

Company number
08528493

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
WRITTEN SPECIAL RESOLUTIONS
OF
THE GYM GROUP LIMITED

In accordance with Chapter 2 of Part 13 of the Companies Act 2006, the board of directors of the company proposed that the following resolution be passed as a special resolution

Special resolution

That the articles of association set out in the document sent or submitted to every eligible member with this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company



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SPE 20/11/2015 #12
COMPANIES HOUSE
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A32 09/12/2015 #122
COMPANIES HOUSE
A4KLBATS
A09 20/11/2015 #3
COMPANIES HOUSE
L4JBYF21
LD4 02/11/2015 #24
COMPANIES HOUSE

Company number
08528493

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
WRITTEN SPECIAL RESOLUTIONS

OF

THE GYM GROUP LIMITED

UNDER CHAPTER 2 OF PART 13 OF THE COMPANIES ACT 2006

By a written resolution dated 30 October 2015, members representing not less than 75% of the total voting rights of members who were entitled to vote on the resolution on its circulation date agreed to the following resolution being passed as a special resolution

Special resolution

That the articles of association set out in the document sent or submitted to every eligible member with this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company



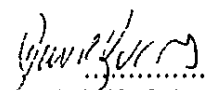
.....

Director

AGREEMENT OF ELIGIBLE MEMBERS*

The undersigned, being eligible members on 30 October 2015 (the "circulation date"), irrevocably agree to the resolution set out above

Signed by


.....
for and on behalf of Phoenix Equity Nominees Limited

Date 30 October 2015

Signed by

.....
for and on behalf of Bridges Community Ventures Nominees Limited

Date. October 2015

Signed by

.....
John Treharne

Date. October 2015

Signed by

... ..
Andrew Mathews

Date October 2015

Signed by

.....
Paul Gilbert

Date October 2015

Signed by

.....
Jonathan Spaven

Date: October 2015

Signed by

.....
David Melhuish

Date October 2015

Signed by

.. ..
Andrew Robinson

Date October 2015

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Date: October 2015

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Date: 30 October 2015

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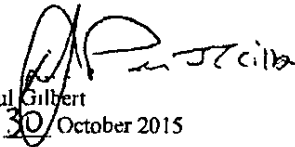
Signed by

Date John Treharne
____ October 2015

Signed by

Date Andrew Mathews
____ October 2015

Signed by

Date  Paul Gilbert
30 October 2015

Signed by

Date Jonathan Spaven
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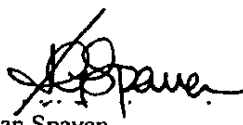
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Date October 2015

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Paul Gilbert
Date October 2015

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Date 30 October 2015

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Paul Gilbert
Date October 2015

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Jonathan Spaven
Date October 2015


Signed by

.....
David Melhuish
Date October 2015

Signed by

.....
Andrew Robinson
Date 30 October 2015

Signed by


Kerry Kuster

Date 30 October 2015

Signed by

Jasper McIntosh

Date October 2015

Signed by

James Graham

Date October 2015

Signed by

Richard Darwin

Date October 2015

Eligible members must signify their agreement to the proposed resolution as follows (i) by hand, by delivering a signed copy to Woodbridge House, Woodbridge Meadows, Guildford, Surrey GU1 1BA; (ii) by post, by sending a signed copy to Woodbridge House, Woodbridge Meadows, Guildford, Surrey GU1 1BA. Eligible members must signify their agreement to the proposed resolution within the period of 28 days from and including the circulation date. However, eligible members who do not agree with the proposed resolution do not need to reply. Once eligible members have signified their agreement to the proposed resolution, their agreement may not be revoked. The proposed resolution will lapse if it is not passed by the end of that 28 day period.

*** Note** An "eligible" member is a member who is or would be entitled to vote on the above resolution on the circulation date (ie the date on which the resolution is set or submitted to the member)

Signed by

... ..
Kerry Kuster

Date: ___ October 2015

Signed by


Jasper McIntosh

Date: 30 October 2015

Signed by

... ..
James Graham

Date: ___ October 2015

Signed by

... ..
Richard Darwin

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First Interim Articles

Company No. 8528493

Articles of Association of The Gym Group Limited

Incorporated 14 May 2013

Adopted by special resolution passed on 30 October 2015

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

THE GYM GROUP LIMITED

Adopted by special resolution passed on 30 October 2015

1. **PRELIMINARY**

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("**Model Articles**") (a copy of which is annexed) apply to the Company except in so far as they are excluded or varied by these Articles.

2. **INTERPRETATION**

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

"2006 Act"	the Companies Act 2006 (as amended from time to time)
"A Investor Director"	the director(s) appointed by the Investor Majority pursuant to Article 8 and reference to A Investor Director means any one of them
"A Ordinary Shares"	the A ordinary shares of £0.01 each of the Company having the rights set out in Article 12 in respect of Shares of that class
"Acceptance Period"	has the meaning ascribed to it in Article 12.10
"acting in concert"	the meaning set out in the City Code on Takeovers and Mergers for the time being

"Allocation Notice"

as the context requires, has the meaning given to that term in **Article 19.10** or **Article 21.14**

"Articles"

these Articles of Association as amended, supplemented, varied or replaced from time to time

"Auditors"

the auditors to the Company for the time being or, in the event that they are unable or unwilling to act, a firm of chartered accountants in England and Wales agreed on by the holders of a majority of the A Ordinary Shares, a majority of the B Ordinary Shares and a majority of the C Ordinary Shares (by the number of C Ordinary Shares ignoring any differences in voting rights or nominal value) or, in the absence of such agreement, selected (upon the application by any such majority) by the President for the time being of the Institute of Chartered Accountants in England and Wales

"Available Profits"

profits available for distribution within the meaning of the 2006 Act

"B Ordinary Shares"

the B Ordinary Shares of £0.01 each of the Company having the rights set out at **Article 12** in respect of Shares of that class

"Bad Leaver"

any Leaver:

- (a) who resigns (other than in circumstances where such resignation is (i) as a result of Permanent Ill Health of an Immediate Family Member of the Leaver or (ii) agreed between the Leaver and the Company or determined without a successful appeal by a court or employment tribunal of competent jurisdiction to have arisen in circumstances

	which constitute constructive dismissal of such Leaver); or
	(b) whose employment with a Group Company is terminated in circumstances justifying summary dismissal in accordance with such Leaver's terms of employment or engagement
"Board"	the board of directors of the Company from time to time
"Bridges"	Bridges Community Development Venture Fund II L.P.
"Bridges Investor Director"	the director appointed by the Investor Minority pursuant to Article 8
"Budget"	has the meaning ascribed to it in the Investment Agreement
"Business Day"	any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business
"Business Plan"	has the meaning ascribed to it in the Investment Agreement
"C Ordinary Shares"	the C1 Ordinary Shares, the C2 Ordinary Shares and the C3 Ordinary Shares but not for the avoidance of doubt, other than where specifically referenced in these Articles , the C4 Ordinary Shares
"C1 Ordinary Shares"	the C1 Ordinary Shares of £0.04 each of the Company having the rights set out at Article 12 in respect of Shares of that class
"C2 Ordinary Shares"	the C2 Ordinary Shares of £0.01 each of the Company having the rights set out at Article 12 in respect of Shares of that class
"C3 Ordinary Shares"	the C3 Ordinary Shares of £0.01 each of

	the Company having the rights set out at Article 12 in respect of Shares of that class
"C4 Ordinary Shares"	The C4 Ordinary Shares of £1.00 each of the Company having the rights set out at Article 12 in respect of Shares of that class
"Called Shareholders"	has the meaning given to that term at Article 20.5
"Called Shares"	the meaning given to that term at Article 20.5
"Capitalisation Value"	<p>(a) in the event of a Listing, the aggregate value of all of the Shares (expressed in pounds sterling to the nearest three decimal places) for which a Listing is obtained (being, in the case of an offer for sale, the underwritten price (or if applicable the minimum tender price), or, in the case of a placing, the placing price) (but excluding any new Shares issued as part of the arrangements relating to the Listing (other than any new Shares to be paid up by way of capitalisation of reserves)) plus the Cash Equivalent Value of the Non-Cash Consideration represented by Shares which will not be sold in the Listing but which are to be retained following the Listing;</p> <p>(b) in the event of a Relevant Sale, the aggregate consideration payable to the Shareholders in respect of their holding of Shares including the Cash Equivalent Value of any Non-Cash</p>

Consideration;

- (c) in the event of a Relevant Asset Sale, the aggregate amount available for payment to the holders of all Shares in relation to their shareholding in the Company as a result of the Relevant Asset Sale (including the Cash Equivalent Value of any Non-Cash Consideration) by way of dividend, distribution on liquidation, or the consideration payable in respect of the Shares purchased by the Company,
- (d) in the event of a Winding-Up, the amount to be distributed (including the Cash Equivalent Value of any Non-Cash Consideration) in the Winding-Up to the Shareholders in respect of their holding of Shares

"Cash Equivalent Value"

in the case of

- (a) Non-Cash Consideration represented by Shares not sold on a Listing, the value of such Shares (calculated using the Listing price per Share), or
- (b) any other form of Non-Cash Consideration not included in **(a)** above as described in **paragraph (a)** of the definition of **Non-Cash Consideration**, the value of such Non-Cash Consideration; or
- (c) any other form of Non-Cash Consideration as described in **paragraph (b)** of the definition of **Non-Cash Consideration**, the net present value of the Non-Cash Consideration,

or, in any case, such other sum as shall be agreed between the Investors, the holders of the majority of the B Ordinary Shares and the holders of the majority of the C Ordinary Shares (by number of Shares ignoring differences in nominal value or any rights attached to such Shares) as being (in the case of deferred consideration) the then current value of the right to receive the Non-Cash Consideration in question or (in the case of consideration payable otherwise than in cash) the monetary value of such consideration at that time or, failing such agreement of any Cash Equivalent Value pursuant to this definition, such sum as shall be certified by the Auditors in accordance with **Article 14.5**

"Cashflows"

the following cashflows to or from the Lead Investor Group (aggregated on a monthly basis) and any Investor Majority Syndicatee from (and including) the date of the inflow or outflow of such cashflow up to (and including) the Exit Date.

- (a) as a negative cashflow, the subscription price plus any premium payable for the Investment(s),
- (b) as a positive cashflow, those sums received from any Group Company or in the case of **paragraph (ii)** below, third parties on or prior to the Exit Date in respect of and pursuant to the rights attaching to the Investment(s) including:
 - (i) the gross amount of any dividends and interest received, or which will be received on or prior to the Exit Date, from

any Group Company in respect of the investment(s) including rolled-up dividends, and any interest thereon and any default interest, and

- (ii) any sums received, or which will be received on or prior to the Exit Date on the redemption or repayment or sale or other realisation of the Investment(s), in whole or in part, including any Non-Cash Consideration which shall be valued for these purposes at the Cash Equivalent Value,

but excluding:

- (iii) any arrangement, consultancy or monitoring fees paid pursuant to the Investment Agreement;
- (iv) any directors' fees paid to the A Investor Director(s) pursuant to the Investment Agreement; and
- (v) any Contingent Consideration payable to the Lead Investor Group or any Investor Majority Syndicatee (subject always to such amounts subsequently being treated as positive cashflows in accordance

with **Article 14.10)**

PROVIDED ALWAYS that any such amount(s) which are either (aa) received at any time (to avoid doubt whether before, during or after the transfer in question) by any member of the Lead Investor Group from an Investor Majority Syndicatee pursuant to clause 16 (Syndication) of the Investment Agreement as a result of any transfer of any Investments from any member of the Lead Investor Group to an Investor Majority Syndicatee or (bb) paid by an Investor Majority Syndicatee to any member of the Lead Investor Group in relation to any such transfer, shall be ignored for the purposes of determining Cashflows

"Chairman"	the meaning given to that term at Article 8.9
"Compulsory Sale Price"	the meaning given to that term at Article 21.5
"Contingent Consideration"	means any consideration (whether in cash or otherwise), the payment of which is subject to the satisfaction of a condition (other than a condition solely relating to the effluxion of time) which is to be satisfied after the Exit Event (and which, for the avoidance of doubt, shall include any consideration in the form of an earn out)
"Controlling Interest"	an interest (as defined in sections 820 to 825 of the 2006 Act) in Shares conferring in aggregate more than 50 per cent. of the total voting rights normally exercisable at a general meeting of the Company

"connected person"	the meaning given to that expression in section 993 of the Income Taxes Act 2007 and "connected with" shall be construed accordingly
"Deemed Transfer Notice"	the meaning given to that term at Article 21.2
"Deferred Shares"	Deferred Shares of £0.03 each and £0.0001 each of the Company having the rights set out in these Articles in respect of Shares of that class
"Drag Along Notice"	the meaning given to that term at Article 20.5
"Drag Along Option"	the meaning given to that term at Article 20.5
"EBITDA"	the earnings before interest, tax, depreciation and amortisation of the Group on a consolidated basis
"Employee Trust"	any trust established by the Company for the benefit of employees and/or any of the persons referred to in section 1166 of the 2006 Act and which has been approved by the Investor Majority
"electronic address"	any address or number used for the purposes of sending or receiving documents or information by electronic means
"Equity Shares"	"A" Ordinary Shares, "B" Ordinary Shares and "C" Ordinary Shares (but not Preference Shares or Roll-out Preference Shares)
"Excess Sale Shares"	as the context requires, has the meaning given to that term at Article 19.7.2 and Article 21.11.2
"Exit Date"	means the date upon which an Exit Event occurs

"Exit Event"

means any one of the following events:

- (a) the obtaining of a Listing;
- (b) the entering into of an unconditional agreement for a Relevant Sale or Relevant Asset Sale;
- (c) where an agreement for a Relevant Sale or Relevant Asset Sale is conditional in any respect, that agreement becoming unconditional in all respects; or
- (d) a Winding-Up

"Facility Agreement"

the facility agreement to be entered into between HSBC Bank plc and Proventus Capital Partners II AB, The Bank of New York Mellon, The Gym Group Limited and The Gym Group Midco2 Limited on 13 June 2013 as the same may be amended, supplemented, varied or replaced from time to time

"Facility Documents"

the Facility Agreement and all documents to be entered into pursuant to the terms of those agreements as the same may be amended, supplemented, varied or replaced from time to time

"Fair Value"

for the purposes of these Articles means the amount agreed between the Board (with Investor Consent) and the Seller or, in the absence of agreement within 15 Business Days of the date of receipt by the Company of relevant Compulsory Transfer Notice, as may be determined by the Independent Expert in accordance with **Article 22**

"Family Member"

the wife or husband or civil partner (or widow or widower or surviving civil partner), children and grandchildren (including step and adopted children and

	grandchildren) of a holder
"Family Trust"	in relation to a holder, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that holder or any of his Family Members and under which no power of control over the voting powers conferred by any such Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such holder or any of his Family Members
"Financial Year"	shall in respect of the Company have the meaning defined by section 390 of the 2006 Act
"Follow On Funding Loan Note Instrument"	the loan note instrument which may be entered into by The Gym Group Midco1 Limited constituting the 12% Follow On Funding Loan Notes as contemplated by the Investment Agreement and as the same may be amended, supplemented, varied or replaced from time to time
"Follow On Funding Loan Notes"	the unsecured loan notes which may be constituted by the Follow On Funding Loan Note Instrument
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time)
"Further Investment"	means any amount(s) invested by the Lead Investor Group and any amounts invested by an Investor Majority Syndicatee in the Company or in any other member of the Group (whether by way of subscription for further shares (whether equity or non-equity) or loan notes (including without limitation any Follow On Funding Loan Notes or Roll-out Preference Shares) or by way of loan or otherwise) in addition to the Initial Investment

"Good Leaver"	<p>(a) a person who is a Leaver as a result of:</p> <ul style="list-style-type: none"> (i) death; or (ii) Serious Ill Health; (iii) resignation as a result of Permanent Ill Health of an Immediate Family Member; (iv) retirement at normal retirement age; and <p>(b) any Leaver whom the Board, with Investor Consent, determines is a Good Leaver</p>
"Group"	the Company and each of its subsidiaries from time to time and references to "member of the Group" and "Group Company" is to be construed accordingly
"holder"	in respect of any Share, the person or persons for the time being registered by the Company as the holders of that Share and "shareholder" shall be interpreted accordingly
"Immediate Family Member"	the wife, husband, civil partner or child (including an adopted or step child) of a holder
"Independent Expert"	has the meaning ascribed to it in Article 22.4
"Initial Investment"	<p>means £42,430,000 being the sum of:</p> <ul style="list-style-type: none"> (a) £257,921 subscribed by the Lead Investor Group for A Ordinary Shares; and (b) £30,738,846 subscribed by the Lead Investor Group for Preference Shares,

	(c) £11,433,233 subscribed by the Lead Investor Group for Midco Loan Notes,
	in each case on completion of the Investment Agreement
"Interest Rate"	the annual rate of 20% calculated on a daily basis over a 365 day year from and including the date any sum becomes due to the actual date of payment compounded at the end of each calendar month
"Intermediate Leaver"	a Leaver who is neither a Bad Leaver nor a Good Leaver
"Investment Agreement"	the investment agreement dated June 2013 and made between the Company, its subsidiaries, the Managers and the Investors as the same may be amended, supplemented, varied or replaced from time to time
"Investment Date"	13 June 2013
"Investments"	means the sum of the Initial Investment and any Further Investment(s)
"Investor Associate"	members of an Investor Group and any company or fund (including any unit trust or investment trust) or partnership (including a limited partnership) which is advised, or the assets of which are managed, (whether solely or jointly with others) from time to time by any Investor or any member of its Investor Group or by any person who advises or manages the assets (or some material part thereof) of that Investor or any member of its Investor Group
"Investor Consent"	the consent in writing of the Investor Majority

"Investor Group"

in relation to each Investor:

- (a) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor or any general partner or manager of any such party (each such party being a **"Relevant Person"**), or
- (b) any partnership (or the partners in any such partnership) of which any Relevant Person is general partner or manager; or
- (c) any unit trust or other fund of which any Relevant Person is trustee, manager, consultant or adviser, or
- (d) any unit trust, partnership or other fund, the managers of which are advised by any Relevant Person; or
- (e) any nominee, replacement nominee or trustee of any Relevant Person; or
- (f) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of a Relevant Person including any person who becomes a manager or adviser of an Investor in place of or in addition to such Investor; or
- (g) any co-investment scheme, being a scheme under which certain officers, employees or partners of

a Relevant Person or its adviser or manager are entitled or required (as individuals or through a body corporate or any other vehicle) to acquire shares which the Relevant Person would otherwise acquire or has acquired

"Investor Majority"

the holders of not less than 50.1 per cent by nominal value of the A Ordinary Shares for the time being (whether through nominees or otherwise)

"Investor Majority Syndicatee"

a person to whom any A Ordinary Shares, Midco Loan Notes, Follow On Funding Loan Notes, Preference Shares or Roll-out Preference Shares are transferred by any member of the Lead Investor Group in accordance with clause 16 of the Investment Agreement

"Investor Minority"

Bridges Ventures LLP (or such other Investor Associate of Bridges as Bridges may from time to time appoint in its place by notice in writing to the Lead Investor and the Company) for so long as Bridges together with any of its Investor Associates and any Investor Minority Syndicatee are holders of not less than 10 per cent. in aggregate of the number of Shares (other than any non-voting Shares) for the time being in issue (whether through nominees or otherwise) and for these purposes any Shares issued in accordance with **Article 12.9.1.2** shall be disregarded in determining whether the 10 per cent. threshold has been met until such time as the Acceptance Period has expired

"Investor Minority Consent Matters"

has the meaning ascribed to such term in the Investment Agreement

"Investor Minority"

a person to whom any A Ordinary Shares, Midco Loan Notes, Follow On Funding Loan

Syndicatee"	Notes, Preference Shares or Roll-out Preference Shares are transferred by Bridges or any Investor Associate of Bridges in accordance with clause 16 of the Investment Agreement
"Investor Seller"	the meaning given to that term in Article 20.5
"Investor Seller's Shares"	the meaning given to that term in Article 20.5
"Investors"	the "Investors" as defined in the Investment Agreement (including any additional or replacement "Investor" who is joined as an "Investor" in a deed of adherence executed in accordance with the Investment Agreement)
"Issue Price"	in respect of a Share, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium and which in the case of the Preference Shares and the Roll-out Preference Shares shall to avoid doubt be £1 per share (being the amount of such nominal value together with such share premium)
"Joint Election"	a joint election under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in the usual form
"Leaver"	a shareholder who. <ul style="list-style-type: none"> (a) is an individual; and (b) is or was previously a director or employee of, or a consultant to, a member of the Group; and (c) ceases to hold such office or employment or consultancy and as a consequence is no longer a director or employee or consultant

	of any member of the Group
"Lead Investor"	has the meaning ascribed to such term in the Investment Agreement
"Lead Investor Group"	the Lead Investor and any of its Investor Associates
"LIBOR"	the mean average of the applicable Screen Rates (expressed as a percentage) for 3 month Sterling deposits as at 11.00 am on each day when the relevant Preference Shares are in issue and this interest rate applies in that calendar year, provided that if no Screen Rate is available for Sterling for any particular day it shall be replaced with the rate at which Sterling deposits of the relevant amount are offered by HSBC Bank plc for 3 months to prime banks in the London Interbank Market as at 11.00 am on that date
"Listing"	the admission by the Financial Conduct Authority in its capacity as the UK Listing Authority of any Share to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any Share to trading on AIM, a market of the London Stock Exchange plc or the admission by any recognised investment exchange of any Share, and, in each case, such admission becoming effective
"Managers"	the "Managers" as defined in the Investment Agreement (including any additional or replacement "Manager" who is joined as a "Manager" in a deed of adherence executed in accordance with the Investment Agreement)
"Member Applicant"	as the context requires, has the meaning given to that term in Article 19.10 or Article 21.14
"Midco Loan Note Instrument"	the instrument constituting the Midco Loan

	Notes entered into by The Gym Group Midco1 Limited on 13 June 2013 as the same may be amended, supplemented, varied or replaced from time to time
"Midco Loan Notes"	the £35,500,000 subordinated unsecured Midco Loan Notes 2023 of The Gym Group Midco1 Limited to be constituted by the Midco Loan Note Instrument
"New Deferred Shares"	New Deferred Shares of £1 each of the Company having the rights set out in these Articles in respect of Shares of that class
"Non-Cash Consideration"	<p>(a) any consideration which is payable otherwise than in cash but which is agreed between all of the Investors, the holders of the majority of the B Ordinary Shares and the holders of the majority of the C Ordinary Shares (by number of C Ordinary Shares ignoring any differences as to voting rights or nominal value) to be capable of valuation as at the Exit Date (including any Shares which are not sold on a Listing but which are held by the Shareholders following the Listing), or failing such agreement if determined by the Auditors to be capable of valuation in accordance with Article 14.5; and/or</p> <p>(b) any consideration (whether in cash or otherwise) which is deferred or otherwise not payable on completion of the relevant Exit Event but which is agreed between all of the Investors, the holders of the majority of the B Ordinary Shares and the holders of the majority of the C Ordinary Shares (by number of C Ordinary</p>

Shares ignoring any differences as to voting rights or nominal value) to be capable of valuation as at the Exit Date or failing such agreement if determined by the Auditors to be capable of valuation in accordance with **Article 14.5**

but, for the avoidance of doubt, excluding any Contingent Consideration

"Offer Notice"

as the context requires, has the meaning given to that term at **Article 19.5** or **Article 21.9**

"Permanent Ill Health"

an illness or disability certified by a general medical practitioner (nominated or approved (acting reasonably) by the Investor Majority within 10 days of request by a Manager) as rendering the individual in need of sustained long term care

"Preference Shares"

the cumulative preference shares of £0 000001 each of the Company having the rights set out at **Article 12** in respect of Shares of that class

"Proportionate Entitlement"

as the context requires, has the meaning given to that term in **Article 19.6.2** or **Article 21.10.2**

"recognised investment exchange"

the meaning given to the expression in section 285(1) FSMA

"Relevant Asset Sale"

a sale of the whole or substantially the whole of the trading assets or subsidiaries of the Group

"Relevant Sale"

a sale of the entire issued share capital of the Company

"Remuneration Committee"

means the remuneration committee of the Company constituted in accordance with

	the terms of the Investment Agreement
"Roll-out Preference Shares"	the cumulative preference shares of £0 000001 each of the Company having the rights set out at Article 12 in respect of Shares of that class
"Sale"	the transfer (other than a transfer permitted under Articles 18.1, 18.2, 18.3.1 and 18.3.2) of any interest in Shares to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest
"Sale Shares"	as the context requires, has the meaning given to that term at Article 19.1.1 or Article 21.2
"Screen Rate"	the London interbank offered rate administered by the British Bankers Association (or any other person who takes over the administration of that rate) for Sterling and the relevant period displayed on pages LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which publishes that rate from time to time in place of Reuters) provided that if the agreed page(s) are replaced or the service ceases to be available, the Company may designate another page or service displaying a rate determined upon the same or a similar basis in which case the Screen Rate shall be determined by reference to the rate so displayed
"Securities"	any shares, loan notes or other securities of any nature issued by the Company (or options to subscribe for such instruments or entitlements other convertible into such instruments) by the Company save for the Midco Loan Notes or Follow On Funding

	Loan Notes
"Seller"	a holder who wishes, or is required, to transfer any Share or any beneficial interest therein to a person to whom Article 18 does not apply
"Serious Ill Health"	an illness or disability certified by a general medical practitioner (nominated or approved (acting reasonably) by the Investor Majority within 5 days of request by a Manager) as rendering the departing person permanently incapable of carrying out his role as an employee and/or director save where such incapacity has arisen as a result of the abuse of drugs or alcohol
"Shares"	shares in the capital of the Company
"Statutes"	the Companies Act as defined in section 2 of the 2006 Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company
"Swamping Event"	any circumstance where: <ul style="list-style-type: none"> (a) the Company or any member of the Group has failed to redeem any of the Midco Loan Notes, Topco Loan Notes or Follow On Funding Loan Notes and/or pay interest on any of the Midco Loan Notes, Topco Loan Notes or Follow On Funding Loan Notes or pay any dividends on any Preference Shares or Roll-out Preference Shares in each case within 5 Business Days of the due date for the relevant payment in accordance with the relevant loan note instrument or these Articles;

or

- (b) the Company is in breach of any of the financial covenants under the Facility Documents or is otherwise in material breach of any of the Facility Documents so as to cause any "Event of Default" (as defined in the Facility Documents) or in the opinion of the Investor Majority (acting reasonably) such a breach and/or "Event of Default" is reasonably likely to occur within the next nine months; or
- (c) there is a material breach of the provisions of these Articles or the Investment Agreement by the Company and an Investor Majority has notified the Company of such breach and either such breach cannot be remedied or has not been remedied to the reasonable satisfaction of the Investor Majority within 10 Business Days of such notification;

"Tag Along Offer"

the meaning given to that term at **Article 20.3**

"Target Amount"

the amount which, when taken together with other positive Cashflows arising on or prior to the relevant Exit Event, would be required to be received by the Lead Investor Group and any Investor Majority Syndicatee in order to provide the Lead Investor Group and any such Investor Majority Syndicatee with aggregate positive Cashflows equal to 2.75 times the amount of the Investment(s)

"Topco Loan Note Instrument" the instrument constituting the Topco Loan Notes entered into by the Company on 13 June 2013 as the same may be amended, supplemented, varied or replaced from time to time

"Topco Loan Notes" the £910,000 subordinated unsecured Loan Notes 2023 of the Company to be constituted by the Topco Loan Note Instrument

"Transfer Event" the meaning given to that term at **Article 21.1**

"Transfer Notice" the meaning given to that term at **Article 19.1**

"Transfer Price" the meaning given to that term at **Article 19.1.3**

"Warehouse" any or all of the Company, an Employee Trust or employees or prospective employees of any Group Company in such numbers and proportions of Shares as the Remuneration Committee may determine

"Winding-Up" the passing of any resolution for the winding up of the Company, or any other return of capital (on liquidation, capital reduction or otherwise)

2.2 Unless the context otherwise requires, words and expressions contained in these Articles bear the same meaning as in the Statutes (but excluding any statutory modification not in force when these Articles become binding on the Company)

2.3 References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision.

2.4 Reference to a **"subsidiary"** or **"holding company"** will have the meanings defined by section 1159 CA 2006 and for the purposes of section 1159(1) a company (the first company) shall be treated as a member of another company if.

2.4.1 any of its subsidiaries is a member of that other company; or

- 2.4.2 any shares in that other company are held by a person acting on behalf of the first company or any of its subsidiaries; or
- 2.4.3 any shares in that other company are registered in the name of a person (or its nominee) by way of security or in connection with the granting of security over those shares by the first company.
- 2.5 Where the word "**address**" appears in these Articles it is deemed to include postal address and, where applicable, electronic address.
- 2.6 Words signifying the singular number only include the plural number and vice versa.
- 2.7 References to persons will include any individual, firm, body corporate, unincorporated association or partnership, executors, administrators, successors in title and legal personal representatives.

PROCEEDINGS OF DIRECTORS

3 DECISIONS OF DIRECTORS

A decision of the directors may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing. Model Article 8(2) shall not apply to the Company.

4. REMOVAL OF DIRECTORS

The office of any director shall be vacated if:

- 4.1 (in the case of an executive director only) he shall, for whatever reason, cease to be employed by the Company or any other member of the Group and he does not remain an employee of any other Group Company, or
- 4.2 (other than in the case of an A Investor Director and/or a Bridges Investor Director) all the other directors request his resignation in writing,
- and the provisions of Model Article 18 shall be extended accordingly.

5. QUORUM FOR DIRECTORS' MEETINGS

- 5.1 The quorum for directors' meetings shall throughout each meeting be two directors one of whom must, subject to **Article 5.2**, be an A Investor Director (if appointed)
- 5.2 In relation to any meeting of the directors to consider whether to authorise a conflict of interest of any A Investor Director and/or a Bridges Investor Director

- 5.2.1 it shall not be necessary for such A Investor Director and/or Bridges Investor Director (as applicable) to be present in person or by proxy in order to constitute a quorum;
 - 5.2.2 the meeting shall not deal with any other business other than that of the consideration of the conflict of interest of an A Investor Director and/or the Bridges Investor Director (as applicable); and
 - 5.2.3 the quorum for such meeting shall be one and Model Article 11(2) is varied accordingly
- 5.3 Without prejudice to **Article 5.2**, if, and as a consequence of section 175(6) of the 2006 Act, a director cannot vote or be counted in the quorum at a meeting of the directors the following apply:
- 5.3.1 if the eligible directors participating in the meeting do not constitute a quorum, then the quorum for the purposes of the meeting shall be one which must be, other than a meeting pursuant to **Article 5.2**, an A Investor Director (if appointed) and Model Article 11(2) is varied accordingly, and
 - 5.3.2 if, notwithstanding **Article 5.3.1**, the eligible directors participating in the meeting still do not constitute a quorum, then the meeting must be adjourned to enable the Investor Majority to authorise any situation in which a director has a conflict of interest.

6. **DIRECTORS' INTERESTS**

- 6.1 Subject to these Articles and the 2006 Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director (including an A Investor Director and/or a Bridges Investor Director) notwithstanding his office, but, in the case of directors other than an A Investor Director and/or a Bridges Investor Director, subject always to obtaining Investor Consent.
- 6.1.1 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;
 - 6.1.2 may hold any other office or employment with the Company (other than the office of Auditor);
 - 6.1.3 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 in which the Company is in any way interested;
 - 6.1.4 may, or any firm or company of which he is a 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 (other than as Auditor),
and

- 6.1 5 shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by **Articles 6.1.1 to 6.1.4** and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 6.2 Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which the director or any other interested director may have or where the terms of authorisation of such conflict of interest provide that the director may not vote in situations prescribed by the Board when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in **Articles 6.1.1 to 6.1.4** (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4).
- 6 3 For the purposes of **Article 6.1**:
- 6.3.1 a general notice to the Board 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;
- 6.3.2 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
- 6.3.3 an interest of a person who is for any purpose of the Statutes (excluding any statutory modification not in force at the date of adoption of these Articles) 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.
- 6 4 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company.

7 AUTHORISATION OF DIRECTORS' CONFLICTS OF INTEREST

- 7.1 Any approval of a conflict of interest (other than a conflict of interest of an A Investor Director, Bridges Investor Director or the Chairman) pursuant to **Article 6** will be subject, in addition to board authorisation pursuant to section 175 of the 2006 Act, to obtaining Investor Consent who may specify that certain conditions be attached to such authorisation. Any such board authorisation

pursuant to section 175 of the 2006 Act which is given without obtaining Investor Consent or without such conditions attaching to the authorisation as specified by the Investor Majority will be ineffective

7.2 Any conflict of interest of an A Investor Director, Bridges Investor Director or the Chairman may be authorised either by way of authorisation of the Board as set out at section 175 of the 2006 Act or by way of resolution of the Investor Majority. Any refusal of the Board to authorise such conflict of interest will not in any way affect the validity of a resolution of the Investor Majority to authorise such conflict of interest.

7.3 An A Investor Director and/or Bridges Investor Director will not be in breach of his duty under sections 172, 173 and 175 of the 2006 Act or the authorisation given by this **Article 7** by reason only that he receives confidential information from a third party relating to a conflict of interest which has been authorised by this **Article 7** and either fails to disclose it to the directors or fails to use it in relation to the Company's affairs.

8. **A INVESTOR DIRECTORS, BRIDGES INVESTOR DIRECTOR AND CHAIRMAN**

8.1 An Investor Majority may from time to time appoint any two people to be directors with the title of investor directors (each being an "**A Investor Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove any A Investor Director from office.

8.2 The Investor Minority may from time to time appoint any one person to be a director with the title of investor director (the "**Bridges Investor Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove the Bridges Investor Director from office.

8.3 Subject to **Article 8.2**, an Investor Majority is entitled from time to time to appoint to, and remove from the Board and any committee of the Board or the board of any other member of the Group such number of directors as it may direct, and upon removal, to appoint other people in their place by notice to the Company in writing which shall take effect immediately upon receipt of the notice by the Company.

8.4 Any appointment or removal of an A Investor Director and/or a Bridges Investor Director shall be in writing served on the Company signed by the Investor Majority (in the case of the appointment or removal of A Investor Director) or by the Investor Minority (in the case of the appointment or removal of the Bridges Investor Director) and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier. Any such

appointment or removal by a corporation may be signed on its behalf by its duly authorised representative.

- 8.5 Notice of meetings of the Board shall be served on any A Investor Director and Bridges Investor Director who is absent from the United Kingdom at the addresses for service of notice on each Investor under the Investment Agreement.
- 8.6 Upon written request by the Investor Majority the Company shall procure that the A Investor Directors (or any one of them) is forthwith appointed as a director of any other member of the Group, to any committee of the Board or the board of any member of the Group.
- 8.7 If the Investor Majority exercises any right pursuant to **Article 8.6**, upon written request by the Investor Minority the Company shall procure that the Bridges Investor Director is forthwith appointed as a director of the same other member of the Group or committee of the Board or the board of any member of the Group which the A Investor Directors (or any one of them) has been appointed to.
- 8.8 Where any decision is to be made by any member of the Group in relation to the exercise, enforcement or waiver of its rights under the Acquisition Documents (as defined in the Investment Agreement) or against any holder or any director or person connected with any such holder or director (other than in respect of the enforcement of any director's service agreement to the extent any such decision is reserved for the Remuneration Committee in accordance with the Investment Agreement), any such decision shall be within the exclusive power of an A Investor Director (to the exclusion of the other directors but after consultation with a majority thereof) who shall have (without limitation) exclusive authority in relation to the conduct of any proceedings of whatever nature arising in connection with any such rights and no other director shall have power to settle or compromise any such claim.
- 8.9 The Investor Majority may from time to time, in addition to the A Investor Director(s), appoint any person following reasonable consultation with Management and the Investor Minority to be a director and the chairman of the Board (the "**Chairman**") and remove from the office of Chairman and director a person so appointed. **Article 8.4** shall apply to any such appointment or removal mutatis mutandis. Model Article 12 shall be modified accordingly. The fee payable to the Chairman shall be at such rate agreed between the Board and the Chairman and, in the absence of agreement, shall be determined by an A Investor Director.
- 8.10 If the provisions of **Article 12.9** apply, any one A Investor Director shall be entitled to exercise such number of votes at any meeting of the Board or of any

committee of which he is a member which is equal to one vote more than half of the total number of votes exercisable at such a meeting or, in the event that this would result in his apparently being entitled to exercise a fractional number of votes (for example 2.5 with a Board of 5) the number of votes he is entitled to exercise shall be rounded up to the nearest whole number.

9. **CASTING VOTE**

9.1 Model Article 13(1) shall not apply to the Company. Neither the chairman nor any director chairing any board meeting shall have a casting vote if the votes for and against a proposal are equal.

10. **ALTERNATE DIRECTORS**

10 1 **Appointment and removal of alternates**

10 1 1 Any director (the “**appointor**”) may appoint as an alternate director any other director, or with Investor Consent, any other person, to:

10.1.1.1 exercise that director’s powers; and

10.1.1.2 carry out that director’s responsibilities,

in relation to participation in directors’ meetings and the taking of decisions by the directors in the absence of the alternate director’s appointor.

10.1.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

10.1.3 The notice must

10.1.3.1 identify the proposed alternate director; and

10.1.3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate director that the proposed alternate director is willing to act as the alternate director of the director giving the notice.

10 2 **Rights and responsibilities of alternate directors**

10.2.1 An alternate director has the same rights, in relation to participation in directors’ meetings and the taking of decisions by the directors and in relation to directors’ written resolutions, as the alternate director’s appointor.

10.2.2 An alternate director may act as an alternate director for more than one appointor.

10.2.3 Except if these Articles specify otherwise, alternate directors:

10.2.3.1 are deemed for all purposes to be directors,

10.2.3.2 are liable for their own acts and omissions;

10.2.3.3 are subject to the same restrictions as their appointors;
and

10.2.3.4 are not deemed to be agents of or for their appointors,

and, 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.

10.2.4 A person who is an alternate director but not a director:

10.2.4.1 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

10.2.4.2 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).

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

10.2.5 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.

10.2.6 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 director's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

10.3 **Termination of alternate directorship**

10.3.1 An alternate director's appointment as alternate terminates:

- 10.3.1.1 when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 10.3.1.2 on the occurrence in relation to the alternate director of any event which, if it occurred in relation to the alternate director's appointor, would result in the termination of the appointor's appointment as a director,
- 10.3.1.3 on the death of the alternate director's appointor; or
- 10.3.1.4 when the alternate director's appointor's appointment as a director terminates

11. **ALTERNATE DIRECTORS' EXPENSES**

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".

SHARE RIGHTS

12. **SHARE RIGHTS**

- 12.1 Save as otherwise provided in these Articles, the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares shall be treated *pari passu* and as if they constituted one class of Share. The rights attached to the Shares are as follows:

DIVIDENDS

- 12.2 With respect to dividends

- 12.2.1 Subject to **Article 12.2.4**, the Company shall without resolution of the Board and before application of any profits to reserve or for any other purpose accrue in respect of each Preference Share a fixed cumulative preferential dividend at the annual rate of 10% of the Issue Price (subject to **Article 12.2.1.2**) per Preference Share (excluding any associated tax credit) ("**Preference Share Dividend**") which dividend shall:

- 12.2.1.1 accrue daily assuming a 365-day year,

- 12.2.1.2 be calculated on a compounded basis with compounding occurring at the end of each calendar year (meaning that all accruals of dividends at such 10% annual rate in any given calendar year remaining unpaid shall be treated as an addition to the aggregate Issue Price of the Preference

Shares for the purposes of calculating the 10% rate dividend accruing from the start of the following calendar year and for each subsequent calendar year).

All accruals of Preference Share Dividend shall become due and payable at the sole discretion of the Board.

- 12.2 2 Subject to **Article 12.2.4**, the Company shall without resolution of the Board and before application of any profits to reserve or for any other purpose accrue in respect of each Roll-out Preference Share a fixed cumulative preferential dividend at the annual rate of 12% of the Issue Price (subject to **Article 12.2.2.2**) per Roll-out Preference Share (excluding any associated tax credit) ("**Roll-out Preference Share Dividend**") which dividend shall:

12.2.2 1 accrue daily assuming a 365-day year;

12 2 2.2 be calculated on a compounded basis with compounding occurring at the end of each calendar year (meaning that all accruals of dividends at such 12% annual rate in any given calendar year remaining unpaid shall be treated as an addition to the aggregate Issue Price of the Roll-out Preference Shares for the purposes of calculating the 12% rate dividend accruing from the start of the following calendar year and for each subsequent calendar year)

All accruals of Roll-out Preference Share Dividend shall become due and payable at the sole discretion of the Board.

- 12.2.3 If the Company is unable to pay (because of the Company having insufficient Available Profits and/or not otherwise having sufficient monies that may lawfully be applied in paying the same) any Preference Share Dividend or Roll-out Preference Share Dividend when due in accordance with **Articles 12.2.1** and **12.2.2** then:

12.2.3.1 the Company shall nevertheless pay such Preference Share Dividends and Roll-out Preference Share Dividends to the fullest extent then lawfully possible (with all holders of the Preference Shares and Roll-out Preference Shares being paid an equal proportion of the total amount of accrued dividends then payable to them); and

12.2.3.2 to the extent such dividends remain unpaid, to avoid doubt, accruals shall continue in accordance with **Articles 12.2.1** and **12.2.2** above; and

- 12.2.3.3 the amount(s) of any such dividends remaining unpaid shall be increased by an amount equal to the interest which would accrue on such unpaid amount(s) treated as a due debt of the Company accruing interest at the Interest Rate for the period from the date on which payment of such dividends was due to the date of actual payment; and
- 12.2.3.4 the Company shall pay such outstanding accruals of dividends (or any part thereof, with all holders of Preference Shares and Roll-out Preference Share being paid an equal proportion of the total amount of accrued dividends then payable to them) as soon as there are sufficient Available Profits or there are otherwise monies available for the Company to do so.
- 12.2.4 No dividend or other distribution shall be made whilst any Topco Loan Notes, Midco Loan Notes or Follow On Funding Loan Notes are outstanding or any Preference Shares or Roll-out Preference Shares are in issue, save (i) for payments of dividends payable in accordance with **Articles 12.2.1 and 12.2.2** or (ii) with the consent of the holders of a majority of the A Ordinary Shares, a majority of the B Ordinary Shares and a majority of the C Ordinary Shares (by the number of C Ordinary Shares ignoring any differences in voting rights or nominal value). Subject thereto, any remaining profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of the holders in general meeting and Investor Consent, be applied in distributing the balance of such profits amongst the holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares then in issue pari passu according to the number of such Shares held by them respectively as if they constituted one class of Share and ignoring any differences in voting rights or nominal value. To avoid doubt, the Deferred Shares or the C4 Ordinary Shares shall not be entitled to participate in any such distribution.
- 12.2.5 Where any person is a Bad Leaver, any Preference Shares and/or Roll-out Preference Shares held by that person or any person (other than an Investor or another Manager) to whom that Bad Leaver has transferred any Preference Shares and/or Roll-out Preference Shares shall from the date the relevant holder becomes a Leaver accrue in respect of each Preference Share and each Roll-out Preference Share at an annual percentage rate equal to LIBOR of the Issue Price per Preference Share or Roll-out Preference Share as applicable (excluding any associated tax credit) in substitution for the rate of 10% or 12% stated in **Article 12.2.1** or **Article 12.2.2** as applicable (but shall

otherwise continue to accrue and to compound in accordance with **Article 12.2.1** or **Article 12.2.2** as applicable).

CAPITAL AND REDEMPTION

- 12.3 On a return of capital on liquidation or capital reduction or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be applied as if they were the proceeds from an Exit Event in accordance with **Article 14**.

VOTING

- 12.4 Subject to any rights or restrictions for the time being attached to any class or classes of Shares, and to **Articles 12.8** to **12.13**, each holder of A Ordinary Shares and/or B Ordinary Shares and/or C1 Ordinary Shares and/or C3 Ordinary Shares shall be entitled to receive notice of, and to attend and speak, at any general meeting and at any separate class meeting of the Company for Shares of the class they hold and

- 12.4.1 on a written resolution, each holder of:

12.4.1.1 A Ordinary Shares, shall have one vote in respect of each such Share they hold;

12.4.1.2 B Ordinary Shares, shall have two votes in respect of each such Share they hold;

12.4.1.3 C1 Ordinary Shares, shall have one vote in respect of each such Share they hold;

12.4.1.4 C3 Ordinary Shares, shall have ten votes in respect of each such Share they hold and;

12.4.1.5 C4 Ordinary Shares, shall be entitled to such number of votes which, when counted together with all other votes capable of being cast by that holder of C4 Ordinary Shares in question pursuant to this Article 12.4.1 in respect of any other class of Share held by that holder of C4 Ordinary Shares, equals 5% of all votes capable of being cast by all Shareholders.

- 12.4.2 on a show of hands, each holder who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall have one vote each; and

12.4.3 on a poll, each holder who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall in the case of:

12.4.3.1 a holder of A Ordinary Shares, have one vote in respect of each such Share they hold;

12.4.3.2 a holder of B Ordinary Shares, have two votes in respect of each such Share they hold;

12.4.3.3 a holder of C1 Ordinary Shares, have one vote in respect of each such Share they hold;

12.4.3.4 a holder of C3 Ordinary Shares, have ten votes in respect of each such Share they hold;

12.4.3.1 a holder of C4 Ordinary Shares, shall be entitled to such number of votes which, when counted together with all other votes capable of being cast by that holder of C4 Ordinary Shares in question pursuant to this Article 12.4.3 in respect of any other class of Share held by that holder of C4 Ordinary Shares, equals 5% of all votes capable of being cast by all Shareholders.

provided always that the holders of the A Ordinary Shares as a class shall never have less than 82.38% of the total voting rights attributable to all of the Shares, whether on a written resolution, show of hands or on a poll (and the votes attaching to the other classes of shares shall be adjusted downwards on a pro rata basis to the extent necessary) such votes being divided pro rata amongst the holders of the A Ordinary Shares

12.5 Each holder shall be entitled to appoint more than one proxy to exercise all or any of his rights to attend and to speak and vote at a general meeting or at a separate class meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different Share or Shares held by such holder

12.6 If more than one proxy is appointed in respect of a different Share or Shares by a holder in accordance with **Article 12.5** but the document appointing the proxies does not specify to which Share or Shares the appointment relates, then the person first named as proxy in such document shall be the only proxy for such holder entitled to attend and vote at the relevant general meeting or separate class meeting.

12.7 The C2 Ordinary Shares shall not entitle the holders thereof to attend or vote at general meetings of the Company or any class meeting or vote on written

resolutions of the Company in respect of their C2 Ordinary Shares. The Preference Shares will entitle the holders thereof to receive notice of all general meetings but not to attend or vote at any general meeting or on any written resolution of the Company.

SWAMPING

12.8 The provisions of **Article 12.9** shall apply if there has occurred any Swamping Event which is continuing and has not been remedied to the reasonable satisfaction of the Investor Majority (as confirmed by written notice to the Company).

12.9 If the circumstances stated at **Article 12.8** have occurred then the Investor Majority shall be entitled (but not obliged) to serve a written notice on the Company, each other Investor and each Manager.

12.9.1 If such a Swamping Event has occurred and a written notice has been served upon the Company by the Investor Majority:

12.9.1.1 all holders of Shares (including the Investor Minority) save for the Lead Investor, the Investor Majority, any Investor Majority Syndicatee and any Investor Associate of such Lead Investor or Investor Majority, shall cease to be entitled to receive notice of, or to attend and vote at (whether on a show of hands or on a poll) any general meeting of the Company, any class meeting of the Company or to be entitled to receive any further Shares issued by way of rights issue (or otherwise) provided always that in any event any Investor Minority Consent Matter may not be carried out without the consent of the Investor Minority as may be required pursuant to the Investment Agreement; and

12.9.1.2 new Shares and Securities may be issued, ranking ahead of or pari passu with any of the existing Shares, Topco Loan Notes, Midco Loan Notes and/or Follow On Funding Loan Notes without the consent of the holders of the Shares and/or Topco Loan Notes and/or Midco Loan Notes and/or Follow On Funding Loan Notes and the provisions of **Article 16** shall not apply to such issue.

The provisions of **Articles 12.9.1** shall continue until the Investor Majority confirms that they should cease to apply.

12.10 For the avoidance of doubt, the provisions in **Article 12.9** shall, where a written notice has been served upon the Company in accordance with **Article 12.9**, enable the Investor Majority

12.10.1 to pass any written resolutions of the Company pursuant to section 288 of the 2006 Act; and

12.10.2 to consent to the holding of a class meeting and/or general meeting of the Company on short notice (pursuant to section 307(4) of the 2006 Act),

in either case, on the basis that the Investor Majority would constitute the only holder who would be entitled to receive notice of, attend and vote at a general meeting and/or any class meeting of the Company provided always that any such class meeting is convened only to pass resolutions or consents necessary to constitute and issue any new shares and any other Securities to be issued by the Company and/or any other Group Company (and not to otherwise vary or abrogate the rights attached to any Shares or other Securities already in existence) and provided further that in any event any Investor Minority Consent Matter may not occur without the consent of the Investor Minority,

PROVIDED THAT in the event that any Shares or any other Securities are issued by the Company or any Group Company to the Lead Investor and/or any other member of the Lead Investor Group pursuant to **Article 12.9.1.2**, the Investor Majority shall subsequently offer a proportion of such Shares and Securities to each other holder (other than any Leaver and any person who is not an Investor or a Manager to whom the Leaver has transferred any Shares) ("**Offeree**") on the following basis

- (i) in the case of Equity Shares (or any instrument convertible into or option to acquire Equity Shares), then each holder will be offered that proportion of such newly issued Equity Shares or other instruments or rights to subscribe for the same (the "**New Equity Shares**") as the number of Equity Shares held by that holder prior to the issue of the New Equity Shares ("**Old Equity Shares**") bears to the total number of Old Equity Shares in issue immediately prior to the issue of the New Equity Shares, and with each holder being offered New Equity Shares in that class or those classes in which they then currently hold Equity Shares (and so that on transfer such New Equity Shares shall be redesignated as New Equity Shares in the same class(es) and in the same proportions in which such holder held Old Equity Shares immediately prior to such transfer on such basis as the Board shall determine acting reasonably and with Investor Consent); or

- (ii) in the case of any other Securities, then each holder will be offered that number of Securities which the number of A Ordinary Shares and/or B Ordinary Shares held by such holder immediately prior to the issue of the New Equity Shares bears to the total number of A Ordinary Shares and B Ordinary Shares which were in issue at that time (with each holder being offered Securities of the same class or with the same rights unless the holders of all of the A Ordinary Shares and the holders of a majority of the B Ordinary Shares otherwise agree).

Any such offer shall be made within 14 days of the relevant Shares or other Securities being issued to the Lead Investor Group at the same price and otherwise on terms identical in all material respects to those pursuant to which such shares or other Securities were subscribed for by the Investor Majority and be open for acceptance for a period of not less than 30 days nor more than 45 days ("**Acceptance Period**"). The Offerees in each case may elect to accept any such offer in whole or part provided always that the Offerees take up the same proportion of each of the different classes of shares and Securities which have been offered to them. The Investor Majority shall transfer the relevant number of shares and Securities to each other holder that accepts such offer within 10 Business Days of written notification of acceptance.

SUSPENSION OF VOTING RIGHTS

12.11 The provisions of **Article 12.12** shall apply:

- 12.11.1 if, at any time without Investor Consent, any holder (other than an Investor) or any former holder has transferred Shares in breach of the provisions of these Articles;
- 12.11.2 if, at any time without Investor Consent, any holder of B Ordinary Shares and/or any holder of C Ordinary Shares (including for these purposes the C4 Ordinary Shares) is in material breach of the provisions of these Articles and/or the Investment Agreement (or any former holder still bound by the Investment Agreement from whom any holder of B Ordinary Shares and/or C Ordinary Shares (including for these purposes the C4 Ordinary Shares) acquired such shares is in material breach of the provisions of the Investment Agreement) and an Investor Majority has notified the holder in question of such breach and either such breach cannot be remedied or has not been remedied to the reasonable satisfaction of the Investor Majority within 10 Business Days of such notification, or

- 12.11.3 if any holder of B Ordinary Shares and/or any holder of C Ordinary (including for these purposes the C4 Ordinary Shares) Shares becomes a Bad Leaver.
- 12.12 If any of the circumstances stated at **Article 12.11** have occurred unless the Investor Majority give written notice to the relevant holder to the contrary:
- 12.12.1 the Shares which such holder holds or to which he is entitled; and
- 12.12.2 any Shares formerly held by such holder which have been transferred either in breach of the provisions of these Articles or in accordance with **Article 18** (Permitted Transfers),
- shall cease to entitle the holder thereof (or any proxy) to receive notice of or to attend and vote (whether on a show of hands or on a poll) at any general meeting or at any separate class meeting of the Company or to be entitled to receive any further Shares issued by way of rights issue (or otherwise) from the date of any breach referred to at **Articles 12.11.1** and **12.11.2**, the date a Leaver becomes a Leaver in accordance with **Article 21.4** or the date upon which a Transfer Notice is served pursuant to **Article 19** (as the case may be).
- 12.13 The provisions of **Article 12.12** shall continue to apply:
- 12.13.1 in the case of **Articles 12.11.1** or **12.11.2** applying, for so long as such breach subsists;
- 12.13.2 in the case of **Article 12.11.3** applying, until such time as the relevant B Ordinary Shares and/or C Ordinary Shares (including for these purposes the C4 Ordinary Shares) have been transferred pursuant to the provisions of **Article 19**;
- 12.13.3 notwithstanding any other provisions in these Articles, if any holder of B Ordinary Shares and/or C Ordinary Shares (including for these purposes the C4 Ordinary Shares) retains any B Ordinary Shares and/or C Ordinary Shares (including for these purposes the C4 Ordinary Shares) after the operation in full of the provisions of **Article 21** whilst such holder (or any person who has acquired such Shares under a permitted transfer (directly or indirectly) under **Article 18.2**) continues to hold such Shares

DEFERRED SHARES

- 12.14 The Deferred Shares and New Deferred Shares shall not entitle the holders thereof to attend or vote at general meetings of the Company or any class meeting or vote on written resolutions of the Company in respect of their Deferred Shares or New Deferred Shares respectively.

12.15 In respect of all Deferred Shares and New Deferred Shares the Company shall have an irrevocable authority at any time:

12.15.1 to purchase the same (in accordance with the provisions of the 2006 Act) for:

12.15 1.1 in respect of Deferred Shares, £1 in aggregate to all holders of Deferred Shares, and

12 15.1.2 in respect of New Deferred Shares, £1 per New Deferred Share,

without any requirement to obtain the consent or sanction of the holders thereof and, for the purposes of such purchase, to appoint a person to execute (as agent and attorney for and on behalf of the holders of the Deferred Shares and New Deferred Shares) a contract for the sale to the Company of any Deferred Shares or New Deferred Shares held by any such holders; and/or

12.15.2 pending such purchase, to retain the certificates for such Deferred Shares or New Deferred Shares

13. **FACILITY DOCUMENTS**

The payment of any dividends or redemption of any Shares shall be subject to any provisions restricting the same in the Facility Documents.

14. **EXIT EVENT**

14 1 In the event of an Exit Event then, notwithstanding anything to the contrary in the terms and conditions governing such Exit Event the selling holders (immediately prior to such Exit Event) shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling holders in the following order of priority:

14.1 1 the Capitalisation Value shall be allocated:

14.1 1.1 first in paying to each holder of Preference Shares and each holder of Roll-out Preference Shares in respect of each Preference Share and Roll-out Preference Shares of which it is the holder, an amount equal to (i) 100% of the Issue Price thereof and (ii) the aggregate amount of any accruals and/or unpaid amounts of Preference Dividend and/or Roll-out Preference Dividend (to be calculated to and including the date of the return of capital and to be payable irrespective of whether such dividend would be

unlawful by reason of there being insufficient Available Profits; and then

- 14.1.1.2 in paying the sum of £1 in aggregate to all holders of Deferred Shares; and then
- 14.1.1.3 in paying to each holder of New Deferred Shares an amount equal to the nominal value of each New Deferred Share of which it is a holder; and then
- 14.1.1.4 until the Target Amount shall have been received by the Lead Investor Group, in paying the balance to the holders of Equity Shares, such balance to be initially allocated as between the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares on a pro rata basis (and across all such classes as if they were a single class and ignoring any different nominal values or rights attached to such Shares) but then reallocating 39.39% of that part of the aggregate value so allocated pursuant to this **Article 14.1.1.3** from the holders of the C Ordinary Shares to the holders of the A Ordinary Shares and the B Ordinary Shares instead pro rata as if such Shares constituted a single class, with such allocation being determined by reference to the number of C Ordinary Shares in issue immediately prior to any conversion of C Ordinary Shares pursuant to **Article 14.7**; and then,
- 14.1.1.5 unless the relevant Exit Event takes place after the fourth anniversary of the Investment Date and the Investor Majority serves written notice on the Company at any time following such fourth anniversary that this **Article 14.1.1.5** shall not apply, the balance (if any) of the Capitalisation Value (after deducting the amount allocated under **Article 14.1.1.1** to **Article 14.1.1.3**) shall be allocated to the holders of Equity Shares as between the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares on a pro rata basis (and across all such classes as if they were a single class and ignoring any different nominal values or rights attached to such Shares), with such allocation being determined by reference to the number of C Ordinary Shares in issue immediately prior to any conversion of C Ordinary Shares pursuant to **Article 14.7**; and then,

- 14 1.1.6 once the holders of the A Ordinary Shares and the B Ordinary Shares receive a return equal to or in excess of £700,000,000 (seven hundred million) in aggregate, in paying the balance to the holders of Equity Shares (including for these purposes the C4 Ordinary Shares), such balance to be initially allocated as between the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares (including for these purposes the C4 Ordinary Shares) on a pro rata basis (and across all such classes as if they were a single class and ignoring any different nominal values or rights attached to such Shares), with such allocation being determined by reference to the number of C Ordinary Shares in issue immediately prior to any conversion of C Ordinary Shares pursuant to **Article 14.7**.
- 14 2 The Investor Majority may serve a notice as referred to in **Article 14.1.1.5** entirely at its discretion and, if such a notice is served, the Capitalisation Value shall be allocated between the Shares only in accordance with **Article 14.1.1.1** to **Article 14.1.1.3** (to avoid doubt so that **Article 14.1.1.3** shall accordingly apply to the whole balance remaining after distributions under **Article 14.1.1.1** and **Article 14.1.1.2**, and not just the balance until the Target Amount shall have been received by the Lead Investor Group).
- 14 3 The Board shall determine, and notify the shareholders of, the estimated Exit Date (the "**Estimated Exit Date**") and, no later than 20 Business Days prior to such Estimated Exit Date, shall procure that the calculations provided for in **Article 14.1.1** are carried out by reference to the Estimated Exit Date. The Board shall notify the shareholders in writing of the results of such calculations as soon as reasonably practicable after they become available.
- 14 4 As soon as is reasonably practicable following receipt of such notice as referred to in **Article 14.3**, the Investor Majority, the Investor Minority, the holders of a majority of the B Ordinary Shares and the holders of a majority of the C Ordinary Shares (by the number of C Ordinary Shares), shall endeavour to agree the results of the calculations set out in such notice.
- 14.5 If the Investor Majority, the Investor Minority, the holders of a majority of the B Ordinary Shares and the holders of a majority of the C Ordinary Shares have failed to reach unanimous agreement pursuant to **Article 14.4** by the date which is 5 Business Days prior to the Estimated Exit Date, the matter shall be referred to the Auditors for final determination. In making such determination, the Auditors shall act as an expert and not as arbitrator and their decision shall (in the absence of manifest error) be final and binding on the shareholders. The costs of the Auditors shall be borne by the shareholders in such proportions as

the Auditors may direct having regard to the conduct of the parties or, in the absence of such a direction, shall be borne by the shareholders pro rata to the proportions of the Capitalisation Value received by them.

- 14 6 If, after calculation of the distribution of the Capitalisation Value pursuant to **Article 14.4** or **Article 14.5** but before any Exit Date, there shall be:

14.6.1 any change in the Capitalisation Value; or

14.6.2 any delay in the occurrence of the Exit Date such that it is expected to occur more than 28 days following the Estimated Exit Date falls,

the procedures set out in **Articles 14.2** to **14.5** shall be repeated (as often as required) and the calculations recomputed accordingly.

- 14 7 In the event that **Article 14.1.1.5** applies, immediately prior to the Exit Event, and conditional upon the occurrence of the Exit Event, such number of C Ordinary Shares shall be converted into Deferred Shares such that:

14.7 1 the holders of the Equity Shares shall each between them receive the amount of consideration allocated to them under **Article 14.1.1**; and

14.7.2 the price per Share on the relevant Exit Event shall be identical for the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares.

- 14 8 In the event of any dispute between any of the parties in relation to **Article 14.7** any such party may refer such dispute to the Auditors and the Auditors shall determine the number of Shares to be converted into Deferred Shares pursuant to **Article 14.7**. In making such determination, the Auditors shall act as an expert and not as arbitrator and their decision shall (in the absence of manifest error) be final and binding on the shareholders. The costs of the Auditors shall be borne by the shareholders in such proportions as the Auditors may direct or, in the absence of such a direction, shall be borne by the shareholders pro rata to the proportions of the Capitalisation Value received by them.

- 14.9 Any conversion pursuant to **Article 14.7** shall be made on the following terms:

14.9.1 conversion shall take effect immediately prior to the Exit Event at no cost to the relevant holders and the Shares to be converted shall be apportioned rateably (or as near thereto as may be practicable to avoid the apportionment of a fraction of a Share) among the holders of Shares of that class and any certificate of the Auditors as to the number of Shares to be converted, the Shares into which they convert, and the apportionment of such Shares among the relevant holders shall (in the absence of fraud or manifest error) be conclusive and

binding on the Company and upon all of its Shareholders for the purposes or these Articles;

14.9.2 the holders of the relevant Shares shall deliver the certificates (or indemnities in respect of such Shares in the agreed form) therefor to the Company for cancellation, and

14 9.3 the Company shall issue to the persons entitled thereto certificates for the Deferred Shares (if any) resulting from the conversions and the balance of their holdings of Shares.

14.10 On each occasion on which any Contingent Consideration shall in fact be received, the provisions of **Article 14.1** shall be reopened and reapplied as at the Exit Date to include the received Contingent Consideration discounted back to the Exit Date to determine the allocation of the same and for that purpose, the calculations used in allocating consideration already received shall be reworked provided always that no value already allocated shall be reallocated and this Article shall serve only to allocate the later received Contingent Consideration. Any additional consideration payable shall be allocated in accordance with **Article 14.1** between the Shares that were in issue immediately following the conversion pursuant to **Article 14.7** notwithstanding that this may result in a different amount of consideration being paid for the Shares of each class. To avoid doubt, any agreement or arrangement entered into by or offer made to and accepted by the shareholders of the Company (or any of them) in connection with an Exit Event shall provide for any relevant Capitalisation Value to be distributed amongst all holders of Shares so as to give effect to the provisions in this **Article 14.10**.

14.11 For the avoidance of doubt if the relevant Exit Event takes place after the fourth anniversary of the Investment Date, and a notice has been served in accordance with **Article 14.1.1.4**, the Capitalisation Value shall be allocated in accordance with **Article 14.1.1.1** to **Article 14.1.1.3** only

14.12 Immediately prior to and conditionally upon a Listing all holders shall enter into such reorganisation of the share capital of the Company as they may agree to ensure that the amounts referred to in **Article 14** are allocated between the holders of the Shares the subject of such Listing in the same proportions as the provisions of **Article 14.1** would provide in distributing the proceeds of a Relevant Sale to all holders selling Shares in connection with such Relevant Sale.

15. **VARIATION OF RIGHTS**

15.1 Subject to **Articles 12.9** the class rights attached to classes of Share may from time to time (whether or not the Company is being wound up) be varied or abrogated with the consent in writing of the holders of at least 75 per cent of the

issued Shares of that class or with the sanction of a special resolution passed at a separate class meeting of the holders of that class.

- 15.2 For each such separate class meeting referred to in **Articles 15.1** all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply mutatis mutandis, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative and holding or representing not less than one-third in nominal value of the issued Shares of the relevant class, that every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him and that any holder of Shares of the class present in person or by proxy or (being a corporation) by a duly authorised representative may demand a poll. For the purpose of this Article one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 15.3 The rights attached to A Ordinary Shares shall, with the intent that this **Article 15.3** shall, subject to **Article 12.9**, create class rights attaching to such class of Share (and no other class) for the purposes of section 630 of the 2006 Act which may be varied with the consent in writing of the holders of a majority of the A Ordinary Shares and which shall be deemed to be varied by any of the actions referred to below. Investor Consent shall be required for every such action and the Company shall not permit any of them to be carried out or agreed to be carried out without such Investor Consent (including, where necessary through the exercise of its voting rights and other powers of control over any subsidiaries). The actions are
- 15.3.1 any variation (including any increase) in the issued share capital of the Company or any Group Company or the creation or the granting of any options or other rights to subscribe for, or convert into, Shares or shares of any Group Company or the variation of the rights attaching to the Shares or shares of any Group Company;
 - 15.3.2 the reduction of the Company's share capital, share premium account, capital redemption reserve or any other reserve or the purchase by the Company of any of its own Shares,
 - 15.3.3 the amendment of any provisions of the Articles or the articles of association of any Group Company,
 - 15.3.4 the redemption of any Topco Loan Notes of the Company other than on a redemption in accordance with the terms of the Topco Loan Notes;
 - 15.3.5 the redemption of any Midco Loan Notes other than on a redemption in accordance with the terms of the Midco Loan Notes,

- 15.3.6 the capitalisation of any undistributed profits (whether or not the same are available for distribution and including profits standing to the credit of the reserve) or any sums standing to the credit of the share premium account or capital redemption reserve fund of the Company;
 - 15.3.7 the taking of any steps to wind up the Company or any other Group Company,
 - 15.3.8 any disposal of the whole or substantially the whole of the business of the Company or any Group Company or any of the shares in any Group Company;
 - 15.3.9 the declaration, making or payment of any dividend or other distribution to holders other than as expressly permitted under the Articles;
 - 15.3.10 any change in the accounting reference date of the Company;
 - 15.3.11 the appointment or removal of the Auditors (other than the reappointment of the existing Auditors),
 - 15.3.12 the appointment or removal of any director or chairman of the Company other than pursuant to Article 8;
 - 15.3.13 the acquisition of any interest in any share in the capital of any company by any Group Company;
 - 15.3.14 the establishment of or variation to any employee share option scheme;
 - 15.3.15 the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article be a variation of the class rights of the A Ordinary Shares;
 - 15.3.16 the creation by any Group Company of any mortgage, charge, pledge, lien, encumbrance or other security interest (excluding an interest arising by operation of law in the ordinary course of business or as required by the Facility Documents), or
 - 15.3.17 any Listing.
- 15.4 None of the following events shall constitute a variation or abrogation of the class rights attaching to any class of Shares other than the class rights of the holders of A Ordinary Shares in accordance with **Article 15.3** above:
- 15.4.1 the allotment or issue of any Shares or Securities in accordance with **Article 16**, or

15.4.2 where a Swamping Event has occurred, the allotment or issue of any Shares or Securities subject always to the provisions of **Article 12.10**.

16. ALLOTMENT OF SECURITIES

16.1 The directors shall not allot any Shares or other Securities unless notice in writing is given to each holder of Equity Shares specifying:

16.1.1 the number and classes of Shares which are proposed to be issued;

16.1.2 the number and type of Securities which are proposed to be issued;

16 1.3 the consideration payable on such issue; and

16 1.4 any other material terms or conditions

16 2 The notice specified in **Article 16.1** shall invite each relevant holder of Equity Shares (as applicable in accordance with the provisions in this **Article 16**) to state, in writing within 10 Business Days from the date of such notice (which date shall be specified therein), whether he/it is willing to subscribe for any, and if so, how many Shares and/or other Securities.

16.3 The Shares and/or other Securities proposed to be issued pursuant to **Article 16.1** shall be issued to, a holder accepting the offer, on the following basis:

(i) in the case of Equity Shares (or any instrument convertible into or option to acquire Equity Shares), then each holder will be offered that proportion of such newly issued Equity Shares or other instruments or rights to subscribe for the same (the "**New Equity Shares**") as the number of Equity Shares held by that holder prior to the issue of the New Equity Shares ("**Old Equity Shares**") bears to the total number of Old Equity Shares in issue immediately prior to the issue of the New Equity Shares, and with each holder being offered New Equity Shares in that class or those classes in which they then currently hold Equity Shares on a pro rata basis; or

(ii) in the case of any other Securities, then each holder will be offered that number of Securities which the number of A Ordinary Shares and/or B Ordinary Shares held by such holder immediately prior to the issue of the New Equity Shares bears to the total number of A Ordinary Shares and B Ordinary Shares which were in issue at that time (with each holder being offered Securities of the same class or with the same rights unless the holders of all of the A Ordinary Shares and the holders of a majority of the B Ordinary Shares otherwise agree).

The proportions in which each holder is offered any Shares or other Securities pursuant to sub-paragraphs (i) and (ii) above shall for the purposes of these Articles be that holder's "**Proportionate Element**".

It shall be open to each such holder to specify if he/it is willing to subscribe for Shares and other securities in excess of those offered to him ("**Additional Securities**") and, if the holder does so specify, he shall state the number of Additional Securities but provided always that:

- (i) a holder may not subscribe for only class of Share or other Security where more than one class is offered as part of the same offer round and if subscribing only for part of those offered may only accept the offer across those different classes on a pro rata basis; and
- (ii) to the extent such offer is made in respect of Equity Shares (or any instrument convertible into or option to acquire Equity Shares) then to avoid doubt Equity Shares shall only be issued to holders in those classes (and proportions in which they hold Equity Shares as between such classes) in which they hold Equity Shares prior to the offer.

16.4 Within three Business Days of the expiry of the invitation made pursuant to the notice given under **Article 16.1** (or sooner if all holders have responded to the invitation and all the Shares proposed to be issued have been accepted in the manner provided for in **Article 16.3**), the Board shall allocate the Shares and/or other Securities in the following manner:

16.4.1 if the total number of Shares and/or other Securities applied for is equal to or less than the available number of Shares and/or other Securities to be issued the Company shall allocate the number applied for in accordance with the applications; or

16.4.2 if the total number of Shares and/or other Securities applied for is more than the available number of Shares and/or other Securities to be issued, each holder shall be allocated his Proportionate Element (or such lesser number of Shares and/or other Securities to be issued for which he may have applied) or, in the event of competition, (as nearly as may be) to each holder applying for Additional Securities in his/its Proportionate Element,

and in either case the Company shall forthwith give notice of each such allocation (an "**Issue Notice**") to each of the persons to whom Shares and any other securities are to be issued (a "**Member Subscriber**") and shall specify in the Issue Notice the time (being not later than 10 Business Days after the date of the Issue Notice) at which the allotment of the Shares and/or other Securities shall be made.

- 16.5 Upon such allocations being made as set out in **Article 16.4**, the Board shall be bound, on payment of the subscription price, to issue the Shares and/or other Securities comprised in the Issue Notice to the Member Subscriber named therein at the time therein specified free from any lien, charge or encumbrance.
- 16.6 Notwithstanding any other provisions of this **Article 16**, no Shares or Securities shall be allotted to any party not bound by the Investment Agreement unless that party has first entered into a Joint Election if required to do so by the Investor Majority and a deed of adherence if so required by the Investment Agreement.
- 16.7 The provisions of **Articles 16.2 to 16.4** shall have no application:
- 16.7.1 if the provisions of **Article 12.9** apply (but to avoid doubt without prejudice to the requirements of **Article 12.10**),
 - 16.7.2 to any holder to whom the provisions of **Articles 12.11 and 12.12** apply; and
 - 16.7.3 if the provisions of clause 22 of the Investment Agreement apply.
- 16.8 Notwithstanding anything herein to the contrary, the provisions in this **Article 16** shall not apply to:
- 16.8.1 any issue of up to 70,000 of C2 Ordinary Shares in aggregate to employees and/or directors of the Group in such proportion and to such individuals as the Remuneration Committee may determine or as may otherwise be required to be issued in accordance with the Investment Agreement; and/or
 - 16.8.2 the issue of up to £12,600,000 Follow-On Funding Loan Notes, or up to 12,600,000 Roll-out Preference Shares, or a combination thereof (such that the face value in £s sterling of the Follow-On Funding Loan Notes when aggregated with the number of Roll-out Preference Shares in issue does not exceed £12,600,000) in accordance with the Investment Agreement; and/or
 - 16.8.3 the issue of up to £50,000 of New Deferred Shares in aggregate to shareholders in such proportion and to such shareholders as the Board may determine.
- 16.9 In accordance with section 567(1) and (2) of the 2006 Act, sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act shall not apply to the Company.
- 16.10 Model Article 21 shall not apply to the Company

TRANSFER OF SHARES

17. GENERAL

- 17.1 No transfer of any Share shall be made or registered unless such transfer complies with the provisions of these Articles and the transferee has first entered into a Joint Election if required to do so by the Investor Majority and a deed of adherence if so required by the Investment Agreement. Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of Shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles.
- 17.2 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer of Shares:
- 17.2.1 any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted, issued or transferred to some person other than himself; and
- 17.2.2 any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument.

18. PERMITTED TRANSFERS

Notwithstanding the provisions of any other Article, the transfers set out in this **Article 18** shall be permitted without restriction and the provisions of **Articles 19** (Voluntary Transfers) and **20** (Change of Control) shall have no application in respect of any such transfer or transfers

18.1 Permitted transfers by Investors

- 18.1.1 Any Investor who is a body corporate ("**Original Holder**") shall be entitled to transfer all or any of its Shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "**Related Company**") but if a Related Company whilst it is a holder of such Shares shall cease to be a Related Company of the Original Holder it shall, within 15 Business Days of so ceasing, transfer the Shares held by it to the Original Holder or any Related Company of the Original Holder and failing such transfer the holder shall be deemed to have given a Transfer Notice pursuant to **Article 21**.

- 18.1.2 Any Investor ("**Original Investor Holder**") may transfer all or any of its Shares to an Investor Associate or to any other member of its Investor Group (each such body corporate being a "**Related Investor**") but if a Related Investor whilst it is a holder of such Shares shall cease to be a Related Investor of the Original Investor Holder it shall, within 15 Business Days of so ceasing, transfer the Shares held by it to the Original Investor Holder or any Related Investor of the Original Investor Holder and failing such transfer the holder shall be deemed to have given a Transfer Notice pursuant to **Article 21**.
- 18.1.3 Any Investor may transfer Shares to any partner of a limited partnership (or their nominees) acting in such capacity (provided such transfer is made in accordance with the fund or partnership agreement governing such entity or partnership) or to the holders of units in a unit trust (or their nominees) on a distribution in kind or otherwise under the relevant partnership agreement or trust deed.
- 18.1.4 Any Shares which are held by an Investor on behalf of any collective investment scheme (within the meaning of section 235 of FSMA), may be transferred to participants (within the meaning of that section), in the scheme in question
- 18.1.5 Any Investor may transfer any Shares to the beneficial owner of the Shares, including, without limitation, to any person who becomes a general partner, nominee or trustee for a limited partnership, unit trust or investment trust in place of, or in addition to, such Investor.
- 18.1.6 Any Shares may be transferred in accordance with Clause 16 of the Investment Agreement.

18.2 **Permitted Transfers by non-Investors**

- 18.2.1 Subject to **Articles 18.2.2 to 18.2.6** inclusive, any holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board (with Investor Consent) to be:
- 18.2.1.1 a Family Member of his, or
- 18.2.1.2 trustees to be held under a Family Trust in relation to that individual
- 18.2.2 Subject to **Article 18.2.4**, no Shares shall be transferred under **Article 18.2.1** by an individual who previously acquired those Shares by way of transfer under **Article 18.2.1** save to another individual who is a Family Member of the original holder of such Shares or to

trustees to be held under a Family Trust in relation to the original holder of such Shares.

18.2.3 No transfer of Shares shall be made by a holder under **Article 18.2.1**:

18.2.3.1 unless in the case of a transfer under **Article 18.2.1.2**, Investor Consent has been provided to the Company (such consent not to be unreasonably withheld or delayed) that the Investor Majority is satisfied:

(a) that none of costs incurred in establishing or maintaining the relevant Family Trust will be payable by any member of the Group, and

(b) with the terms of the instrument constituting such trust and with the identity of the trustees; and

18.2.3.2 if the proposed transfer will result in 50 per cent. or more by nominal value of the Shares originally held by the holder being held by that holder's Family Trust and Family Members.

18.2.4 Where Shares are held by trustees under a Family Trust:

18.2.4.1 those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved by an Investor Consent (such approval not to be unreasonably withheld or delayed),

18.2.4.2 those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under **Article 18.2.1** if he had remained the holder of them; and

18.2.4.3 if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Articles 18.2.4.1** or **18.2.4.2**), the trustees shall be deemed to have given a Transfer Notice in respect of all the Shares then held by those trustees pursuant to **Article 21**.

18.2.5 If:

18.2.5 1 any person has acquired Shares as a Family Member of a holder by way of one or more transfers permitted under this **Article 18.2**;

18.2.5.2 that person ceases to be a Family Member of that holder;

that person shall forthwith transfer all the Shares then held by that person back to that holder, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the Shares then held by that person pursuant to **Article 21**

18.2 6 Subject to the provisions of **Article 21**, if the personal representatives of a deceased holder are permitted under these Articles to become registered as the holders of any of the deceased holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under **Article 18.2** to any person to whom the deceased holder could have transferred such Shares under this Article if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this **Article 18**.

18 2.7 The trustees of any Employee Trust may transfer Shares held by them to the beneficiaries of such Employee Trust with the consent of the Remuneration Committee.

18.3 **Permitted Transfers by all Shareholders**

18.3 1 Subject to **Article 15.3.2** any holder may at any time transfer any Shares, in accordance with the provisions of the Statutes, to the Company.

18 3.2 Subject to **Article 20.1** if applicable, any holder may at any time transfer all or any of his Shares to any other person with the consent of an Investor Majority and an Investor Minority

18 3.3 Any Shares may be transferred pursuant to **Article 20.1** (Tag along) and/or **Articles 20.5** and **20.6** (Drag along) Any Shares may be transferred by an Investor Majority, any member of its Investor Group, any of its Investor Associates, any Investor Majority Syndicatee and/or any person to whom any such party has transferred Shares pursuant to **Article 18** where the provisions of **Article 20.1** (Tag Along) apply and are complied with or where **Articles 20.5** and **20.6** (Drag along) apply and a Drag Along Notice is served.

19. **VOLUNTARY TRANSFERS**

- 19 1 Except as permitted under **Article 18**, any Seller who wishes to transfer Shares shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:
- 19.1.1 the number and classes of Shares (the "**Sale Shares**") which he wishes to transfer;
 - 19.1.2 if known, the name of any third party to whom he proposes to sell or transfer the Sale Shares; and
 - 19.1.3 the price at which he wishes to transfer the Sale Shares (the "**Transfer Price**").
- 19.2 The Seller may state in the Transfer Notice that he is only willing to transfer all the Sale Shares in which case no Sale Shares can be sold unless offers are received for all of them.
- 19 3 No Transfer Notice once given in accordance with these Articles shall be withdrawn unless the Seller is obliged to procure the making of an offer under **Articles 20.1 to 20.4** and is unable to procure the making of such an offer or the Investor Majority approves such withdrawal. In that event the Seller shall be entitled to withdraw such Transfer Notice without liability to any person, prior to completion of any transfer save that where the Investor Majority approves such withdrawal, the Seller shall bear all costs relating to such Transfer Notice.
- 19 4 The Transfer Notice shall constitute the Company the agent of the Seller for the sale of the Sale Shares upon the following terms:
- 19.4.1 the price for each Sale Share is the Transfer Price, and
 - 19 4 2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 19.5 Within five Business Days of the receipt by the Company of a Transfer Notice, the Sale Shares referred to therein shall be offered by the Company to the holders (other than the Seller) in accordance with the following order of priorities (the "**Offer Notice**"):
- 19 5.1 in the first instance to all persons in the category set out in the corresponding line in **column (2)** in the table below; and
 - 19.5 2 to the extent not accepted by persons in **column (2)**, to all persons in the category set out in the corresponding line in **column (3)** in the table below; and

19.5.3 to the extent not accepted by persons in **column (3)**, to all persons in the category set out in the corresponding line in **column (4)** in the table below; and

19.5.4 to the extent not accepted by persons in **column (4)**, to all persons in the category set out in the corresponding line in **column (5)** in the table below.

(1) Class of Sale Shares	(2) First Offer to	(3) Second Offer to	(4) Third Offer to	(5) Fourth Offer to
A Ordinary Shares	Holders of A Ordinary Shares and B Ordinary Shares	Holders of C Ordinary Shares		
B Ordinary Shares	Holders of A Ordinary Shares and B Ordinary Shares	Holders of C Ordinary Shares		
C Ordinary Shares (including for these purposes the C4 Ordinary Shares)	Warehouse	Holders of C Ordinary Shares	Holders of A Ordinary Shares and B Ordinary Shares	
Preference Shares	Holders of Preference Shares	Holders of Roll-out Preference Shares	Holders of A Ordinary Shares and B Ordinary Shares	Holders of C Ordinary Shares
Roll-out Preference Shares	Holders of Roll-out Preference Shares	Holders of Preference Shares	Holders of A Ordinary Shares and B Ordinary Shares	Holders of C Ordinary Shares

19.6 Subject always to the order of priorities set out in **Article 19.5**, the Sale Shares shall.

- 19.6.1 in respect of any offer of Sale Shares to the Warehouse, be treated as offered in such numbers and proportions as the Remuneration Committee shall, with Investor Consent, direct); and
 - 19.6.2 in all other cases, be treated as offered on terms that, in the event of competition, the Sale Shares offered shall be sold to a holder accepting the offer in the same proportion (as nearly as may be) to the proportion which Shares held by such holder bear to the total number of Shares held by all such holders accepting such offer (the "**Proportionate Entitlement**").
- 19.7 Each holder may state in writing within 20 Business Days from the date of an Offer Notice (which date shall be specified therein) whether he is willing to purchase
- 19.7.1 some or all of his Proportionate Entitlement; and
 - 19.7.2 the number of Sale Shares in excess of his Proportionate Entitlement ("**Excess Sale Shares**") he is willing to purchase (if any)
- 19.8 Any acceptance of Sale Shares comprised in an Offer Notice by the Company (as the Warehouse) is conditional upon the Company having satisfied on or before the date of completion:
- 19.8.1 the requirements of the Statutes to purchase the Sale Shares in question; and
 - 19.8.2 any requirement for consent under **Article 15**
- 19.9 If any Sale Shares accepted by the Company cannot be bought back at completion by the Company because it is unable to comply with **Articles 19.8.1** and/or **19.8.2**, then this **Article 19** shall take effect as if no acceptance was given by the Company.
- 19.10 Within three Business Days of the expiry of the Offer Notice period set out in **Article 19.7** (or sooner if all holders have responded to the invitation and all the Sale Shares shall have been accepted in the manner provided in **Article 19.7**), the Board shall allocate the Sale Shares in the order of priorities set out in **Article 19.5** and subject thereto in the following manner:
- 19.10.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or
 - 19.10.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares:

19.10.2.1 each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) in the order of priorities set out in **Articles 19.5.1 to 19.5.4** (inclusive); and

19.10.2.2 applications for Excess Sale Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares in the proportion which Shares held by such holder bears to the total number of Shares held by all such holders applying for Excess Sale Shares provided that such holder shall not be allocated more Excess Sale Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an "**Allocation Notice**") to the Seller and each of the persons to whom Sale Shares have been allocated (a "**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 10 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

19.11 Subject to **Article 19.12**, upon such allocations being made as set out in **Articles 19.5 to 19.10** (inclusive):

19.11.1 the Seller shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance;

19.11.2 if the Seller defaults in so doing, the Company, 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 on behalf of the Seller with full power to give, execute, complete and deliver in the name and on behalf of the Seller:

19.11.2.1 a transfer of the relevant Sale Shares to the Member Applicant; and

19.11.2.2 all such consents, written resolutions and proxies as the appointed agent or attorney shall consider to be necessary or desirable for the purposes of any general meeting of the Company relating to or associated with or required to enable the sale of the Sale Shares to proceed;

- 19.11.3 the Company may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them, and
- 19.11 4 the Company 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 Seller 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 12 If the provisions of **Article 19.2** apply and if the total number of Shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 10 Business Days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this **Article 19** shall be conditional upon all Sale Shares being sold.
- 19.13 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 19** the Seller may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer all the Sale Shares (if **Article 19.2** does apply) or any Sale Shares which have not been sold (if **Article 19.2** does not apply) to any person or persons at any price not less than the Transfer Price **PROVIDED THAT** the Board shall refuse registration of any proposed transferee of a holder of Shares unless the Company has Investor Consent (and, in the case of a transfer of Shares by any member of the Lead Investor Group and/or any Investor Majority Syndicatee, the consent of an Investor Minority) to register such transfer of Sale Shares.

20. **CHANGE OF CONTROL**

Tag along

- 20.1 Subject to **Article 20.2**, if the effect of any transfer of Shares by a Seller would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Seller shall procure the making by such transferee of a Tag Along Offer to all of the other holders (other than any holders who are the subject of a Drag Along Notice in accordance with **Article 20.5**) pursuant to which such holder shall only be required to sell their Shares free from encumbrance and with full title guarantee

and on terms which are otherwise no more onerous than those being entered into by the Seller. Every holder or recipient of such offer, on receipt of a Tag Along Offer, shall be bound within 20 Business Days of the date of such offer (or within such longer period as the offer may specify) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Tag Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers.

20.2 The provisions of **Articles 20.1** and **20.5** shall not apply to any transfer of Shares:

20.2.1 pursuant to **Article 18** (other than **Article 18.3.2**); and/or

20.2.2 to any person who was an original party to the Investment Agreement.

20.3 **"Tag Along Offer"** means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase (i) Shares held by the recipients of a Tag Along Offer and (ii) any Shares for which such recipients may subscribe, free from all liens, charges and encumbrances, in each case at a price per Share equal to:

20.3.1 in the case of all the Deferred Shares taken together, £1;

20.3.2 in the case of Preference Shares and or Roll-out Preference Shares, the aggregate of (i) 100% of its Issue Price; and (ii) the aggregate amount of any accruals and/or unpaid amounts of Preference Dividend and/or Roll-out Preference Dividend as applicable on that Share (to be calculated to and including the date of the Tag Along Offer and to be payable irrespective of whether such dividend would be unlawful by reason of there being insufficient Available Profits),

20.3.3 in the case of Equity Shares (including for these purposes the C4 Ordinary Shares), on the basis of the price per share which would be allocated to such Equity Shares (including for these purposes the C4 Ordinary Shares) on an Exit Event in accordance with **Article 14**; and

20.3.4 in the case of New Deferred Shares, £1 per New Deferred Share.

20.4 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to the Auditors and **Articles 29.1** and **29.2** shall apply

Drag along

20.5 If the Investor Majority (in **Articles 20.5** and **20.6**, the **"Investor Seller"**) wishes to transfer its Shares (**"Investor Seller's Shares"**) to any person (the **"Buyer"**), pursuant to the terms of a bona fide arms length transaction, then the

Investor Seller shall also have the option (the "**Drag Along Option**"), exercisable by the Investor Seller giving written notice to that effect (a "**Drag Along Notice**"), to require all other holders and any persons who would become holders upon the exercise of any options, warrants or other rights to subscribe for Shares which exist at the date the Drag Along Notice is given (the "**Called Shareholders**"), to transfer with full title guarantee all their Shares (including any such Shares issued or to be issued pursuant to any options, warrants or rights to subscribe existing at the date the Drag Along Option is exercised) (together the "**Called Shares**") to the Buyer, or as the Buyer directs on terms that are no more onerous than those being entered into by the Investor Seller. The Drag Along Option must provide for terms such that the sale and purchase of the Called Shares and the Investor Seller's Shares will be completed at the same time. A Drag Along Notice shall be given by the Investor Seller to each Called Shareholder and shall specify:

20.5.1 that the Called Shareholders are, or will, in accordance with this **Article 20.5** and **Articles 20.6** and **20.7** and, be required to transfer with full title guarantee all their Called Shares free from all liens, charges and encumbrances;

20.5.2 the price at which the Called Shares are to be transferred (which shall be:

20.5.2.1 in the case of all the Deferred Shares taken together, £1;

20.5.2.2 in the case of Preference Shares and or Roll-out Preference Shares, the aggregate of (i) 100% of the Issue Price of such shares; and (ii) the relevant proportion of the aggregate amount of any accruals and/or unpaid amounts of Preference Dividend and/or Roll-out Preference Dividend as applicable (to be calculated to and including the date of the Drag Along Notice and to be payable irrespective of whether such dividend would be unlawful by reason of there being insufficient Available Profits);

20.5.2.3 in the case of Equity Shares (including for these purposes the C4 Ordinary Shares), the price per share which would be allocated to such Equity Shares (including for these purposes the C4 Ordinary Shares), given the aggregate Capitalisation Value, on an Exit Event in accordance with **Article 14**, and

20.5.2.4 in the case of New Deferred Shares, £1 per New Deferred Share

Such price may be satisfied in cash, securities or otherwise in any combination thereof and the manner of satisfaction shall be stated in the Drag Along Notice provided always that where any price is to be satisfied in more than one form of consideration the Called Shareholders shall receive the same proportion (as nearly as may be) of such manner of consideration as being received by the Investor Seller;

20.5.3 the documents required to be executed by the Called Shareholder, the time period within which those documents should be delivered to the Company; and

20.5.4 the proposed date of completion of the sale of the Called Shares the subject of the Drag Along Notice.

20.6 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Called Shares pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Called Shares ("**a New Member**"), a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall be deemed to have been served upon the New Member who shall thereupon be bound to sell and transfer all such Called Shares acquired by him to the Buyer or as the Buyer may direct and the provisions of this **Article 20.6** shall apply mutatis mutandis to the New Member save that completion of the sale of such Called Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member or, if later, upon the date of completion under the previous Drag Along Notice.

20.7 If the Called Shareholders (or any of them which shall include any New Member) shall default in transferring their Called Shares within any time period specified in the Drag Along Notice (including any Called Shares issued pursuant to any options, warrants or rights to subscribe existing at the date of the Drag Along Notice once exercised) in accordance with the provisions of any Drag Along Notice and **Article 20.6**, the provisions of **Article 19.11** (references therein to the Seller, Sale Shares, Allocation Notice and Member Applicant being read as references to the holder making such default, the Called Shares in respect of which such default is made, the Drag Along Notice and the Buyer respectively) shall apply to the transfer of such Called Shares mutatis mutandis but the Transfer Price shall be the price offered for such Called Shares as set out in **Article 20.5**.

20.8 A Drag Along Notice shall be served in accordance with **Article 30**.

20.9 A Drag Along Notice may be revoked at any time prior to the completion of the sale of the Called Shares of a Called Shareholder by the service of a written notice by the Investor Sellers on the Called Shareholder.

20.10 On any Exit Event under this **Article 20** then, notwithstanding any provision of this **Articles 20**, the provisions of **Article 14** shall apply in determining how the proceeds from the sale of any Shares shall be distributed.

21. **COMPULSORY TRANSFERS**

21.1 In this **Article 21**, a "**Transfer Event**" means, in relation to any holder of Shares:

21.1.1 a holder who is an individual becoming bankrupt;

21.1.2 a holder making any arrangement or composition with his creditors generally;

21.1.3 a holder becoming a Leaver;

21.1.4 a holder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles; and

21.1.5 a holder failing to make a transfer of Shares required by **Articles 18.1.1** or **18.2.5**.

21.2 An Investor Majority may, within 12 months from the date of a Transfer Event falling within any of **Articles 21.1.1** to **21.1.4** or six months from the date of a Transfer Event falling within **Article 21.1.5**, serve notice on the Company and the relevant holder notifying them that the mandatory transfer provisions of this **Article 21** shall apply ("**Compulsory Transfer Notice**"). Upon the date of service of such notice (as determined in accordance with **Article 30**), the relevant holder and any other holder who has acquired Shares from him under a permitted transfer (directly or by means of a series of two or more permitted transfers) under **Article 18.2** or **Article 18.3.2** shall be deemed, subject to **Article 21.6**, to have immediately given notice to the Company (a "**Deemed Transfer Notice**") in respect of all the Shares then held by him and which in the case of a transferee of Shares under **Article 18.2** or **Article 18.3.2** were the Shares received directly or indirectly from the holder who is the immediate subject of the Transfer Event (the "**Sale Shares**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have already been validly transferred pursuant to that Transfer Notice. The Sale Shares shall be sold together with all rights attaching thereto as at the date of the Compulsory Transfer Notice.

21.3 A Deemed Transfer Notice shall be deemed to have been given on the date of receipt by the Company of the relevant Compulsory Transfer Notice.

- 21.4 For the purpose of **Articles 12.2.5 and 21.1**, the date upon which a relevant holder becomes a Leaver shall be:
- 21.4.1 where a contract of employment or engagement or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or engagement or directorship, be the date on which the contract of employment or engagement or directorship is terminated in accordance with its terms (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
 - 21.4.2 where a contract of employment or engagement or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice;
 - 21.4.3 save as provided in **Article 21.4.1** where an employer or employee wrongfully repudiates the contract of employment or engagement and the other confirms acceptance in writing that the contract of employment has been terminated, the date of such acceptance;
 - 21.4.4 where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event, and
 - 21.4.5 where a contract of employment or engagement or directorship is terminated for any reason other than in the circumstances set out in **Articles 21.4.1 to 21.4.4** (inclusive) above, the date on which the relevant employment or engagement or directorship is terminated in accordance with its terms.
- 21.5 The price at which the Sale Shares shall be transferred pursuant to the Deemed Transfer Notice (the "**Compulsory Sale Price**") shall be:
- 21.5.1 in respect of any Sale Shares which comprise B Ordinary Shares their Fair Value or, if less, their Issue Price,
 - 21.5.2 in respect of any Sale Shares which comprise C4 Ordinary Shares their Issue Price,
 - 21.5.3 in respect of any Sale Shares which comprise C Ordinary Shares ("**Leaver's C Shares**"):
 - 21.5.3.1 in the case of a Good Leaver, their Fair Value;
 - 21.5.3.2 in the case of an Intermediate Leaver, the amount determined as follows:

- (a) the Fair Value in respect of the Vested Portion of the Leaver's C Shares as indicated in **column (2)** of the table below (rounded up to two decimal places); and
- (b) the Fair Value or, if less, the Issue Price in respect of the Unvested Portion of the Leaver's Shares as indicated in **column (3)** of the table below (rounded down to two decimal places) dependant on the period of time elapsed between 13 June 2013 or, in the case of a person who was not a Shareholder at, but becomes a Shareholder after, 13 June 2013, the date on which he first became a Shareholder (the "**Start Date**") and the Leaving Date (as indicated in **column (1)** of the table below); and

(1)	(2)	(3)
Leaving Date	Vested Portion (%)	Unvested Portion (%)
Before the first anniversary of the Start Date	$25 * (A/365)$	$100 - (25 * (A/365))$
On or after the first anniversary of the Start Date but before the second anniversary thereof	$25 + (25 * (A/365))$	$75 - (25 * (A/365))$
On or after the second anniversary of the Start Date but before the third anniversary thereof	$50 + (25 * (A/365))$	$50 - (25 * (A/365))$
On or after the third anniversary of the Start Date but before the fourth anniversary thereof	$75 + (25 * (A/365))$	$25 - (25 * (A/365))$
On or after the fourth anniversary of the Start Date	100	0

Where:

A = the number of days which have elapsed since the relevant anniversary of the Start Date but prior to the subsequent anniversary of the Start Date

21.5.3 3 in the case of a Bad Leaver, their Fair Value or, if less, their Issue Price;

21.5.4 in respect of any Sale Shares which comprise Preference Shares or Roll-out Preference Shares, the aggregate of (i) 100% of the Issue Price of those Sale Shares; and (ii) the aggregate amount of any accruals and/or unpaid amounts of Preference Dividend and/or Roll-out Preference Dividend payable on those Sale Shares as applicable (to be calculated to and including the date the shareholder became a Leaver and to be payable irrespective of whether such dividend would be unlawful by reason of there being insufficient Available Profits);

21.6 In the event that any holder of Shares becomes a Leaver, then any B Ordinary Shares held by that Leaver or any person to whom that Leaver has transferred B Ordinary Shares shall not be treated as Sale Shares or otherwise be required to be offered for sale unless the holder of Shares in question is a Bad Leaver.

21.7 No Deemed Transfer Notice once given in accordance with these Articles may be withdrawn unless the Investor Majority approves such withdrawal.

21.8 The Company shall be constituted as the agent of the Seller with effect from the date of the Deemed Transfer Notice for the sale of the Sale Shares upon the following terms:

21.8 1 the price for each Sale Share is the Compulsory Sale Price; and

21.8 2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.

21.9 Within five Business Days of the date of the Deemed Transfer Notice, the Shares deemed to be comprised in such Deemed Transfer Notice shall be offered by the Company to the holders (other than the Seller) in accordance with the following order of priorities (the "**Offer Notice**"):

21.9.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below;

21.9.2 to the extent not accepted by persons in **column (2)**, to all persons in the category set out in the corresponding line in **column (3)** in the table below; and

- 21.9.3 to the extent not accepted by persons in **column (3)**, to all persons in the category set out in the corresponding line in **column (4)** in the table below, and
- 21.9 4 to the extent not accepted by persons in **column (4)**, to all persons in the category set out in the corresponding line in **column (5)** in the table below:

(1) Class of Sale Shares	(2) First Offer to	(3) Second Offer to	(4) Third Offer to	(5) Fourth Offer to
A Ordinary Shares	Holders of A Ordinary Shares and B Ordinary Shares	Holders of C Ordinary Shares		
B Ordinary Shares	Holders of A Ordinary Shares and B Ordinary Shares	Holders of C Ordinary Shares		
C Ordinary Shares (including for these purposes the C4 Ordinary Shares)	Warehouse	Holders of C Ordinary Shares	Holders of A Ordinary Shares and B Ordinary Shares	
Preference Shares	Holders of Preference Shares	Holders of Roll-out Preference Shares	Holders of A Ordinary Shares and B Ordinary Shares	Holders of C Ordinary Shares
Roll-out Preference Shares	Holders of Roll-out Preference Shares	Holders of Preference Shares	Holders of A Ordinary Shares and B Ordinary Shares	Holders of C Ordinary Shares

- 21.10 Subject always to the order of priorities set out in **Article 21.9**, the Sale Shares shall:
- 21.10.1 in respect of any offer of Sale Shares to the Warehouse, be treated as offered in such numbers and proportions as the Remuneration Committee, with Investor Consent, shall direct); and
 - 21.10 2 in all other cases, be treated as offered on terms that, in the event of competition, the Sale Shares offered shall be sold to a holder accepting the offer in the same proportion (as nearly as may be) to the proportion which Shares held by such holder bear to the total number of Shares held by all such holders accepting such offer (the "**Proportionate Entitlement**").
- 21.11 Each holder may state in writing within 20 Business Days from the date of an Offer Notice (which date shall be specified therein) whether he is willing to purchase
- 21.11.1 some or all of his Proportionate Entitlement; and
 - 21 11 2 the number of Sale Shares in excess of his Proportionate Entitlement ("**Excess Sale Shares**") he is willing to purchase (if any).
- 21 12 Any acceptance of Sale Shares comprised in an Offer Notice by the Company (as the Warehouse) is conditional upon the Company having satisfied on or before the date of completion
- 21.12.1 the requirements of the Statutes to purchase the Sale Shares in question, and
 - 21 12.2 any requirement for consent under **Article 15**
- 21.13 If any Sale Shares accepted by the Company cannot be bought back at completion by the Company because it is unable to comply with **Articles 21.12.1** and/or **21.12.2**, then this **Article 21** shall take effect as if no acceptance was given by the Company.
- 21.14 Within three Business Days of the expiry of the Offer Notice period set out in **Article 21.11** (or sooner if all holders have responded to the invitation and all the Sale Shares shall have been accepted in the manner provided in **Article 21.11**), the Board shall allocate the Sale Shares in the order of priorities set out in **Article 21.9** and subject thereto in the following manner:
- 21.14.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications; or

21.14.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares:

21.14.2.1 each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) in the order of priorities set out in **Articles 21.9.1 to 12.9.4** (inclusive); and

21.14 2 2 applications for Excess Sale Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares in the proportion which Shares held by such holder bears to the total number of Shares held by all such holders applying for Excess Sale Shares provided that such holder shall not be allocated more Excess Sale Shares than he shall have stated himself willing to take,

and in either case the Company shall forthwith give notice of each such allocation (an "**Allocation Notice**") to the Seller and each of the persons to whom Sale Shares have been allocated (a "**Member Applicant**") and shall specify in the Allocation Notice the place and time (being not later than 10 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.

21 15 Upon such allocations being made as set out in **Articles 21.9 to 21.14** (inclusive):

21.15.1 the Seller shall be bound, on payment of the Compulsory Sale Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance;

21.15 2 if the Seller makes default in so doing, *the Company*, 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 on behalf of the Seller with full power to give, execute, complete and deliver in the name and on behalf of the Seller

21.15 2.1 a transfer of the relevant Sale Shares to the Member Applicant; and

21.15.2 2 all such consents, written resolutions and proxies as the appointed agent or attorney shall consider to be necessary or desirable for the purposes of any general meeting of

the Company relating to or associated with or required to enable the sale of the Sale Shares to proceed;

21.15.3 the Company may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Sale Shares so purchased by him or them; and

21.15.4 the Company 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 Seller 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.

21.16 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 21**, the Seller may not sell or transfer any remaining Sale Shares otherwise than in accordance with the provisions of **Articles 18, 19** or **20** and pending any such sale or transfer the provisions of **Article 12.9** shall continue to apply.

22. **VALUATION OF SHARES**

22.1 In the event that the Board (with Investor Consent) and the Seller do not agree Fair Value within 15 Business Days (or within such longer period as the Board (with Investor Consent) and the Seller may agree) of the date of receipt by the Company of a relevant Compulsory Transfer Notice, the Independent Expert shall be instructed (which instructions shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 22** is required), to give their written opinion as to the price which represents a fair value for such Shares on the basis as between a willing seller and a willing buyer as at the date the Transfer Notice is given or, in the case of a Deemed Transfer Notice, on the date on which the Deemed Transfer Notice is deemed given

22.2 In making the determination referred to in **Article 22.1** above:

22.2.1 the "**Fair Value**" of an Equity Share of a particular class shall be calculated by reference to the allocation of Capitalisation Value in **Article 14.1** and the Equity Value of the Company based on a multiple of the EBITDA for the 12-month period ended on the month end immediately prior to the Leaving Date ("**EBITDA Reference Period**") as shown by the Company's consolidated management accounts ("**LTM EBITDA**"), to be calculated as follows:

- (i) first, by calculation of the "**Equity Value**" as follows:

$$(\text{LTM EBITDA} \times \mathbf{X}) - \text{Debt} = \text{Equity Value}$$

where:

"X" = subject to **Article 22.3**, a multiple proposed by the Board (acting reasonably and with Investor Consent, the Investors also acting reasonably) and notified to the transferor; and

"Debt" = all the indebtedness of the Group by way of borrowing owed to any third party (including, for the avoidance of doubt, owed to any Shareholder of the Company, but excluding all intra-Group debts and any trade creditors) as shown by the consolidated group balance sheet set out in the Company's consolidated management accounts as at the month end immediately prior to the Leaving Date. To avoid doubt, cash balances shall be taken into account in order to determine net indebtedness for the purposes of ascertaining Debt (such that, in the event of a positive cash position in aggregate, Debt shall be treated as a negative value equal to the amount of such net positive cash balances for the purposes of **Article 22.2.1(i)**).

- (ii) second, so that the Equity Value is divided amongst each class of Shares in issue as at the Leaving Date in accordance with the economic rights of each class of Shares on an Exit Event (pursuant to Article 14) and then amongst each holder of each class of such Shares on a pro-rata basis in accordance with the number of Shares of that class held by him (which, for the avoidance of doubt, shall mean that each Shareholder of a class of Shares would be attributed the same Fair Price per Share (of that class) as every other holder of that class of Shares).

22.3 If, within 10 Business Days of being notified of the multiple proposed by the Board, the transferor gives written notice to the Company that it objects to the multiple proposed by the Board pursuant to **Article 22.1** (an "**Objection Notice**"), the multiple "X" (for the purposes of calculating the Fair Price) shall be determined by a Independent Expert, and:

- 22.3.1 the Company shall as soon as reasonably practicable following receipt of an Objection Notice instruct the Independent Expert to determine "X" on the basis which, in the Independent Expert's opinion, represents a fair multiple of EBITDA for the purpose of calculating the Fair Price for the relevant Shares as at the Leaving Date, having regard to the multiples at which comparable acquisitions have been made by the Group or third parties and the multiples at which other comparable quoted companies trade;
- 22.3.2 the Independent Expert shall certify "X" and therefore the Fair Price as soon as possible after being instructed by the Company and, in so certifying, the Independent Expert shall be deemed to be acting as an expert and not as an arbitrator and the Arbitration Act 1996 shall not apply;
- 22.3.3 the certificate of the Independent Expert shall, in the absence of manifest error, be final and binding; and
- 22.3.4 the Company shall procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne by the Company, unless the Fair Price as determined by the Independent Expert is less than the price (if any) which the Board would have calculated by applying the multiple proposed by it pursuant to **Article 22.2.1** above, in which event the cost shall be shared equally (50/50) between the Company and the Leaver.
- 22.4 For the purposes of this **Article 22**, the "Independent Expert" shall be a firm of independent chartered accountants or a reputable firm of independent specialist share valuers, to be agreed between the Company and the Leaver or, if not so agreed within 20 Business Days, a firm of independent chartered accountants or an independent specialist share valuer to be nominated (on application by either the Company or the Leaver) by the Institute of Chartered Accountants in England and Wales.
- 22.5 In any event, the Company shall instruct the Independent Expert that the valuation shall be provided by a corporate finance partner of at least 10 years' standing

23. **COMPLIANCE**

- 23.1 For the purpose of ensuring (i) that a transfer of Shares is duly authorised under these Articles or (ii) that no circumstances have arisen whereby a Transfer Notice or a Deemed Transfer Notice is required to be or ought to have been given under these Articles or (iii) whether an offer is required to be or ought to have been made under **Article 20.1**, the Board may from time to time require any shareholder or past shareholder or the personal representatives, executor,

trustee in bankruptcy, receiver, administrative receiver, liquidator, administrator or similar officer of any shareholder or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose; including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name

- 23 2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Transfer Notice or Deemed Transfer Notice is required to be or ought to have been given, or that no offer is required to be or ought to have been made under **Article 20.1**, or that as a result of such information and evidence the Board is reasonably satisfied that such Transfer Notice or Deemed Transfer Notice is required to be or ought to have been given, or that an offer is required to be or ought to have been made under **Article 20**:

23.2.1 where the purpose of the enquiry by the Board was to establish whether a Transfer Notice or a Deemed Transfer Notice is required to be or ought to have been given, then a Transfer Notice or a Deemed Transfer Notice shall be deemed to have been given by the holder of the relevant Shares in respect of such Shares; or

23.2 2 where the purpose of the enquiry by the Board was to establish whether an offer is required to be or ought to have been made under **Article 20.1**, then the Shares held by or on behalf of the person or persons connected with each other or acting in concert with each other (who has or have (as the case may be) obtained a Controlling Interest as is referred to in **Article 20.1**), shall cease to entitle the holders thereof (or any proxy) :

23.2.2 1 to receive notice of any meeting; or

23 2 2.2 to any voting rights (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) otherwise attaching to such Shares; or

23.2.2 3 to any further Shares issued in right of such Shares or in pursuance of an offer made to the relevant holders,

23.2 2 4 to the extent that such person or persons shall only be able to control the percentage of the voting rights,

attaching to Shares, which they controlled prior to their obligation arising to procure the making of such offer

24. TRANSMITTEES BOUND BY PRIOR NOTICES

Model Article 29 shall be amended by the insertion of the words “, or the name of any person nominated under Model Article 27(2)”, after the words “the transmittee’s name”.

GENERAL MEETINGS

25. NOTICE OF GENERAL MEETINGS

25.1 Every notice convening a general meeting shall.

25.1.1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies; and

25.1.2 be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website.

25.2 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days notice but a general meeting can be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote at the meeting being a majority who together hold not less than 90 per cent. by nominal value of the Shares giving that right. The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting.

26. PROCEEDINGS AT GENERAL MEETINGS

26 1 No resolution shall be voted on and no other business shall be transacted at any general meeting of the Company unless a quorum is present when such vote is taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present. Two persons, being holders (at least one of whom must be the Investor Majority) present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting

26.2 If a quorum is not present within half an hour from the time appointed for a general meeting or if, during any general meeting, a quorum ceases to be present, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other place as the directors (with Investor Consent) may determine, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the same the shareholders present shall form a quorum. Model Article 41(1) to (5) inclusive shall not apply to the Company.

27 **WRITTEN RESOLUTIONS**

- 27.1 The provisions of **Article 12.10** shall apply in respect of the passing of written resolutions.
- 27.2 A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date.
- 27.3 For the purposes of this **Article 27** "circulation date" is the date on which copies of the written resolution are sent or submitted to members or, if copies are sent or submitted on different days, to the first of those days.

ADMINISTRATIVE ARRANGEMENTS

28. **BORROWING POWERS**

Subject to the terms of the Investment Agreement, the Board may exercise all the powers of the Company to borrow money up to the amounts specified in the Facility Documents and the Topco Loan Note Instrument and such other amounts as may be approved by an Investor Majority from time to time and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the 2006 Act, 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.

29. **AUDITORS**

Auditors' determination

- 29.1 If any matter under these Articles is referred to the Auditors or the Independent Expert for determination then the Auditors or Independent Expert shall act as experts and not as arbitrators or arbiters and their decision shall be final and binding on the Company and all the holders (in the absence of fraud or manifest error).
- 29.2 The Auditors' costs in making any such determination referred to in **Article 29.1** shall be borne by the Company unless the Auditors shall otherwise determine.
- 29.3 The Auditors where required by these Articles shall determine the valuation of Shares in accordance with **Article 22**.

30. **COMPANY COMMUNICATION PROVISIONS**

- 30.1 Where

30.1.1 a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom; and

30.1.2 the Company is able to show that it was properly addressed, prepaid and posted,

it is deemed to have been received by the intended recipient 24 hours after it was posted.

30.2 Where:

30.2.1 a document or information is sent or supplied by electronic means, and

30.2.2 the Company is able to show that it was properly addressed,

it is deemed to have been received by the intended recipient immediately after it was sent.

30.3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient:

30.3.1 when the material was first made available on the website, or

30.3.2 if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

30.4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by **Articles 30.1, 30.2 and 30.3.**

30.5 Subject to any requirements of the 2006 Act only such, documents and notices as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.

31 **INDEMNITIES FOR DIRECTORS**

31.1 Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liabilities incurred by him/it in the execution and discharge of his/its duties or the exercise of his/its powers or otherwise in relation to or in connection with his/its duties, powers or office, including any liability which may attach to him/it in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by

him/it as a director, former director, alternate director, *secretary* or other officer of the Company or of any associated company.

- 31.2 Subject to the 2006 Act, the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, Auditor, *secretary* or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him/it in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him/it as a director, former director, alternate director, Auditor, *secretary* or other officer of the Company or of any associated company.
- 31.3 Subject to, and so far as may be permitted by, the 2006 Act, the Company shall be entitled to fund the expenditure of every director, alternate director or other officer of the Company incurred or to be incurred:
- 31.3.1 in defending any criminal or civil proceedings; or
- 31.3.2 in connection with any application under sections 661(3) or 661(4) or under section 1157 of the 2006 Act.
- 31.4 Model Articles 52 and 53 shall not apply to the Company.

APPENDIX 1
ANNEXURE - Model Articles

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MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

- 1 In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association,

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

“chairman” has the meaning given in article 12,
“chairman of the meeting” has the meaning given in article 39,
“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company,
“director” means a director of the company, and includes any person occupying the position of director, by whatever name called,
“distribution recipient” has the meaning given in article 31,
“document” includes, unless otherwise specified, any document sent or supplied in electronic form,
“electronic form” has the meaning given in section 1168 of the Companies Act 2006,
“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company,
“hard copy form” has the meaning given in section 1168 of the Companies Act 2006,
“holder” in relation to shares means the person whose name is entered in the register of members as the holder of the shares,
“instrument” means a document in hard copy form,
“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006,
“paid” means paid or credited as paid,
“participate”, in relation to a directors’ meeting, has the meaning given in article 10,
“proxy notice” has the meaning given in article 45,
“shareholder” means a person who is the holder of a share,
“shares” means shares in the company,
“special resolution” has the meaning given in section 283 of the Companies Act 2006,
“subsidiary” has the meaning given in section 1159 of the Companies Act 2006,
“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law, and
“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company

Liability of members

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

PART 2

DIRECTORS

DIRECTORS’ POWERS AND RESPONSIBILITIES

Directors’ general authority

3. Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company

Shareholders' reserve power

4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action

(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution

Directors may delegate

5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—

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

as they think fit

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions

Committees

6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8

(2) If—

- (a) the company only has one director, and
- (b) no provision of the articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making

Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice

(2) Notice of any directors' meeting must indicate—

- (a) its proposed date and time,
- (b) where it is to take place, and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting

(3) Notice of a directors' meeting must be given to each director, but need not be in writing

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it

Participation in directors' meetings

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is

Quorum for directors' meetings

11.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

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

Chairing of directors' meetings

12.—(1) The directors may appoint a director to chair their meetings

(2) The person so appointed for the time being is known as the chairman

(3) The directors may terminate the chairman's appointment at any time

(4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it

Casting vote

13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes

Conflicts of interest

14.—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes

(3) This paragraph applies when—

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process,
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (c) the director's conflict of interest arises from a permitted cause

(4) For the purposes of this article, the following are permitted causes—

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries,
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities, and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors

(5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive

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

Records of decisions to be kept

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors

Directors' discretion to make further rules

16 Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
- (b) a bankruptcy order is made against that person,
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts,
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months,
- (e) by reason of that person's mental health, 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,
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms

Directors' remuneration

19.—(1) Directors may undertake any services for the company that the directors decide

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the company as directors, and
- (b) for any other service which they undertake for the company

(3) Subject to the articles, a director's remuneration may—

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day

(5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

- (a) meetings of directors or committees of directors,
- (b) general meetings, or

(c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company

PART 3
SHARES AND DISTRIBUTIONS
SHARES

All shares to be fully paid up

21.—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue

(2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum

Powers to issue different classes of share

22.—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution

(2) 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, and the directors may determine the terms, conditions and manner of redemption of any such shares

Company not bound by less than absolute interests

23. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it

Share certificates

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued,
- (b) the nominal value of those shares,
- (c) that the shares are fully paid, and
- (d) any distinguishing numbers assigned to them

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

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

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts

Replacement share certificates

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed,

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

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates,
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced, and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide

Share transfers

26.—(1) 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

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

(3) The company may retain any instrument of transfer which is registered

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

(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

Transmission of shares

27.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
- (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise unless they become the holders of those shares

Exercise of transmittees' rights

28.—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it

(3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred

Transmittees bound by prior notices

29. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends

(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

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

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it

(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 arrear

(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

(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

Payment of dividends and other distributions

31.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide,
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide, or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share, or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members, or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee

No interest on distributions

32 The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or
- (b) the provisions of another agreement between the holder of that share and the company

Unclaimed distributions

33.—(1) All dividends or other sums which are—

- (a) payable in respect of shares, and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company

Non-cash distributions

34.—(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, 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)

(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—

- (a) fixing the value of any assets,
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients, and
- (c) vesting any assets in trustees

Waiver of distributions

35. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

36.—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve, and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another,
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments), and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting

(2) A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it

(4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them

Quorum for general meetings

38. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum

Chairing general meetings

39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

- (a) the directors present, or
- (b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”

Attendance and speaking by directors and non-shareholders

40 —(1) Directors may attend and speak at general meetings, whether or not they are shareholders

(2) The chairman of the meeting may permit other persons who are not—

- (a) shareholders of the company, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting

Adjournment

41.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

- (a) the meeting consents to an adjournment, or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting

(4) When adjourning a general meeting, the chairman of the meeting must—

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days’ notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

- (a) to the same persons to whom notice of the company’s general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place

VOTING AT GENERAL MEETINGS

Voting: general

42. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles

Errors and disputes

43.—(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid

(2) Any such objection must be referred to the chairman of the meeting, whose decision is final

Poll votes

44.—(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared

(2) A poll may be demanded by—

- (a) the chairman of the meeting,
- (b) the directors,
- (c) two or more persons having the right to vote on the resolution, or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution

(3) A demand for a poll may be withdrawn if—

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

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs

Content of proxy notices

45.—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—

- (a) states the name and address of the shareholder appointing the proxy,
- (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed,
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine, and
- (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate

(2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions

(4) Unless a proxy notice indicates otherwise, it must be treated as—

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and

- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself

Delivery of proxy notices

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

(2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates

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

Amendments to resolutions

47 —(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
- (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

48.—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company

(2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being

(3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours

Company seals

49.—(1) Any common seal may only be used by the authority of the directors

(2) The directors may decide by what means and in what form any common seal is to be used

(3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature

(4) For the purposes of this article, an authorised person is—

- (a) any director of the company,
- (b) the company secretary (if any), or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied

No right to inspect accounts and other records

50 Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder

Provision for employees on cessation of business

51. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company

(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

(3) In this article—

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate and
- (b) a "relevant director" means any director or former director of the company or an associated company

Insurance

53.—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director'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
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate