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Company No. 9113299

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**Articles of Association of Project Ires Topco Limited**

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Incorporated 2 July 2014

Adopted by special resolution passed on 14 July 2023

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**THE COMPANIES ACTS 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**PROJECT IRES TOPCO LIMITED**  
**AMENDED BY SPECIAL RESOLUTION**  
**PASSED ON 14 July 2023**

**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 words and expressions have the following meanings:

<b>"2006 Act"</b>	the Companies Act 2006 (as amended from time to time)
<b>"A1 Ordinary Shares"</b>	the A1 ordinary shares of £1.00 (one pound) each of the Company having the rights set out in <b>Article 14</b> in respect of Shares of that class
<b>"A Loan Note Instrument"</b>	the loan note instrument issued by Project Ires Bidco Limited (registered number: 9114938) on 11 July 2014 constituting the A Loan Notes as the same may be amended, supplemented, varied or replaced from time to time
<b>"A Loan Notes"</b>	the £43,546,844 (forty three million five hundred and forty six thousand eight hundred and forty four pounds) secured 10% loan notes 2021 of Project Ires Bidco Limited (registered number: 9114938) constituted by the A Loan Note Instrument
<b>"A Ordinary Shares"</b>	the A ordinary shares of £1.00 (one pound) each of the Company having the rights set out in <b>Article 14</b> in respect of Shares of that class
<b>"Acting in concert"</b>	the meaning set out in the City Code on Takeovers and Mergers for the time being
<b>"Allocation Notice"</b>	as the context requires, has the meaning given to that term in <b>Article 21.9</b> or <b>Article 23.12</b>
<b>"Articles"</b>	these Articles of Association as amended, supplemented, varied or replaced from time to time

<b>"Auditors"</b>	the auditors to the Company from time to time
<b>"B Loan Note Instrument"</b>	the loan note instrument issued by Project Ires Bidco Limited (registered number: 9114938) on 11 July 2014 constituting the B Loan Notes as the same may be amended, supplemented, varied or replaced from time to time
<b>"B Loan Notes"</b>	the £5,905,052 (five million nine hundred and five thousand and fifty two pounds) secured 10% loan notes 2021 of Project Ires Bidco Limited (registered number: 9114938) constituted by the B Loan Note Instrument
<b>"B Ordinary Shares"</b>	the B Ordinary Shares of £1.00 (one pound) each of the Company having the rights set out at <b>Article 14</b> in respect of Shares of that class
<b>"Board"</b>	the board of directors of the Company from time to time
<b>"Business Day"</b>	any day (other than a Saturday or Sunday) on which banks are open in London for normal banking business
<b>"C Ordinary Shares"</b>	the C Ordinary Shares of £1.00 (one pound) each of the Company having the rights set out at <b>Article 14</b> in respect of Shares of that class
<b>"Called Shareholders"</b>	has the meaning given to that term at <b>Article 22.5</b>
<b>"Called Shares"</b>	has the meaning given to that term at <b>Article 22.5</b>
<b>"Cash Equivalent"</b>	<p>(a) where the consideration comprises listed securities, the average of the middle market prices at which transactions took place over the five dealing days prior to the Exit Date;</p> <p>(b) where the consideration comprises loan notes, loan stock or other debt instruments guaranteed unconditionally by an authorised UK bank, the face value thereof;</p> <p>(c) where the consideration comprises unlisted securities or other instruments not guaranteed as aforesaid, such amount as the members shall agree to be the value thereof; or</p> <p>(d) where the consideration comprises future, fixed or contingent payments, such amount as the members shall agree to be the present value thereof</p>

provided that if an Investor Majority and the holders of a majority of the B Ordinary Shares shall not be able to agree the value of the Cash Equivalent in accordance with the above provision then the dispute shall be referred to the Auditors who shall determine the dispute in accordance with **Article 32**

<b>"Compulsory Sale Price"</b>	the meaning given to that term at <b>Article 23.5</b>
<b>"Connected person"</b>	the meaning given to that expression in section 993 of the Income Taxes Act 2007 and <b>"connected with"</b> shall be construed accordingly
<b>"Controlling Interest"</b>	an interest (as defined in sections 820 to 825 of the 2006 Act) in Shares conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company
<b>"Conversion Date"</b>	the date and time on which A Ordinary Shares are to be converted into equity shares in accordance with <b>Article 14.8</b>
<b>"D Ordinary Shares"</b>	the D Ordinary Shares of £1.00 (one pound) each of the Company having the rights set out at <b>Article 14</b> in respect of Shares of that class
<b>"Deemed Transfer Notice"</b>	the meaning given to that term at <b>Article 23.2</b>
<b>"Deferred Shares"</b>	means deferred shares in the Company created upon a redesignation of A Ordinary Shares pursuant to these Articles and having the rights set out at <b>Article 14</b> in respect of Shares of that class
<b>"Drag Along Notice"</b>	the meaning given to that term at <b>Article 22.5</b>
<b>"Drag Along Option"</b>	the meaning given to that term at <b>Article 22.5</b>
<b>"Electronic address"</b>	any address or number used for the purposes of sending or receiving documents or information by electronic means
<b>"Emergency Issue"</b>	<p>an issue of Shares by the Company in circumstances where:</p> <ul style="list-style-type: none"> <li>(a) the Company is in breach of any of the financial covenants under the Facility Documents or is otherwise in breach of any of the Facility Documents giving rise to a right to enforce security including any <b>"Event of Default"</b> (as defined in the Facility Documents); or</li> <li>(b) there is a breach of any of the Investor Covenant Ratios; or</li> <li>(c) the Company or any other member of the Group is, or, in the reasonable opinion of the Investor Majority, is reasonably likely to become, insolvent,</li> </ul> <p>to the extent that such issue of Shares is required to avoid, cure or remedy that breach or event of default or insolvency or prevent that insolvency (as the case may be)</p>
<b>"Employee Trust"</b>	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

**"Excess Sale Shares"**

as the context requires, has the meaning given to that term at **Article 21.7.2** and **Article 23.11.2**

**"Exit Capitalisation"**

- (a) where conversion pursuant to **Article 14.8.1** occurs immediately prior to a Relevant Sale, the aggregate amount paid (or the Cash Equivalent thereof) in respect of the A Ordinary Shares and A Loan Notes less the costs of the Relevant Sale; or
- (b) where conversion occurs pursuant to **Article 14.8.1** immediately prior to a Listing, the capitalisation of the A Ordinary Shares at the price per share at which A Ordinary Shares (or the Shares into which A Ordinary Shares convert prior to the Listing) are sold (in any offer for sale, placing tender offer or otherwise) in the Listing, or if there is no such sale, the valuation of the A Ordinary Shares at the Exit Date made by the Company's brokers less in each case the costs of the Listing; or
- (c) on a Relevant Assets Sale, the consideration paid (or the Cash Equivalent thereof) for the assets subject to the Relevant Asset Sale plus the consolidated net asset value of all other assets of the Company and its subsidiaries not subject to the Relevant Sale as agreed by the Investors and holders of a majority of the B Ordinary Shares less any costs of the Relevant Assets Sale not born by the Company or its subsidiary

**"Exit Date"**

the date when the Exit completes or becomes effective

**"Exit"**

a Relevant Sale, Relevant Asset Sale or a Listing

**"Facility Agreement"**

the facility agreement entered into between the Company, Lloyds Bank Plc and others on 11 July 2014 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 that agreement 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 the Deemed Transfer Notice, as may be determined by the Auditors in accordance with **Article 24**

**"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

**"Founder Bad Leaver"**

a person who is a Founder and is a Leaver as a result of:

- (a) voluntary resignation;
- (b) summary dismissal in accordance with clause 20.1 of his service agreement;
- (c) notice being given by him under the terms of his consultancy agreement; or
- (d) material breach of the terms of any consultancy agreement to which such person is a party including by any act or omission which prejudicially affects or is likely to prejudicially affect the interests of the Company or any Group Company

**"Founder Good Leaver"**

a person who is a Founder and is a Leaver who is not a Founder Bad Leaver

**"Founder"**

each of David MacKay, Mark Lunney and James Kenneth Pearce

**"FSMA"**

the Financial Services and Markets Act 2000 (as amended from time to time)

**"Group Net Debt"**

in relation to the Group, any indebtedness of the Group for or in respect of:

- (a) any external bank debt including accrued but unpaid interest on such debt;
- (b) any amount(s) provided to the Group by the Investor Majority (or any member of its group) together with any associated redemption premium payable in respect of such amount(s) provided;
- (c) any other moneys borrowed, but excluding the aggregate amount then outstanding, being principal and all accrued but unpaid interest thereon, on all A Loan Notes and B Loan Notes (including PIK notes) issued by Project Ires Bidco Limited;

- (d) any amount raised by acceptance under any acceptance credit facility;
- (e) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures or any similar instrument;
- (f) the amount of any liability in respect of any lease which would, in accordance with applicable accounting standards, be treated as a finance lease;
- (g) the amount of any liability in respect of a hire purchase, credit sale or conditional sale agreement;
- (h) receivables sold or discounted;
- (i) any liabilities in respect of Taxation
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

in each case, having regard to the reconciled book balances of the Group, less any surplus cash of the Group as determined by the Investor Majority (acting reasonably) after any adjustment for normalised working capital that is agreed with a purchaser on an Exit

**“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 but disregarding any Shares held by the Company in treasury and **“shareholder”** shall be interpreted accordingly

**“Inflexion Investment”**

the initial amount invested by the Investors pursuant to the Investment Agreement

**“Inflexion Return”**

the amount to be received by the Investors in respect of its A Ordinary Shares and A Loan Notes on an Exit

**“Investment Agreement”**

the investment agreement dated 11 July 2014 and made between the Company, Project Ires Bidco Limited (registered number: 9114938), the Managers and the Investors as the same may be amended, supplemented, varied or replaced from time to time

**“Investment Date”**

the date of the Investment Agreement

**“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 the Lead Investor 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 Covenant Ratios"**

the financial ratios set out in **Article 35**

**"Investor Director"**

the director appointed pursuant to **Article 10**

**"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 (each a **"Relevant Person"**); or
- (b) any partnership (or the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser; 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 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 more than 50% by nominal value of the A Ordinary Shares for the time being (whether through nominees or otherwise)

**"Investor Sellers' Shares"**

the meaning given to that term in **Article 22.5**

<b>"Investor Sellers"</b>	the meaning given to that term in <b>Article 22.5</b>
<b>"Investors"</b>	the <b>"Investors"</b> as defined in the Investment Agreement (including any additional or replacement <b>"Investor"</b> who is joined as an <b>"Investor"</b> in a deed of adherence executed in accordance with the Investment Agreement)
<b>"Issue Price"</b>	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
<b>"Joint Election"</b>	a joint election under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in a form approved by the Investors, such approval being evidenced by the delivery of Investor Consent
<b>"Leaver"</b>	a shareholder who: <ul style="list-style-type: none"> <li>(a) is an individual; and</li> <li>(b) is or was previously a director or employee of, or a consultant to, a member of the Group; and</li> <li>(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</li> </ul>
<b>"Listing"</b>	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
<b>"Loan Notes"</b>	means the A Loan Notes and the B Loan Notes
<b>"Management C Shares"</b>	the nil paid Management C ordinary shares of £0.01 each held by individuals who are a director or employee of a member of the Group and having the rights set out in <b>Article 14</b> in respect of shares of that class
<b>"Managers"</b>	the <b>"Managers"</b> as defined in the Investment Agreement (including any additional or replacement <b>"Manager"</b> who is joined as a <b>"Manager"</b> in a deed of adherence executed in accordance with the Investment Agreement)
<b>"Maximum A1 Return"</b>	the meaning given to it in <b>Article 14.12.1</b>
<b>"Member Applicant"</b>	as the context requires, has the meaning given to that term in <b>Article 21.8</b> or <b>Article 23.12</b>
<b>"Offer Notice"</b>	as the context requires, has the meaning given to that term at <b>Article 21.5</b> or <b>Article 23.9</b>

<b>"Proportionate Entitlement"</b>	as the context requires, has the meaning given to that term in <b>Article 21.6.2</b> or <b>Article 23.10.2</b>
<b>"Recognised investment exchange"</b>	the meaning given to the expression in section 285(1) FSMA
<b>"Relevant Asset Sale"</b>	a sale of the whole or substantially the whole of the trading assets or trading subsidiaries of the Group
<b>"Relevant Sale"</b>	a Sale of the entire issued share capital of the Company
<b>"Remuneration Committee"</b>	the remuneration committee of the Company constituted in accordance with the terms of the Investment Agreement
<b>"Rollover Bad Leaver"</b>	<p>a person who is not a Founder who is a Leaver as a result of:</p> <ul style="list-style-type: none"> <li>(a) voluntary resignation; or</li> <li>(b) summary dismissal in accordance with clause 20.1 of his service agreement or</li> <li>(c) notice being given by him under the terms of his consultancy agreement; or</li> <li>(d) material breach of the terms of any consultancy agreement to which such person is a party including by any act or omission which prejudicially affects or is likely to prejudicially affect the interests of the Company or any Group Company</li> </ul>
<b>"Rollover Good Leaver"</b>	any Leaver (not being a Founder) who is not a Rollover Bad Leaver
<b>"Sale Shares"</b>	as the context requires, has the meaning given to that term at <b>Article 21.1.1</b> or <b>Article 23.2</b>
<b>"Sale"</b>	the transfer (other than a transfer permitted under <b>Articles 20.1, 20.2</b> and <b>20.3.1</b> ) 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
<b>"Seller"</b>	a holder who wishes, or is required, to transfer any Share or any beneficial interest therein to a person to whom <b>Article 20</b> does not apply
<b>"Serious Ill Health"</b>	for the purpose of these Articles means an illness or disability certified by a general medical practitioner (nominated or approved by the Investor Majority) as rendering the departing person permanently incapable of carrying out his role, if an employee as an employee or if a consultant as a consultant save where such incapacity has arisen as a result of the abuse of drugs or alcohol

<b>"Shares"</b>	shares in the capital of the Company
<b>"Statutes"</b>	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
<b>"Sweet Bad Leaver"</b>	any Leaver (not being a Founder) who is not a Sweet Good Leaver
<b>"Sweet Good Leaver"</b>	<p>a person who is a Leaver (not being a Founder) as a result of:</p> <ul style="list-style-type: none"> <li>(a) death;</li> <li>(b) Serious Ill Health;</li> <li>(c) that person ceasing to be an employee or director of the relevant Group Company in circumstances agreed between the Leaver and the Investor Majority to be retirement, but excluding, for the avoidance of doubt, in all circumstances his voluntary resignation;</li> <li>(d) that person's termination being determined to be a wrongful dismissal;</li> <li>(e) the Board determining, with Investor Consent, that such person is a Sweet Good Leaver; and</li> <li>(f) termination of that person's consultancy agreement through mutual consent between the consultant and the entity to whom the consultant provides services</li> </ul>
<b>"Tag Along Offer"</b>	the meaning given to that term at <b>Article 22.3</b>
<b>"Transfer Event"</b>	the meaning given to that term at <b>Article 23.1</b>
<b>"Transfer Notice"</b>	the meaning given to that term at <b>Article 21.1</b>
<b>"Transfer Price"</b>	the meaning given to that term at <b>Article 21.1.3</b>
<b>"Warehouse"</b>	any or all of 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 with Investor Consent.

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;
  - 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.

## **PROCEEDINGS OF DIRECTORS**

### **3. UNANIMOUS 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. CALLING A DIRECTOR'S MEETING**

Any director may call a directors' meeting by giving not less than three days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice. Model Article 9(1) shall not apply to the Company.

### **5. REMOVAL OF DIRECTORS**

The office of any director shall be vacated only if:

- 5.1 (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
- 5.2 (other than in the case of the Investor Directors) all the other directors or an Investor Majority request his resignation in writing

and the provisions of Model Article 18 shall be extended accordingly.

### **6. PARTICIPATION IN DIRECTORS' MEETINGS**

- 6.1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
  - 6.1.1 the meeting has been called and takes place in accordance with these Articles; and
  - 6.1.2 they can each simultaneously communicate with and to the others participating in the meeting any information or opinions they have on any particular item of the business of the meeting.

- 6.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or, subject to **Article 6.1.2**, how they communicate with each other.
- 6.3 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.
- 6.4 Model Article 10 shall not apply to the Company.
- 6.5 Model Article 9(2)(c) shall be amended by the insertion of the word "**simultaneously**" after the words "**how it is proposed that they should**" and before the words "**communicate with each other during the meeting**".

## 7. **QUORUM FOR DIRECTORS' MEETINGS**

- 7.1 The quorum for directors' meetings shall throughout each meeting be two directors one of whom must, subject to **Article 7.2**, be the Investor Director (if appointed).
- 7.2 In relation to any meeting of the directors to consider whether to authorise a conflict of interest of the Investor Director:
- 7.2.1 it shall not be necessary for the Investor Director to be present in person or by proxy in order to constitute a quorum;
  - 7.2.2 the meeting shall not deal with any other business other than that of the consideration of the conflict of interest of the Investor Director; and
  - 7.2.3 the quorum for such meeting shall be one and Model Article 11(2) is varied accordingly.
- 7.3 Without prejudice to **Article 7.2**, 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:
- 7.3.1 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 7.2**, the Investor Director (if appointed) and Model Article 11(2) is varied accordingly; and
  - 7.3.2 if, notwithstanding **Article 7.3.1**, the eligible directors participating in the meeting still do not constitute a quorum, then the meeting must be adjourned to enable the holders to authorise any situation in which a director has a conflict of interest.

## 8. **DIRECTORS' INTERESTS**

- 8.1 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 Investor Director) notwithstanding his office, but, in the case of directors other than the Investor Director, subject always to obtaining Investor Consent:
- 8.1.1 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;
  - 8.1.2 may hold any other office or employment with the Company (other than the office of Auditor);
  - 8.1.3 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;

- 8.1.4 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
  - 8.1.5 shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by **Articles 8.1.1 to 8.1.4** and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- 8.2 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 8.1.1 to 8.1.4** (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4).
- 8.3 For the purposes of **Article 8.1**:
- 8.3.1 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;
  - 8.3.2 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
  - 8.3.3 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.
- 8.4 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company.
9. **AUTHORISATION OF DIRECTORS' CONFLICTS OF INTEREST**
- 9.1 Any approval of a conflict of interest (other than a conflict of interest of the Investor Director or the Chairman) pursuant to **Article 8** 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.
- 9.2 Any conflict of interest of the 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 holders. Any refusal of the Board to authorise such conflict of interest will not in any way affect the validity of a resolution of the holders to authorise such conflict of interest.
- 9.3 An 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 9** 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 9** and either fails to disclose it to the directors or fails to use it in relation to the Company's affairs.
10. **INVESTOR DIRECTORS, CHAIRMAN AND OBSERVER**
- 10.1 An Investor Majority may from time to time appoint up to two persons to be directors with the title of investor director (each person being the "**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 Investor Director from office.

- 10.2 There shall not be more than two directors bearing the title of Investor Director in office at any time.
- 10.3 Any appointment or removal of an Investor Director shall be in writing served on the Company signed by an Investor Majority 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.
- 10.4 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the address for service of notice on each Investor under the Investment Agreement.
- 10.5 Upon written request by an Investor Majority the Company shall procure that an Investor Director 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. Notwithstanding **Article 10.1**, the Investors shall be entitled to send a representative (the "**Observer**") who shall be an employee of Inflexion to attend and speak (but not vote) at any meetings of the Board and/or of any meeting of the board of any Group Company
- 10.6 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 Agreement (as defined in the Investment Agreement) or against any holder of B Ordinary Shares or any director or person connected with any such holder or director, any such decision shall be within the exclusive power of the 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.
- 10.7 Subject to **Article 10.8** the Investor Majority and the holders of more than 50% of the B Ordinary Shares shall at any time when the chairman of the Board ("**Chairman**") has not been appointed or if a Chairman ceases for any reason to be a director, seek to appoint a Chairman satisfactory to the Investor Majority and the holders of more than 50% of the B Ordinary Shares. Once agreement has been reached as to the identity of the Chairman the Investor Majority may appoint that person. If the Investor Majority and the holders of more than 50% of the B Ordinary Shares cannot agree on a candidate to be the Chairman for a period of more than three months then at the end of such three month period the Investor Majority shall have the sole right to appoint a Chairman satisfactory to the Investor Majority. One of the Investor Directors shall act as Chairman during any period or periods when no Chairman is in office. The Investor Majority may from time to time remove from the office of Chairman and director a person so appointed. The fee payable to the Chairman shall be at such rate agreed between the Board and the Chairman. **Article 10.3** shall apply to any such appointment or removal mutatis mutandis. Model Article 12 shall be modified accordingly.
- 10.8 If the provisions of **Article 14.13.4** apply, then for such period as the provisions of **Article 14.13.4** apply only, :-
- 10.8.1 the Investor Directors 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; and
- 10.8.2 the right of the holders of more than 50% of the B Ordinary Shares to jointly appoint the Chairman pursuant to **Article 10.7** shall cease to apply during such time as **Article 14.13.4** has been triggered and subsists in which case the right



to appoint the Chairman pursuant to **Article 10.7** shall solely be the right of the Investor Majority.

**11. CASTING VOTE**

- 11.1 Reference in Model Article 13(1) to **"chairman or other director chairing the meeting"** shall be construed as a reference to the **"Investor Director"** for so long as one is appointed.
- 11.2 Reference in Model Article 13(2) to **"chairman or other director"** shall be construed as a reference to the **"Investor Director"** for so long as one is appointed.
- 11.3 The Chairman shall not have a casting vote.

**12. ALTERNATE DIRECTORS**

**12.1 Appointment and removal of alternates**

- 12.1.1 Any director (the **"appointor"**) may appoint as an alternate director any other director, or, with Investor Consent, any other person, to:
- 12.1.1.1 exercise that director's powers; and
  - 12.1.1.2 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.
- 12.1.2 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.
- 12.1.3 The notice must:
- 12.1.3.1 identify the proposed alternate director; and
  - 12.1.3.2 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.

**12.2 Rights and responsibilities of alternate directors**

- 12.2.1 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 appointer.
- 12.2.2 An alternate director may act as an alternate director for more than one appointor.
- 12.2.3 Except if these Articles specify otherwise, alternate directors:
- 12.2.3.1 are deemed for all purposes to be directors;
  - 12.2.3.2 are liable for their own acts and omissions;
  - 12.2.3.3 are subject to the same restrictions as their appointors; and
  - 12.2.3.4 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.

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

12.2.4.1 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

12.2.4.2 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.

12.2.5 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.

12.2.6 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.

12.3 **Termination of alternate directorship**

12.3.1 An alternate director's appointment as alternate terminates:

12.3.1.1 when the alternate director's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

12.3.1.2 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;

12.3.1.3 on the death of the alternate director's appointor; or

12.3.1.4 when the alternate director's appointor's appointment as a director terminates.

13. **ALTERNATE DIRECTORS' EXPENSES**

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

14. **SHARE RIGHTS**

Save as otherwise provided in these Articles, the A1 Ordinary Shares, the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, Deferred Shares and Management C Shares shall be treated *pari passu* and as if they constituted one class of Share. The rights attached to the A1 Ordinary Shares, A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares, Deferred Shares and Management C Shares are as follows:

#### 14.1 **A1 Ordinary Shares**

The rights attached to the A1 Ordinary Shares are as follows:

#### 14.2 **Dividends**

Any profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of the Board and Investor Consent, be applied in distributing the balance of such profits amongst the holders of the A1 Ordinary Shares, A Ordinary Shares, B Ordinary Shares and 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. The D Ordinary Shares, Deferred Shares and Management C Shares shall have no right to participate in any dividend.

#### 14.3 **Capital**

Capital shall be dealt with in accordance with **Article 14.12**.

#### 14.4 **Voting**

14.4.1 The holders of the A1 Ordinary Shares shall be entitled to receive notice of, and to attend and speak at, any general meetings of the Company and at any separate class meeting of the Company for Shares of the class they hold and:

14.4.1.1 on a written resolution, each holder, shall have one vote in respect of each A1 Ordinary Share they hold; and

14.4.1.2 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, on a show of hands, have one vote each, and, on a poll, shall have one vote in respect of each A1 Ordinary Share they hold.

14.4.2 Each holder of the A1 Ordinary Shares shall be entitled to appoint one or more proxies to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the holder of A1 Ordinary Shares.

14.4.3 If more than one proxy is appointed in respect of a different share or shares by a holder of A1 Ordinary Shares in accordance with **Article 14.4.2** but the document appointing the proxies does not specify to which share or shares the appointment relates, then the person whose name appears before the name or names of the other proxy or proxies in the document appointing the proxies shall be the only proxy for such A1 Ordinary Shareholder entitled to attend and vote at any general meeting of the Company.

#### 14.5 **A Ordinary Shares**

The rights attached to the A Ordinary Shares are as follows:

#### 14.6 **Dividends**

In accordance with **Article 14.6**.

#### 14.7 **Capital**

Capital shall be dealt with in accordance with **Article 14.12**.

## 14.8 **Conversion**

- 14.8.1 The holders of A Ordinary Shares may at any time convert all the A Ordinary Shares into the same number of fully paid equity shares as are determined by the holders of the A Ordinary Shares by notice in writing given to the Company signed by an Investor Majority. The conversion shall take effect immediately upon the date of delivery of that notice to the Company (unless the notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when those conditions have been fulfilled) and the Company and all holders of shares shall do all acts necessary to procure that conversion.
- 14.8.2 Each holder of A Ordinary Shares shall deliver the certificates for those A Ordinary Shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the Conversion Date. On the Conversion Date the Company shall issue to the persons entitled thereto certificates for the class of shares arising on conversion.
- 14.8.3 The equity shares arising on conversion of the A Ordinary Shares shall have the same rights in all respects as the equity shares of that class then in issue.
- 14.8.4 The holders of A Ordinary Shares must in accordance with **Article 14.12.3** convert such number of A Ordinary Shares held by them (valuing each at the Exit Capitalisation for each A Ordinary Share). Such conversion shall automatically take place on such date as is deemed by the Board and the Company and all holders of shares shall do all acts necessary to procure that conversion.
- 14.8.5 Each holder of A Ordinary Shares shall deliver the certificates for those A Ordinary Shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the date of the conversion referred to in **Article 14.8.4**. On such date the Company shall issue to the persons entitled thereto certificates for the Deferred Shares arising on conversion.
- 14.8.6 The Deferred Shares arising upon conversion of the A Ordinary Shares pursuant to **Article 14.8.4** shall have the rights set out in **Articles 14.15 to 14.18** inclusive.

## 14.9 **Voting**

- 14.9.1 The holders of the A Ordinary Shares shall be entitled to receive notice of, and to attend and speak at, any general meetings of the Company and at any separate class meeting of the Company for Shares of the class they hold and:
- 14.9.1.1 on a written resolution, each holder, shall have one vote in respect of each A Ordinary Share they hold; and
- 14.9.1.2 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, on a show of hands, have one vote each, and, on a poll, shall have one vote in respect of each A Ordinary Share they hold.
- 14.9.2 Each holder of the A Ordinary Shares shall be entitled to appoint one or more proxies to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the holder of A Ordinary Shares.

14.9.3 If more than one proxy is appointed in respect of a different share or shares by a holder of A Ordinary Shares in accordance with **Article 14.9.2** but the document appointing the proxies does not specify to which share or shares the appointment relates, then the person whose name appears before the name or names of the other proxy or proxies in the document appointing the proxies shall be the only proxy for such A Ordinary Shareholder entitled to attend and vote at any general meeting of the Company.

14.10 **B Ordinary Shares, C Ordinary Shares and D Ordinary Shares**

The rights attached to the B Ordinary Shares, C Ordinary Shares and D Ordinary Shares are as follows:

14.11 **Dividends**

In accordance with **Article 14.6**.

14.12 **Capital**

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 (including (i) the principal amount of the A Loan Notes but not accrued interest; (ii) the principal amount and accrued interest on the B Loan Notes; (iii) after paying each holder of Management A Shares, Management B Shares and Management E Shares in PD&MS Holdings Limited (registered number: 08451993) in accordance with the rights attaching to those shares); and (iv) all costs of the Relevant Sale (as applicable) shall be applied in the following order of priority:

14.12.1 firstly, in paying to the holders of the A1 Ordinary Shares in the Company a maximum amount of up to £24,800,000 (the "**Maximum A1 Return**") subject to an adjustment in favour of the holders of Management C shares where the amount of the Inflexion Return set out in column 1 of the table below, whereby a proportion of the Maximum A1 Return will be used in paying to the holders of the Management C Shares that percentage of such Exit Capitalisation less the Inflexion Investment which would otherwise have been payable to the holders of the A1 Ordinary Shares as set out in column 2 of the table below immediately adjacent to the applicable Inflexion Return:-

<b>Inflexion Return</b>	<b>Percentage payable to the holders of the Management C Shares</b>
Less than 1.0 of the Inflexion Investment	Nil
Equal to or greater than 1.0 but less than 1.1 of the Inflexion Investment	10%
Equal to or greater than 1.1 but less than 1.2 of the Inflexion Investment	20%
Equal to or greater than 1.2 but less than 1.3 of the Inflexion Investment	25%
Equal to or greater than 1.3 but less than 1.4 of the Inflexion Investment	30%
Equal to or greater than 1.4 of the Inflexion Investment	40%

14.12.2 secondly, in paying to each holder of shares in the Company an amount equal to the issue price thereof;

14.12.3 thirdly, dependent on the amount of the Inflexion Return set out in column 1 of the table below, in paying to the holders of the Management C Shares that percentage of such Exit Capitalisation less the Inflexion Investment which would otherwise have been payable to the holders of the A Ordinary Shares as set out in column 2 of the table below immediately adjacent to the applicable Inflexion Return:-

<b>Inflexion Return</b>	<b>Percentage payable to the holders of the Management C Shares</b>
Less than 1.0 of the Inflexion Investment	Nil
Equal to or greater than 1.0 but less than 1.1 of the Inflexion Investment	10%
Equal to or greater than 1.1 but less than 1.2 of the Inflexion Investment	20%
Equal to or greater than 1.2 but less than 1.3 of the Inflexion Investment	25%
Equal to or greater than 1.3 but less than 1.4 of the Inflexion Investment	30%
Equal to or greater than 1.4 of the Inflexion Investment	40%

and thereafter the holders of the Management C Shares shall not be entitled to any further payment in respect of such Management C Shares held;

14.12.4 fourthly, in paying any remaining surplus to the holders of the:

14.12.4.1 A Ordinary Shares (less any adjustment made in accordance with **Article 14.12.3** above);

14.12.4.2 B Ordinary Shares on the basis of the return that would have been payable to the holders of the B Ordinary Shares irrespective of any adjustment pursuant to **Article 14.12.3** (less their pro rata share of the payment in **Article 14.12.5**); and

14.12.4.3 C Ordinary Shares on the basis of the return that would have been payable to the holders of the C Ordinary Shares irrespective of any adjustment pursuant to **Article 14.12.3** (less their pro rata share of the payment in **Article 14.12.5**);

14.12.5 fifthly, in paying to each holder of D Ordinary Shares in respect of each D Ordinary Share so held 1/1000th per D Ordinary Share of the amount received by a holder in respect of a B Ordinary Share or a C Ordinary Share and thereafter the holders of the D Ordinary Shares shall not be entitled to any further payment in respect of the D Ordinary Shares held.

## 14.13 Voting

- 14.13.1 Subject to any rights or restrictions for the time being attached to any class or classes of Shares, and to **Articles 14.13.4 to 14.13.10**, each holder of B Ordinary Shares, C Ordinary Shares and D 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:
- 14.13.1.1 on a written resolution, each holder, shall have one vote in respect of each B Ordinary Share, C Ordinary Share or D Ordinary Shares they hold; and
  - 14.13.1.2 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, on a show of hands, have one vote each, and, on a poll, shall have one vote in respect of each B Ordinary Share, C Ordinary Share or D Ordinary Shares they hold.
- 14.13.2 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.
- 14.13.3 If more than one proxy is appointed in respect of a different Share or Shares by a holder in accordance with **Article 14.13.2** 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.
- 14.13.4 The provisions of **Article 14.13.5** shall apply if:
- 14.13.4.1 the Company has failed or been unable to redeem any of the Loan Notes on the due date for redemption and/or pay interest within ten Business Days of the due date for payment in accordance with the A Loan Note Instrument (for whatever reason including any restriction imposed by any intercreditor or similar arrangement);
  - 14.13.4.2 the Company is in breach of any of the financial covenants under the Facility Documents or is otherwise in breach of any of the Facility Documents giving rise to a right to enforce security including any **"Event of Default"** (as defined in the Facility Documents);
  - 14.13.4.3 there is a breach of the provisions of these Articles or the Investment Agreement by the Company or the Managers (or any of them) and such breach has not been remedied within ten Business Days of a request being made by the Investors to do so;
  - 14.13.4.4 there is a breach of any of the Investor Covenant Ratios; or
  - 14.13.4.5 a resolution to wind up the Company or any other Group Company has been presented.
- 14.13.5 If any of the circumstances stated at **Article 14.13.4** have occurred and a written notice has been served upon the Company by the Investor Majority each A Ordinary Share shall on a poll whether present in person or by proxy, have one hundred thousand votes and be able to pass written resolutions and new Shares may be issued, ranking ahead of or pari passu with the B Ordinary Shares, C Ordinary Shares and D Ordinary Shares, without the consent of the holders of the B Ordinary Shares, C Ordinary Shares or D Ordinary Shares and the provisions of **Article 18** shall apply.

- 14.13.6 The provisions of **Article 14.13.5** shall:
- 14.13.6.1 in the case of the circumstances at **Article 14.13.4.1** existing, continue to apply until the A Loan Notes required to be redeemed have been so redeemed or any interest due has been paid;
  - 14.13.6.2 in the case of the circumstances at **Articles 14.13.4.2 to 14.13.4.5** (inclusive) existing, continue to apply for so long as such breach or failure subsists and has not been rectified to the satisfaction of the Investor Majority.
- 14.13.7 For the avoidance of doubt, the provisions in **Article 14.13.5** shall, where a written notice has been served upon the Company in accordance with **Article 14.13.5**, enable the holders of any A Ordinary Shares in issue from time to time:
- 14.13.7.1 to pass written resolutions of the Company pursuant to section 288 of the 2006 Act; and
  - 14.13.7.2 to consent to the holding of a general meeting of the Company on short notice pursuant to section 307(4) of the 2006 Act.
- 14.13.8 The provisions of **Article 14.13.9** shall apply:
- 14.13.8.1 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;
  - 14.13.8.2 if, at any time without Investor Consent, any holder (other than an Investor) is in breach of the provisions of these Articles and/or the Investment Agreement or any former holder (if still bound by the Investment Agreement) is in breach of the provisions of the Investment Agreement;
  - 14.13.8.3 if any holder of B Ordinary Shares, C Ordinary Shares or D Ordinary Shares becomes a Leaver;
  - 14.13.8.4 if any holder has served a Transfer Notice pursuant to **Article 21** (Voluntary Transfers) in respect of any B Ordinary, C Ordinary or D Ordinary Shares.
- 14.13.9 If any of the circumstances stated at **Article 14.13.8** have occurred:
- 14.13.9.1 the Shares which such holder holds or to which he is entitled; and
  - 14.13.9.2 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 20** (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 in **Article 14.13.8.1** and **14.13.8.2**, the date a Leaver becomes a Leaver in accordance with **Article 23.4** or the date upon which a Transfer Notice is served pursuant to **Article 21** (as the case may be) ..
- 14.13.10 The provisions of **Article 14.13.9** shall continue to apply until such time as the relevant B Ordinary Shares, C Ordinary Shares or D Ordinary Shares have been transferred pursuant to the provisions of **Articles 21** and/or **23** (as the case may be); and



- 14.13.10.1 notwithstanding any other provisions in these Articles, if any holder of B Ordinary Shares, C Ordinary Shares or D Ordinary Shares retains any B Ordinary Shares, C Ordinary Shares or D Ordinary Shares after the operation in full of the provisions of **Article 23** whilst such holder (or any person who has acquired such Shares under a permitted transfer (directly or indirectly) under **Article 20.2**) continues to hold such Shares.

14.14 **Deferred Shares**

The rights attached to the Deferred Shares are as follows:

14.15 **Dividends**

The Deferred Shares shall have no right to participate in any dividend.

14.16 **Capital**

Pursuant to **Article 14.17**.

- 14.17 The Company may at any point appoint any person to execute on behalf of the holders of any Deferred Shares a transfer of them (and/or an agreement to transfer the same) to such person as the Company may determine as custodian and/or to purchase them (in accordance with the provisions of the 2006 Act) for a price not more than an aggregate sum of 1p for all the Deferred Shares without obtaining the sanction of the holder or holders and pending their transfer and/or purchase to retain the certificate for those Deferred Shares.

- 14.18 The Company may at any time after the creation of any Deferred Shares and to the extent permitted under the 2006 Act redeem all of the Deferred Shares then in issue, at an aggregate price not exceeding 1p for all the Deferred Shares redeemed the recipient of that sum being determined by the Company, upon giving the registered holders of those shares not less than 14 days' previous notice in writing of its intention so to do, fixing a time and place for the redemption.

14.19 **Voting**

The Deferred Shares shall have no entitlement 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.

14.20 **Management C Shares**

The rights attached to the Management C Shares are as follows:

14.21 **Dividends**

The Management C Shares shall have no right to participate in any dividend.

14.22 **Capital**

In accordance with **Article 14.12.3**.

14.23 **Voting**

The Management C Shares shall have no entitlement 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.

15. **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.

16. **SALE OF THE SHARE CAPITAL OF THE COMPANY**

16.1 In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale the selling holders (immediately prior to such Sale) shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall (after the repayment of the Loan Notes and any interest thereon) be distributed amongst such selling holders in the following order of priority:

16.1.1 in paying, in respect of those A1 Ordinary Shares, A Ordinary Shares B Ordinary Shares and C Ordinary Shares subject to the Sale, all dividends on the A1 Ordinary Shares, A Ordinary Shares, B Ordinary Shares and C Ordinary Shares which have been declared but are unpaid as at the date of the Sale and an amount equal to the Issue Price thereof as if the Sale were a return on capital; and

16.1.2 thereafter distributing the balance in accordance with **Article 14.12**.

16.2 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 **Articles 16.1.1** to **16.1.2** (inclusive) are allocated between the holders of the Shares the subject of such Listing in the same proportions as the provisions of **Article 16.1** would provide in distributing the proceeds of a Sale to all holders selling Shares in connection with such Sale.

17. **VARIATION OF RIGHTS**

17.1 Subject to **Articles 14.13.5** and **14.13.6**, 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 three-quarters in nominal value 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 or, in relation to the variation or abrogation of the A Ordinary Shares, with Investor Consent.

17.2 For each such separate class meeting referred to in **Article 17.1**, 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 (excluding any Shares held by the Company as treasury shares), 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.

17.3 The rights attached to A Ordinary Shares shall, with the intent that this **Article 17.3** shall create class rights attaching to each class of Share in issue be deemed to be varied by any of the actions referred to below each of which will require Investor Consent. The actions are:

17.3.1 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;

- 17.3.2 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;
  - 17.3.3 the holding of any Shares by the Company in treasury and the transfer by the Company of any such Shares out of treasury (save for those transfers of Shares out of treasury as specified at **Article 20.2.8**);
  - 17.3.4 the amendment of any provisions of the Articles or the articles of association of any Group Company;
  - 17.3.5 the redemption of any A Loan Notes or B Loan Notes of the Company other than on a redemption in accordance with the terms of the A Loan Notes or B Loan Notes;
  - 17.3.6 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;
  - 17.3.7 the taking of any steps to wind up the Company or any other Group Company;
  - 17.3.8 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;
  - 17.3.9 the declaration, making or payment of any dividend or other distribution to holders other than as expressly permitted under the Articles;
  - 17.3.10 any change in the accounting reference date of the Company;
  - 17.3.11 the appointment or removal of the Auditors (other than the reappointment of the existing Auditors);
  - 17.3.12 the appointment or removal of any director or chairman of the Company;
  - 17.3.13 the acquisition of any interest in any share in the capital of any company by any Group Company;
  - 17.3.14 the establishment of or variation to any employee share option scheme;
  - 17.3.15 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;
  - 17.3.16 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
  - 17.3.17 any Listing.
- 17.4 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:
- 17.4.1 the allotment of any Shares which will rank *pari passu* in all respects with any existing class of Shares or, pursuant to **Article 14.13.5**, any Shares ranking ahead of any existing class of Shares;
  - 17.4.2 an offer to the holders of any class of Shares of the right to receive new Shares of that class, credited as fully paid, instead of the whole or any part of a cash dividend specified by the Board; or

- 17.4.3 any amendment to these Articles where authorised by special resolution of the Company provided always that such amendment does not remove or dilute the existing economic rights of the Shares including (without limitation) pre-emption rights on an allotment or transfer, tag along and drag along rights and voting rights.

## 18. ALLOTMENT OF SHARES

- 18.1 The directors shall not allot any Shares unless notice in writing is given to each holder specifying:

- 18.1.1 the number and classes of Shares which are proposed to be issued;
- 18.1.2 the consideration payable on such issue;
- 18.1.3 whether it is intended to issue a debt instrument in connection with the issue of such Shares to those subscribing for those Shares and the amount constituted by such debt (the "**Debt Amount**"); and
- 18.1.4 any other material terms or conditions.

- 18.2 The notice specified in **Article 18.1** shall invite each holder to state, in writing within ten 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 shall also state the requirement (if any) for a holder who is willing to subscribe for any of such Shares to also subscribe for the same proportion of the Debt Amount as equals the proportion which those Shares allocated to a holder pursuant to **Article 18.4** shall represent as a proportion of all the Shares so allocated pursuant to **Article 18.4** in respect of a notice specified in **Article 18.2** (the "**Relevant Debt Amount Proportion**").

- 18.3 The Shares proposed to be issued pursuant to **Article 18.1** shall be issued 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 ("**Proportionate Element**") provided that such holder shall not be allocated more Shares than he shall have stated himself willing to take. It shall be open to each such holder to specify if he/it is willing to subscribe for Shares in excess of his Proportionate Element ("**Additional Shares**") and, if the holder does so specify, he shall state the number of Additional Shares.

- 18.4 Within three Business Days of the expiry of the invitation made pursuant to the notice given under **Article 18.1** (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 18.3**), the Board shall allocate the Shares in the following manner:

- 18.4.1 if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Company shall allocate the number applied for in accordance with the applications; or
- 18.4.2 if the total number of Shares applied for is more than the available number of Shares to be issued, each holder shall be allocated his Proportionate Element (or such lesser number of Shares to be issued for which he may have applied) applications for Additional 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 Additional Shares 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 are to be issued (a "**Member Subscriber**") and shall specify in the Issue Notice the time (being not later than ten Business Days after the date of the Issue Notice) at which the allotment of the Shares shall be made.

- 18.5 The Issue Notice shall also state the Relevant Debt Amount Proportion which the Member Subscriber is also to subscribe for (if any).
- 18.6 Upon such allocations being made as set out in **Article 18.4**, the Board shall be bound, on payment of the subscription price, to issue the Shares comprised in the Issue Notice to the Member Subscriber named therein at the time therein specified free from any lien, charge or encumbrance.
- 18.7 Notwithstanding any other provisions of this **Article 18**:
- 18.7.1 no Shares 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; and
- 18.7.2 no shares shall be allotted to a Member Subscriber unless (if relevant) he has also paid in full in respect of the Debt Amount his Relevant Debt Amount Proportion.
- 18.8 The provisions of **Articles 18.2 to 18.4** shall have no application to any holder to whom the provisions of **Articles 14.13.8 and 14.13.9** apply (until the Shares have been validly transferred in accordance with these Articles) or who has become a Leaver.
- 18.9 The provisions of **Articles 18.2 to 18.4** shall be modified in relation to the issue of any Shares which the Board (acting with the consent of the Investor Majority) proposes from time to time to issue to one or more shareholders (each an **"Emergency Shareholder"**) pursuant to an Emergency Issue provided that on the date the Company issues those Shares it serves a notice on each other shareholder (each a **"Non-Emergency Shareholder"**) informing each Non-Emergency Shareholder of the Emergency Issue. As soon as reasonably practicable following an Emergency Issue the Company shall serve a notice on each Non-Emergency Shareholder inviting them to subscribe (on the same terms, including the requirement to subscribe for the Relevant Debt Amount Proportion, as the Investors who subscribed in the Emergency Issue (a **"Catch Up Issue"**) for the number of Shares (and their Relevant Debt Amount Proportion) for which the Non-Emergency Shareholder would have been entitled to subscribe for if a pre-emptive offer had been made in accordance with this **Article 18** in respect of the aggregate of the Shares issued pursuant to the Emergency Issue and the new Shares to be offered pursuant to this **Article 18.9** (and the provisions of this **Article 18** will apply to such Catch Up Issue (including their Debt Amount) mutatis mutandis as if set out again in full save that, for the avoidance of doubt, the Emergency Member shall not be entitled to participate in such Catch Up Issue.)
- 18.10 Notwithstanding anything herein to the contrary, the provisions in this **Article 18** shall not apply to any issue of up to 25,922 C Ordinary Shares to be issued to the Managers and a non-executive Chairman in such amounts as approved by the Remuneration Committee with Investor Consent.
- 18.11 If any Share is allotted to a holder holding Shares of a different class, such Shares shall as on and from the time of registration of the allotment of that Share in the register of members of the Company be immediately redesignated as a Share of the same class as those already held by that holder prior to such allotment.
- 18.12 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.
- 18.13 References in **Articles 18** to the allotment of shares do not include the transfer of any Shares by the Company out of treasury by way of sale or transfer.

## TRANSFER OF SHARES

19. **GENERAL**

19.1 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.

19.2 For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer of Shares:

19.2.1 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

19.2.2 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.

20. **PERMITTED TRANSFERS**

Notwithstanding the provisions of any other Article, the transfers set out in this **Article 20** shall be permitted without restriction and the provisions of **Articles 21** (Voluntary Transfers) and **22** (Change of Control) shall have no application in respect of any such transfer or transfers.

20.1 **Permitted transfers by Investors**

20.1.1 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 23**.

20.1.2 Any Investor may with Investor Consent transfer up to a maximum of 49% of its Shares to any person, body, firm or partnership whose business comprises to a material extent the holding for investment purposes of securities in and/or the provision of debt and other financial facilities to United Kingdom unlisted companies and includes any subsidiary, nominee, custodian or manager used by such person, firm or partnership to hold such investments or to make available such facilities, provided always that Inflexion shall retain within its Group at least 51% of the A Ordinary Shares in issue from time to time.

20.1.3 Any Investor may with Investor Consent transfer any Share to any investment trust company whose shares are listed on a recognised investment exchange which is also managed by such Investor or the manager of such Investor or by a holding company of such management company or any subsidiary company of such holding company.

20.1.4 Any Investor may transfer all or any of its Shares to an Investor Associate or to any other member of its Investor Group.

20.1.5 Any Investor may transfer up to 49% of its 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, provided always that Inflexion shall retain within its Group at least 51% of the A Ordinary Shares in issue from time to time.

- 20.1.6 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.
- 20.1.7 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.

## 20.2 Permitted Transfers by non-Investors

- 20.2.1 Subject to **Articles 20.2.2 to 20.2.6** inclusive and to the prior consent of the Board and to prior Investor Consent, 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:
  - 20.2.1.1 a Family Member of his; or
  - 20.2.1.2 trustees to be held under a Family Trust in relation to that individual.
- 20.2.2 Subject to **Article 20.2.4**, no Shares shall be transferred under **Article 20.2.1** by an individual who previously acquired those Shares by way of transfer under **Article 20.2.1** 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.
- 20.2.3 No transfer of Shares shall be made by a holder under **Article 20.2.1**:
  - 20.2.3.1 unless in the case of a transfer under **Article 20.2.1.2**, Investor Consent has been provided to the Company that the Investors are satisfied:
    - (a) that none of the 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;
  - 20.2.3.2 if the proposed transfer will result in 50% or more by nominal value of the Shares originally held by the holder being held by that holder's Family Trust and Family Members.
- 20.2.4 Where Shares are held by trustees under a Family Trust:
  - 20.2.4.1 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;
  - 20.2.4.2 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 20.2.1** if he had remained the holder of them; and
  - 20.2.4.3 If any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Articles 20.2.4.1** or

**20.2.4.2**), 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 23**.

20.2.5 If:

20.2.5.1 any person has acquired Shares as a Family Member of a holder by way of one or more transfers permitted under this **Article 20.2**;

20.2.5.2 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 23**.

20.2.6 Subject to the provisions of **Article 23**, 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 20.2** 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 20**.

20.2.7 The trustees of any Employee Trust may transfer any B Ordinary Shares or C Ordinary Shares held by them to the beneficiaries of such Employee Trust with Investor Consent.

20.2.8 The Company may sell on a pro rata basis or transfer any Shares held by it as treasury shares to such person or persons identified by the Investors with Investor Consent.

### 20.3 **Permitted Transfers by all Shareholders**

20.3.1 Any holder (other than a holder of A Ordinary Shares) may at any time transfer all or any of his A1 Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares or Management C Shares to any other person with Investor Consent and the consent of the holders of a majority of the B Ordinary Shares.

20.3.2 Any Shares may be transferred pursuant to **Article 22.1** (Tag along) and/or **Articles 22.5** and **22.6** (Drag along).

## 21. **VOLUNTARY TRANSFERS**

21.1 Except as permitted under **Article 20**, any Seller who wishes to transfer Shares shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:

21.1.1 the number and class of Shares (the "**Sale Shares**") which he wishes to transfer;

21.1.2 the name of any third party to whom he proposes to sell or transfer the Sale Shares; and

21.1.3 the price at which he wishes to transfer the Sale Shares (the "**Transfer Price**").

21.2 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.



- 21.3 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 22.1 to 22.4** 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.
- 21.4 The Transfer Notice shall constitute the Company the agent of the Seller for the sale of the Sale Shares upon the following terms:
- 21.4.1 the price for each Sale Share is the Transfer Price; and
- 21.4.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 21.5 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"**):
- 21.5.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below; and
- 21.5.2 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:

<b>(1) Class of Sale Shares</b>	<b>(2) First Offer to</b>	<b>(3) Second Offer to</b>
A1 Ordinary Shares	Holders of A1 Ordinary Shares	Holders of A Ordinary Shares and holders of B Ordinary Shares
A Ordinary Shares	Holders of A Ordinary Shares	Holders of B Ordinary Shares
B Ordinary Shares	Warehouse	Holders of B Ordinary Shares
C Ordinary Shares	Warehouse	Holders of C Ordinary Shares
D Ordinary Shares	Warehouse	Holders of D Ordinary Shares
Management C Shares	Warehouse	Holders of Management C Shares

- 21.6 Subject always to the order of priorities set out in **Article 21.5**, the Sale Shares shall:
- 21.6.1 in respect of any offer of Sale Shares to the Warehouse, be treated as offered in such numbers and proportions as the Remuneration Committee (or, in default, the Investor Majority) shall direct; and
- 21.6.2 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"**).
- 21.7 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:
- 21.7.1 some or all of his Proportionate Entitlement; and

- 21.7.2 the number of Sale Shares in excess of his Proportionate Entitlement ("**Excess Sale Shares**") he is willing to purchase (if any).
- 21.8 Within three Business Days of the expiry of the Offer Notice period set out in **Article 21.7** (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 21.7**), the Board shall allocate the Sale Shares in the order of priorities set out in **Article 21.5** and subject thereto in the following manner:
- 21.8.1 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
- 21.8.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares:
- 21.8.2.1 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 21.5.1** and **21.5.2**; and
- 21.8.2.2 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 ten Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.
- 21.9 Subject to **Article 21.10**, upon such allocations being made as set out in **Articles 21.5** to **21.8** (inclusive):
- 21.9.1 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;
- 21.9.2 if the Seller makes default in so doing, a director 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:
- 21.9.2.1 a transfer of the relevant Sale Shares to the Member Applicant; and
- 21.9.2.2 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;
- 21.9.3 any director nominated by the Board 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

- 21.9.4 the relevant director 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.
- 21.10 If the provisions of **Article 21.2** 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 ten 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 21** shall be conditional upon all Sale Shares being sold.
- 21.11 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 21** 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 21.2** does apply) or any Sale Shares which have not been sold (if **Article 21.2** does not apply) to any person or persons at any price not less than the Transfer Price provided that:
- 21.11.1.1 the Board shall be entitled to refuse registration of the proposed transferee if he is or is believed to be a nominee for a person reasonably considered by the Board to be a competitor or connected with a competitor of the business of the Company and/or any other member of the Group;
  - 21.11.1.2 if the provisions of **Article 21.2** applied to the Transfer Notice, the Seller shall not be entitled, save with the written consent of all the other holders, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons;
  - 21.11.1.3 any such sale shall be a bona fide sale and the Board may request such information as it reasonably deems necessary to satisfy itself that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the Buyer and, if not so satisfied, may refuse to register the instrument of transfer; and
  - 21.11.1.4 the Board shall refuse registration of the proposed transferee if such transfer obliges the Seller to procure the making of an offer in accordance with **Articles 22.1** to **22.4**, until such time as such offer has been made and, if accepted, completed.

## 22. **CHANGE OF CONTROL**

### **Tag along**

- 22.1 Subject to **Article 22.2**, 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. 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.

- 22.2 The provisions of **Articles 22.1** and **22.5** shall not apply to any transfer of Shares pursuant to **Article 20** (other than **Article 20.3.2**) and to any person who was an original party to the Investment Agreement.
- 22.3 **"Tag Along Offer"** means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase or redeem as the case may be (i) all Loan Notes (and any interest thereon) held by a holder (ii) Shares held by the recipients of a Tag Along Offer and (iii) 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 the highest price per Share, subject to adjustment to ensure that the aggregate proceeds of sale are distributed in accordance with **Article 16**, (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in **Article 22.1** (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the Shares giving rise to the obligation to make the Tag Along Offer) within the period of one year ending on the proposed date of completion of such transfer of Shares.
- 22.4 In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to the Auditors and **Articles 32.1** and **32.2** shall apply.

#### **Drag along**

- 22.5 If holders of the A Ordinary Shares (in **Articles 22.5** and **22.6**, the **"Investor Sellers"**) wish to transfer their Shares (**"Investor Sellers' Shares"**) or Loan Notes to any person (the **"Buyer"**), pursuant to the terms of a bona fide arm's length transaction, then the Investor Sellers shall also have the option (the **"Drag Along Option"**), exercisable by the Investor Sellers 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"**), and Loan Notes 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"**) (and transfer or redeem their Loan Notes (as the case may be)) to the Buyer, or as the Buyer directs. The Drag Along Option must provide for terms such that the sale and purchase of the Called Shares and the Investor Sellers' Shares (and the transfer or redemption (as the case may be) of all Loan Notes) will be completed at the same time. A Drag Along Notice shall be given by the Investor Sellers to each Called Shareholder and shall specify:
- 22.5.1 that the Called Shareholders are, or will, in accordance with this **Article 22.5** and **Articles 22.6** and **22.7** and, be required to transfer with full title guarantee (or be repaid (as the case may be)) all their Called Shares and Loan Notes free from all liens, charges and encumbrances;
- 22.5.2 the price at which the Called Shares are to be transferred (which shall be an equal price per Share as the price payable for each of the Investor Sellers' Shares but subject to the aggregate proceeds of sale being distributed in accordance with **Article 16**) and the Loan Notes transferred or redeemed (as the case may be) to reflect the outstanding principal plus accrued interest. 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 it shall be in the same combination as between the Called Shares and the Investor Sellers' Shares;
- 22.5.3 the documents required to be executed by the Called Shareholder, the time period within which those documents should be delivered to the Company; and
- 22.5.4 the proposed date of completion of the sale (and/or redemption (as the case may be)) of the Called Shares and Loan Notes the subject of the Drag Along Notice.
- 22.6 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Called Shares and Loan Notes pursuant to the exercise of any option, warrant or other right to

subscribe for or acquire Called Shares and Loan Notes ("**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 and Loan Notes acquired by him to the Buyer or as the Buyer may direct and the provisions of this **Article 22.6** shall apply mutatis mutandis to the New Member save that completion of the sale (or redemption (as the case may be)) of such Called Shares and Loan Notes 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.

- 22.7 If the Called Shareholders (or any of them which shall include any New Member) shall make default in transferring their Called Shares and Loan Notes 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 pursuant to **Articles 22.5** and **22.6**, the provisions of **Article 21.9** (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 and Loan Notes 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 22.5**.
- 22.8 A Drag Along Notice shall be served in accordance with **Article 33**.
- 22.9 A Drag Along Notice may be revoked at any time prior to the completion of the sale of the Called Shares and Loan Notes of a Called Shareholder by the service of a written notice by the Investor Sellers on the Called Shareholder.

## 23. **COMPULSORY TRANSFERS**

- 23.1 In this **Article 23**, a "**Transfer Event**" means, in relation to any holder of Shares:
- 23.1.1 a holder who is an individual becoming bankrupt;
  - 23.1.2 a holder making any arrangement or composition with his creditors generally;
  - 23.1.3 a holder becoming a Leaver;
  - 23.1.4 a holder attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles; and
  - 23.1.5 a holder failing to make a transfer of Shares required by **Articles 20.1.1** or **20.2.5**.
- 23.2 Upon the happening of any Transfer Event, unless the Investor Majority notifies the Company otherwise, the holder in question 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 20.2** or **Article 20.3.1** shall be deemed 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 20.3.1** 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 Transfer Event.
- 23.3 A Deemed Transfer Notice shall be deemed to have been given on the date of the relevant Transfer Event.
- 23.4 For the purpose of **Article 23.1**, the date upon which a relevant holder becomes a Leaver shall be:

- 23.4.1 where a contract of employment or directorship or consultancy is terminated by the employer or the relevant group company by giving notice to the employee or consultant of the termination of the employment or directorship or consultancy, the date of that notice (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);
  - 23.4.2 where a contract of employment or directorship or consultancy is terminated by the employee or consultant by giving notice to the employer or relevant group company of the termination of the employment or directorship or consultancy, the date of that notice;
  - 23.4.3 save as provided in **Article 23.4.1** where an employer or employee or consultant wrongfully repudiates the contract of employment or consultancy and the other accepts that the contract of employment or consultancy agreement has been terminated, the date of such acceptance;
  - 23.4.4 where a contract of employment or consultancy is terminated under the doctrine of frustration, the date of the frustrating event; and
  - 23.4.5 where a contract of employment or directorship or consultancy is terminated for any reason other than in the circumstances set out in **Articles 23.4.1 to 23.4.4** (inclusive) above, the date on which the action or event giving rise to the termination occurs.
- 23.5 The price at which the Sale Shares shall be transferred pursuant to the Deemed Transfer Notice (the **"Compulsory Sale Price"**) shall be:
- 23.5.1 in the case of a Leaver who is not a Founder:
    - 23.5.1.1 Fair Value for all his B Ordinary Shares and Management C Shares where such Leaver is a Rollover Good Leaver;
    - 23.5.1.2 Fair Value or, if less, their Issue Price for all his B Ordinary Shares and Management C Shares where such Leaver is a Rollover Bad Leaver;
    - 23.5.1.3 Fair Value for all his C Ordinary Shares and Issue Price for his D Ordinary Shares and Management C Shares where such Leaver is a Sweet Good Leaver;
    - 23.5.1.4 Fair Value or, if less, their Issue Price for all his C Ordinary Shares, D Ordinary Shares and Management C Shares where such Leaver is a Sweet Bad Leaver; and
    - 23.5.1.5 in all other cases, Fair Value for all his B Ordinary Shares and/or C Ordinary Shares and Issue Price for all his D Ordinary Shares and Management C Shares.
  - 23.5.2 in the case of a Leaver who is a Founder, subject always to **Article 23.6**:
    - 23.5.2.1 Fair Value for all his B Ordinary Shares, C Ordinary Shares and Issue Price for his D Ordinary Shares where such Leaver is a Founder Good Leaver;
    - 23.5.2.2 Fair Value or, if less, their Issue Price for all his B Ordinary Shares, C Ordinary Shares and D Ordinary Shares where such Leaver is a Founder Bad Leaver.
- 23.6 The provisions of **Article 23.5.2** shall be modified as follows:

- 23.6.1 after the first anniversary of the date of the Investment Agreement but on or before the second anniversary of the date of the Investment Agreement the Compulsory Sale Price for 33.33% of those Sale Shares (rounded down to the nearest whole share) shall be Fair Value regardless of the circumstances in which he becomes a Leaver and the remainder only of those Sale Shares shall be valued, dependent on whether such Leaver is a Founder Good Leaver or Founder Bad Leaver, in accordance with **Article 23.5.2**;
- 23.6.2 after the second anniversary but on or before the third anniversary of the date of the Investment Agreement the Compulsory Sale Price for 66.66% of those Sale Shares (rounded down to the nearest whole share) shall be Fair Value regardless of the circumstances in which he becomes a Leaver and the remainder only of those Sale Shares shall be valued, dependent on whether such Leaver is a Founder Good Leaver or Founder Bad Leaver, in accordance with **Article 23.5.2**; and
- 23.6.3 after the third anniversary of the date of the Investment Agreement then the Compulsory Sale Price for all those Sale Shares shall be Fair Value irrespective of whether such Founder is a Founder Good Leaver or a Founder Bad Leader.
- 23.7 No Deemed Transfer Notice once given in accordance with these Articles may be withdrawn unless the Investor Majority approves such withdrawal.
- 23.8 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:
- 23.8.1 the price for each Sale Share is the Compulsory Sale Price; and
- 23.8.2 the Sale Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 23.9 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**");
- 23.9.1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below; and
- 23.9.2 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:

<b>(1) Class of Sale Shares</b>	<b>(2) First Offer to</b>	<b>(3) Second Offer to</b>
A1 Ordinary Shares	Holders of A1 Ordinary Shares	Holders of A Ordinary Shares and holders of B Ordinary Shares
A Ordinary Shares	Holders of A Ordinary Shares	Holders of B Ordinary Shares
B Ordinary Shares	Warehouse	Holders of B Ordinary Shares
C Ordinary Shares	Warehouse	Holders of C Ordinary Shares
D Ordinary Shares	Warehouse	Holders of D Ordinary Shares
Management C Shares	Warehouse	Holders of Management C Shares

- 23.10 Subject always to the order of priorities set out in **Article 23.9**, the Sale Shares shall:

- 23.10.1 in respect of any offer of Sale Shares to the Warehouse, be treated as offered in such numbers and proportions as the Remuneration Committee or, in default, the Investor Majority shall direct); and
- 23.10.2 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**").
- 23.11 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:
  - 23.11.1 some or all of his Proportionate Entitlement; and
  - 23.11.2 the number of Sale Shares in excess of his Proportionate Entitlement ("**Excess Sale Shares**") he is willing to purchase (if any).
- 23.12 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:
  - 23.12.1 the requirements of the Statutes to purchase the Sale Shares in question; and
  - 23.12.2 any requirement for consent under **Article 17**.
- 23.13 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 23.12.1** and **23.12.2**, then this **Article 23.13** shall take effect as if no acceptance was given by the Company.
- 23.14 Within three Business Days of the expiry of the Offer Notice period set out in **Article 23.11** (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 23.11**), the Board shall allocate the Sale Shares in the order of priorities set out in **Article 23.9** and subject thereto in the following manner:
  - 23.14.1 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
  - 23.14.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares:
    - 23.14.2.1 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 23.9.1** and **23.9.2**; and
    - 23.14.2.2 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 ten Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.



- 23.15 Upon such allocations being made as set out in **Articles 23.9 to 23.12** (inclusive):
- 23.15.1 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;
  - 23.15.2 if the Seller makes default in so doing, one of the directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney on behalf of the Seller with full power to give, execute, complete and deliver in the name and on behalf of the Seller:
    - 23.15.2.1 a transfer of the relevant Sale Shares to the Member Applicant; and
    - 23.15.2.2 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;
  - 23.15.3 any director 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
  - 23.15.4 the relevant director 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.
- 23.16 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 23**, the Seller may not sell or transfer any remaining Sale Shares otherwise than in accordance with the provisions of **Articles 20, 21 or 22** and pending any such sale or transfer the provisions of **Article 14.13.5** shall continue to apply.

## 24. **VALUATION OF SHARES**

- 24.1 In the event that the Auditors are required to determine the price at which Shares are to be transferred pursuant to these Articles, the Company shall engage and instruct the Auditors (which instructions shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 24** is required), to give their written opinion as to the price which represents a fair value for such Shares on the basis of valuing each Share on the basis of the value of the Company as a going concern at the date of the Transfer Notice or, in the case of a Deemed Transfer Notice, at the date of the relevant Transfer Event in respect of which it is deemed to have been given and multiplying such valuation of the Company by the fraction the numerator of which shall be the nominal value of each Share comprised in such Transfer Notice or Deemed Transfer Notice (as applicable) and the denominator of which shall be the nominal value of all the Shares in issue at such date including any Shares held by the Company in treasury and in each case, for the avoidance of doubt disregarding whether or not a Leaver's Shares comprise a majority or minority interest or the fact that their transferability is restricted by these Articles.
- 24.2 In the event that the Auditors decline to accept an instruction to provide a valuation pursuant to this **Article 24**, then the price will be determined by a firm of independent chartered accountants, such accountants to be instructed by the Company with Investor Consent.

- 24.3 **Articles 32.1 and 32.2** shall apply to any determination under this Article by the Auditors or such accountants appointed pursuant to **Article 24.2** and references to Auditors in those **Articles 32.1 and 32.2** shall include such accountants.

## 25. **COMPLIANCE**

- 25.1 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 22.1**, the Board may from time to time require any shareholder or past shareholder or the personal representatives, 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.

- 25.2 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 22.1**, 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 22**:

25.2.1 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

25.2.2 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 22.1**, 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 22.1**), shall cease to entitle the holders thereof (or any proxy) :

25.2.2.1 to receive notice of any meeting; or

25.2.2.2 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

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

25.2.2.4 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.

## 26. **PURCHASE OF OWN SHARES**

The Company is authorised to purchase its own shares with cash in accordance with section 692 of the 2006 Act.

## 27. **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**

### 28. **NOTICE OF GENERAL MEETINGS**

28.1 Every notice convening a general meeting shall:

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

28.1.2 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.

28.2 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% 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.

### 29. **PROCEEDINGS AT GENERAL MEETINGS**

29.1 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 a holder of A Ordinary Shares and one of whom must be a holder of B Ordinary Shares) present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting.

29.2 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.

### 30. **WRITTEN RESOLUTIONS**

30.1 The provisions of **Article 14.13.7** shall apply in respect of the passing of written resolutions.

30.2 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.

30.3 For the purposes of this **Article 30 “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**

### 31. **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 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.

## 32. **AUDITORS**

### **Auditors' determination**

- 32.1 If any matter under these Articles is referred to the Auditors for determination then the Auditors 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).
- 32.2 The Auditors' costs in making any such determination referred to in **Article 32.1** shall be borne by the Company unless the Auditors shall otherwise determine.
- 32.3 The Auditors where required by these Articles shall determine the valuation of Shares in accordance with **Article 24**.

## 33. **COMPANY COMMUNICATION PROVISIONS**

### 33.1 Where:

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

33.1.2 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.

### 33.2 Where:

33.2.1 a document or information is sent or supplied by electronic means; and

33.2.2 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.

### 33.3 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:

33.3.1 when the material was first made available on the website; or

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

### 33.4 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by **Articles 33.1, 33.2** and **33.3**.

### 33.5 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.

## 34. **INDEMNITIES FOR DIRECTORS**

- 34.1 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)

shall be entitled to be indemnified by the Company against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him 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 as a director, former director, alternate director, secretary or other officer of the Company or of any associated company.

34.2 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 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 as a director, former director, alternate director, Auditor, secretary or other officer of the Company or of any associated company.

34.3 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:

34.3.1 in defending any criminal or civil proceedings; or

34.3.2 in connection with any application under sections 661(3) or 661(4) or under section 1157 of the 2006 Act.

34.4 Model Articles 52 and 53 shall not apply to the Company.

### 35. **INVESTOR COVENANT RATIOS**

In respect of the month set out in column (1) of the table below when the Interest Cover or Leverage Cover (as each such term is defined in the Facility Agreement) is to be tested there shall be a breach if on the date of such test the Interest Cover or Leverage Cover is not less than the relevant ratio value set opposite such test date in column (2) of such table in relation to the Group:

<b>Month in which the Interest Cover is Tested. Relevant Period expiring:</b>	<b>Investor covenant. Interest cover when applied under the Facility Agreement, to be less than</b>
31 March 2020	5:1
30 June 2020	5:1
30 September 2020	5:1
31 December 2020	5:1
31 December 2020	5:1
31 March 2021	5:1
30 June 2021	5:1
30 September 2021	5:1
31 December 2021	5:1
31 March 2022	5:1

30 June 2022	5:1
30 September 2022	5:1
31 December 2022	5:1
31 March 2023	5:1
30 June 2023	5:1
30 September 2023	5:1
31 December 2023	5:1
31 March 2024	5:1
30 June 2024 and thereafter	5:1

<b>Month in which the Leverage Cover is Tested. Relevant Period expiring:</b>	<b>Investor covenant. Leverage Ratio when applied under the Facility Agreement, to be less than</b>
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31 March 2020	2:1
30 June 2020	2:1
30 September 2020	2:1
31 December 2020	2:1
31 March 2021	2:1
30 June 2021	2:1
30 September 2021	2:1
31 December 2021	2:1
31 March 2022	2:1
30 June 2022	2:1
30 September 2022	2:1
31 December 2022	2:1
31 March 2023	2:1
30 June 2023	2:1
30 September 2023	2:1
31 December 2023	2:1
31 March 2024	2:1
30 June 2024 and thereafter	2:1

Cashflow Cover as defined in the Facility Agreement for all relevant periods shall be 1.1:1.

# **ANNEXURE 1**

## **Model Articles**

### **PART 1**

#### **INTERPRETATION AND LIMITATION OF LIABILITY**

1. Defined terms
2. Liability of members

### **PART 2**

#### **DIRECTORS**

##### **DIRECTORS' POWERS AND RESPONSIBILITIES**

3. Directors' general authority
4. Shareholders' reserve power
5. Directors may delegate
6. Committees

##### **DECISION-MAKING BY DIRECTORS**

7. Directors to take decisions collectively
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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;
    - (f) 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 seven 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' meeting**

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 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 two 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) 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 shareholders' 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 seven 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.