16 and 17 in relation to the proposed transfers

- 18.3 A Drag Along Notice shall be irrevocable
- 18.4 The Called Shareholders shall be obliged to sell the Called Shares at a price per Equity Share payable in cash (the **Equity Share Price**) which is equal to the consideration (in cash or otherwise) per Equity Share offered or paid or payable by the proposed transferee or transferees or his or their nominees to the Selling Shareholders for their Equity Shares plus the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Shareholders for their Equity 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 Equity Shares. In the event of a disagreement as to the value of the consideration, the matter shall be referred to an umpire (acting as an expert and not as an arbitrator) nominated by the Selling Shareholders and the Called Shareholders (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of either of the Selling Shareholders or the Called Shareholders) whose decision shall be final and binding in the absence of manifest error
- 18.5 Completion of the sale of the Called Shares shall take place at the Company's registered office on the same date as the date and conditional upon the completion of the sale of the Selling Shareholders' Equity Shares unless
 - 18.5.1 all of the Called Shareholders and Selling Shareholders agree otherwise, or
 - 18.5.2 that date is less than 21 days after receipt of the Drag Along Notice by the Called Shareholders, where it shall be deferred until the 21st day after the date of receipt of the Drag Along Notice, or
 - 18.5.3 the consideration is to be determined under Article 18.4 where the date shall be deferred until the 21st day after the consideration is agreed or determined
- 18.6 If any shareholder makes default in complying with his obligations under this Article 18 (a **Defaulting Shareholder**) the chairman of the Board for the time being, or failing him one of the directors or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney of the Defaulting Shareholder with full power to execute complete and deliver in the name and on behalf of the Defaulting Shareholder a transfer of the relevant Equity Shares to the third party (or its nominee) and any Director may receive and give a good discharge for the purchase money on behalf of the Defaulting Shareholder and (subject to the transfer being duly stamped) enter the name of the third party (or its nominee) in the register of members as the holder or holders by transfer of the Equity Shares so purchased by it. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Defaulting Shareholder until he shall deliver

up his certificate or certificates for the relevant Shares (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money

19 Notices of General Meetings

- 19.1 The Company can deliver a notice or other document to a member by
- 19.1.1 delivering it by hand to the address recorded for the member on the register,
 - 19.1.2 sending it by post or other delivery service (with postage or delivery paid) to the address recorded for the member on the register,
 - 19.1.3 fax (except for share certificates) to a fax number notified by the member in writing, or
 - 19.1.4 electronic mail (except for share certificates) to an address notified by the member in writing
- 19.2 This article does not affect any provision in any relevant legislation or the articles requiring notices or documents to be delivered in a particular way
- 19.3 If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the member
- 19.4 If a notice or document is sent by post or other delivery service, it is treated as being delivered
- 19.4.1 24 hours after it was posted, if first class post was used, or
 - 19.4.2 72 hours if it was posted or given to delivery agents, if first class was not used
- 19.5 If a notice or document (other than a share certificate) is sent by fax or by electronic mail, it is treated as being delivered at the time it was sent

20 Quorum

- 20.1 If a quorum is not present within half an hour from the time appointed for the start of a general meeting the meeting shall be adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the directors may determine. If at the adjourned general meeting a quorum is not present within half an hour from the time appointed for its start, the quorum shall be such members as shall be present at the adjourned general meeting
- 20.2 Model Article 41(1) shall not apply to the Company

21 Number Of Directors

Subject to the rights for the Investors under Article 23 the maximum number and the minimum number of directors may be determined from time to time by ordinary resolution. Subject to and in default of any such determination, there shall be no maximum number of directors and the minimum number shall be two

22 Appointment of Directors

The directors may appoint a person who is willing to act as a director, either to fill a vacancy or as an additional director

23 Nominated Representative(s)

23.1 Subject to the terms of the Investment Agreement but notwithstanding any other provisions of these Articles, a majority of the Investors may appoint one person to represent them at Board meetings either as a non-executive director of the Company or an observer (the **Investor Representative**) and may remove any Investor Representative so appointed and appoint another person in his place Without prejudice to Model Article 18, the Investor Representative shall cease to be a director (where so appointed) if he fails to attend three consecutive meetings of the Board and the Board, acting reasonably and in good faith, resolve that he is to be removed as a director for that reason

23.2 Subject to the terms of the ACNL Deed of Adherence but notwithstanding any other provisions of these Articles, ACNL may appoint one person to represent the New Shareholders at Board meetings either as a non-executive director of the Company or an observer (the **New Shareholder Representative**) and may remove any New Shareholder Representative so appointed and appoint another person in his place

23.3 Notwithstanding any other provisions of these Articles, the Founder may appoint two persons as directors of the Company (each a **Founder Director**) and may remove any Founder Director so appointed and appoint another person in his place If at any time the Founder shall have appointed less than two persons as directors, any Founder Director so appointed shall be entitled to cast two votes at any board meeting of the Company but shall count as one director for the purpose of establishing a quorum

24 Meetings of Directors

24.1 Subject always to Article 24.2, the Company shall hold at least ten Board meetings each calendar year and will ensure that all material business decisions of the Company are taken at such meetings

24.2 The quorum for meetings of directors shall be two directors which must include a Founder Director and the New Shareholder Representative

24.3 Notice of every meeting of the Board shall be given to each director and each Nominated Representative at any address or e-mail address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him

24.4 Meetings of the directors may, be held by conference telephone or similar equipment, so long as all the participants can hear each other Such meetings shall be as effective as if the directors had met in person

24.5 The Founder will nominate one of the Founder Directors to chair each meeting of the Board and the Founder Director so nominated shall be known as the chairman. The Founder Director may terminate the chairman's appointment at any time.

24.6 If the Founder Director appointed as chairman is not participating in the Board meeting within thirty minutes of the time at which it was to start, the other Founder Director must be appointed to chair the meeting. If the other Founder Director is also not participating in the meeting, then the Board meeting shall be adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Founder Directors may determine when one or other of them is able to participate and chair the meeting.

25 Directors' Conflicts of Interest

25.1 Subject to the provisions of the Act and provided that he has disclosed to the other directors the nature and extent of any material interest of his, a director -

25.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,

25.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested,

25.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,

25.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and

25.1.5 shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this Article.

25.2 For the purposes of this Article -

25.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified,

25.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and

25.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director

shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

26 Directors' Interests

- 26.1 For the purposes of section 175 of the Act, the directors shall have the power to authorise, on such terms and subject to such conditions as they may determine (a **Conflict Authorisation**), any matter proposed to them in accordance with these articles which otherwise might give rise to a situation (a **Conflict Situation**) in which a director (an **Interested Director**) would have a direct or indirect interest which conflicts, or may conflict, with the interests of the Company (including in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised
- 26.2 Where the directors give a Conflict Authorisation
- 26.2.1 it shall be recorded in writing (but the authorisation shall be effective whether or not it is recorded), and
- 26.2.2 the directors may revoke or vary the authority at any time but this will not affect anything done by the Interested Director in accordance with the authorisation before the revocation or variation
- 26.3 A Conflict Authorisation will be only effective if
- 26.3.1 at the meeting of the directors at which the Conflict Situation is considered, any requirement as to quorum is met without counting the Interested Director, and
- 26.3.2 it is agreed to without any Interested Director voting, or would have been agreed to if the votes of any Interested Director had not been counted
- 26.4 Subject to Article 26.3 and the provisions of the Act, any matter proposed to the directors and any authorisation by the directors in relation to a Conflict Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the directors
- 26.5 For the purposes of Article 26.1, a conflict of interest includes a conflict of interest and duty and a conflict of duties
- 26.6 An Interested Director shall be obliged
- 26.6.1 to disclose to the other directors, as soon as reasonably practicable, the nature and extent of his interest in any Conflict Situation, and
- 26.6.2 to act in accordance with any conditions determined by the directors under Article 26.1
- 26.7 Any conditions to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to Article 26.1) provision that

26.7.1 where the Interested Director obtains (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party,

26.7.2 the Interested Director may (but shall be under no obligation to) absent himself from the discussion of, or the making of decisions relating to, the relevant matter (whether at any meeting of the directors or otherwise) and be excused from reviewing documents and information prepared by or for the directors to the extent that they relate to that matter, and

26.7.3 the Interested Director be excluded from the receipt of documents and information, the participation in discussion or the making of decisions (whether at directors' meetings or otherwise) related to the relevant matter,

and anything done (or omitted to be done) by the Interested Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 26.1) will not constitute a breach by him of his duties under sections 172 to 174 of the Act

26.8 Subject to Article 26.9 but without prejudice to Article 26.1 to Article 26.7, authorisation is hereby given by the members of the Company for the time being on the terms of these Articles to each director in respect of any Conflict Situation that arises because the director is also a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, any other body corporate within the Group (a **Group Conflict Authorisation**) The Conflict Authorisation Terms applicable to the Group Conflict Authorisation (**Group Conflict Authorisation Terms**) are automatically set by this Article 26.8 so that the director concerned

26.8.1 is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and

26.8.2 may (but shall be under no obligation to)

- (a) absent himself from the discussions of, or the making of decisions,
 - (b) make arrangements not to receive documents and information,
- relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Group Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 of the Act

26.9 A Group Conflict Authorisation given or deemed given under Article 26.8 may be revoked, varied or reduced in its scope or effect by special resolution

26.10 An Investor Representative and a New Shareholder Representative shall be entitled from time to time to disclose to his appointor(s) (and to any permitted transferee of such appointor(s)) such information concerning the business and affairs of the Company as he shall at his discretion see fit

27 Directors' Borrowing Powers

The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and, subject (in the case of any security convertible into shares) to section 551 of the Act, to grant any mortgage, charge of standard security over the Company's undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

28 Alternate Directors

Appointment and removal of alternates

28.1 Any director (an **appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors (an **alternate director**), to

28.1.1 exercise that director's powers, and

28.1.2 carry out that director's responsibilities,

in relation to the taking of decisions by the directors in the absence of the alternate's appointor

28.2 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

28.3 The notice must

28.3.1 identify the proposed alternate, and

28.3.2 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

Rights and responsibilities of alternate directors

28.4 An alternate director may act as alternate director to more than one director and has the same rights, in relation to any directors' meeting, meeting of a committee of directors or directors' written resolution, as the alternate's appointor

28.5 Except as the Articles specify otherwise, alternate directors

28.5.1 are deemed for all purposes to be directors,

28.5.2 are liable for their own acts and omissions,

28.5.3 are subject to the same restrictions as their appointors, and

28.5.4 are not deemed to be agents of or for their appointors

28.6 A person who is an alternate director but not a director

28.6.1 may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and

28.6.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision and does not participate)

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

28.7 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

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

Termination of alternate directorship

28.9 An alternate director's appointment as an alternate terminates

28.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

28.9.2 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,

28.9.3 on the death of the alternate's appointor, or

28.9.4 when the alternate's appointor's appointment as a director terminates

29 Lien

29.1 The Company has a lien (the **Company's lien**) over every share registered in the name of any shareholder (whether solely or jointly with others and whether or not it is a fully paid share) for all monies due (whether payable immediately or at some time in the future) to the Company from him or his estate, whether solely or jointly with any person (whether a shareholder or not)

29.2 The Company's lien over a share

29.2.1 takes priority over any third party's interest in that share, and

29.2.2 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

29.3 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

Enforcement of the Company's lien

29.4 The directors may at any time serve notice on a shareholder of the Company's intention to enforce the Company's lien in respect of any shares in accordance with the provisions of this Article 29.4 (a **lien enforcement notice**) A lien enforcement notice

29.4.1 may only be given in respect of a share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

29.4.2 must specify the share concerned,

29.4.3 must require payment of the sum payable within 14 days of the notice,

29.4.4 must be addressed either to the holder of the share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and

29.4.5 must state the Company's intention to sell the share if the notice is not complied with

29.5 Subject to the provisions of this Article 29, if

29.5.1 a lien enforcement notice has been given in respect of a share, and

29.5.2 the person to whom the notice was given has failed to comply with it,

the Company may sell that share in such manner as the directors decide

29.6 Where shares are sold under this Article 29

29.6.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser, and

29.6.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

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

29.7.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,

29.7.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the shares before the sale for any money payable in respect of the shares after the date of the lien enforcement notice

29.8 A statutory declaration by a director that the declarant is a director and that a share has been sold to satisfy the Company's lien on a specified date

29.8.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

29.8.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

30 Partly Paid Shares, Calls and Forfeiture

30.1 If the subscription price of any share (including any premium) is partly paid, the rights to dividend and on a return of capital of any such share shall be abated in the same proportion as the unpaid amount bears to the total subscription price

Call notices

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

30.3 A call notice

30.3.1 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),

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

30.3.3 may permit or require the call to be paid by instalments

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

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

30.5.1 revoke it wholly or in part, or

30.5.2 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

Liability to pay calls

- 30.6 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid
- 30.7 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share
- 30.8 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them

30.8.1 to pay calls which are not the same, or

30.8.2 to pay calls at different times

When call notice need not be issued

- 30.9 A call notice need not be issued in respect of sums which are specified, 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)

30.9.1 on allotment,

30.9.2 on the occurrence of a particular event, or

30.9.3 on a date fixed by or in accordance with the terms of issue

- 30.10 But if the due date for payment of such a 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

Failure to comply with call notice automatic consequences

- 30.11 If a person is liable to pay a call and fails to do so by the call payment date

30.11.1 the directors may issue a notice of intended forfeiture to that person, and

30.11.2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate

- 30.12 For the purposes of this Article

30.12.1 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,

30.12.2 the **relevant rate** is

- (a) the rate fixed by the terms on which the share in respect of which the call is due was allotted,
- (b) 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
- (c) if no rate is fixed in either of these ways, 5% a year

30.13 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998

30.14 The directors may waive any obligation to pay interest on a call wholly or in part

Notice of intended forfeiture

30.15 A notice of intended forfeiture

30.15.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,

30.15.2 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,

30.15.3 must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice,

30.15.4 must state how the payment is to be made, and

30.15.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited

Directors' power to forfeit shares

30.16 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 directors 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

Effect of forfeiture

30.17 Subject to the Articles, the forfeiture of a share extinguishes

30.17.1 all interests in that share, and all claims and demands against the Company in respect of it, and

30.17.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the Company

30.18 Any share which is forfeited in accordance with the Articles

30.18.1 is deemed to have been forfeited when the directors decide that it is forfeited,

30.18.2 is deemed to be the property of the Company, and

30.18.3 may be sold, re-allotted or otherwise disposed of as the directors think fit

30.19 If a person's shares have been forfeited

30.19.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members,

30.19.2 that person ceases to be a member in respect of those shares,

30.19.3 that person must surrender the certificate for the shares forfeited to the Company for cancellation,

30.19.4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture), and

30.19.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal

30.20 At any time before the Company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit

Procedure following forfeiture

30.21 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer

30.22 A statutory declaration by a director that the declarant is a director and that a share has been forfeited on a specified date

30.22.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share, and

30.22.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share

30.23 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share

30.24 If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which

30.24.1 was, or would have become, payable, and

30.24.2 had not, when that share was forfeited, been paid by that person in respect of that share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them

Surrender of shares

30.25 A member may surrender any share

30.25.1 in respect of which the directors may issue a notice of intended forfeiture,

30.25.2 which the directors may forfeit, or

30.25.3 which has been forfeited

30.26 The directors may accept the surrender of any such share

30.27 The effect of surrender on a share is the same as the effect of forfeiture on that share

30.28 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited

31 Indemnity

31.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the proper execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, 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 relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

31.2 The Company may purchase and maintain insurance against any liability falling upon its directors or other officers or auditors which arises out of their respective duties to the Company or in relation to its affairs

32 Data Protection

Each of the shareholders of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors, (each a **Recipient**) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this Article shall include any information (but excepting all "sensitive data" as defined in the Data Protection Act 1998 for which it is recognised separate consent would be obtained) which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Subject to any confidentiality undertakings given to them by a Recipient, each of the Company's shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient within the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.