

Company number: 09180152

**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION**  
**of**  
**23.5 DEGREES TOPCO LIMITED**  
**(Company)**

Circulation date: 12 December

2016

SATURDAY



RM 17/12/2016 #67  
COMPANIES HOUSE

In accordance with the provisions of Chapter 2 of Part 13 of the Companies Act 2006, the following resolution is proposed as a special resolution of the Company

**SPECIAL RESOLUTION**

**THAT** the articles of association of the Company attached to this written resolution be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company

**Please read the notes at the end of this document before signifying your agreement to the resolution.**

The persons named below, being all of the persons eligible to vote on the above resolution on the circulation date, irrevocably agree to the resolution

Anil Sudhakar Patil

Date

Mark Hepburn

Date

Michael John Tait

12 December 2016  
Date

for and on behalf of  
Gateley Custodian and Nominee Services Limited

Date

for and on behalf of Share Nominees Limited  
(acting by its duly appointed attorney)

Date

## **NOTES**

- 1 If you agree with the Resolution, please indicate your agreement by one of the following methods
- 1 1 if you received the Resolution by email by replying to that email and stating in your reply your name and that you agree to the Resolution, or
- 1 2 by signing and dating this document where indicated above and returning it to the Company either:
  - 1 2 1 by email by sending a scanned copy of the original signed and dated Resolution to [matthew.smith@gateleyplc.com](mailto:matthew.smith@gateleyplc.com); or
  - 1 2 2 by hand by delivering the signed and dated Resolution to Gateley Plc, One Eleven Edmund Street, Birmingham B3 2HJ marked "For the attention of Matthew Smith", or
  - 1 2 3 by post by returning the signed and dated Resolution by post to Gateley Plc, One Eleven Edmund Street, Birmingham B3 2HJ marked "For the attention of Matthew Smith"
- 1 If you are indicating agreement to the Resolution on behalf of a company or person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority with your indication of agreement
- 2 If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the Resolution, you may not revoke your agreement
- 4 When agreement has been received from members representing more than 50% of the total voting rights, it will be deemed passed. Unless within the period of 28 days beginning with the Circulation Date sufficient agreement has been received for the Resolution to pass, it will lapse
- 5 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Parent. Seniority is determined by the order in which the names of the joint holders appear in the register of members

# ♦ Gateley Plc

DATED 12 December 2016

**23.5 DEGREES TOPCO LIMITED**  
(company number 09180152)

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**ARTICLES OF ASSOCIATION**  
adopted on 12 December 2016

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## CONTENTS

1	DEFINITIONS AND INTERPRETATION	1
2	DIVIDENDS	11
3	RETURN OF CAPITAL	12
4	EXIT PROVISIONS	14
5	VOTING	14
6	VARIATION OF CLASS RIGHTS	15
7	ISSUE OF SHARES	16
8	TRANSFER OF SHARES - GENERAL	18
9	PERMITTED TRANSFERS	20
10	PRE-EMPTION ON TRANSFER OF SHARES	22
11	COMPULSORY TRANSFERS	26
12	DRAG ALONG	28
13	TAG ALONG	30
14	GENERAL MEETINGS	31
15	APPOINTMENT AND REMOVAL OF DIRECTORS	32
16	INVESTOR DIRECTOR, CHAIRMAN AND OBSERVER	32
17	ALTERNATE DIRECTORS	33
18	REMUNERATION AND AUDIT COMMITTEES	34
19	PROCEEDINGS OF DIRECTORS	34
20	TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY	35
21	DIRECTORS' CONFLICTS OF INTEREST	36
22	DIRECTORS' BENEFITS	38
23	SECRETARY	38
24	SERVICE OF DOCUMENTS	38
25	INDEMNITY	38
26	INSURANCE	39
27	EXPERT	39
28	CHANGE OF NAME	40
29	PURCHASE OF OWN SHARES OUT OF CASH	40

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Company number: 09180152

**PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF**

**23.5 DEGREES TOPCO LIMITED**

1        1        **DEFINITIONS AND INTERPRETATION**

1 1        In these Articles the following definitions will apply

**Accounting Period**

an accounting period in respect of which the Group prepares its accounts in accordance with the relevant provisions of the Act,

**acting in concert**

has the meaning set out in the City Code on Takeovers and Mergers in force for the time being,

**Acquisition Documents**

the documents dated on 22 September 2015 relating to the acquisition by Bidco of the entire issued share capital of 23 5 Degrees Limited,

**Act**

the Companies Act 2006,

**Adoption Date**

the date of the adoption of these Articles by the Company,

**A Ordinary Share**

an A ordinary share of £0 000001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

**Arrears**

in relation to any Share, all accruals, deficiencies and arrears of any dividend payable in respect of such Share, whether or not earned or declared and irrespective of whether or not the Company has had, at any time, sufficient distributable profits to pay such dividend, together with all interest and other amounts payable on such amounts,

**Asset Sale**

the disposal by any one or more Group Companies of assets (whether together with associated liabilities or otherwise and as part of an undertaking or otherwise) which represent 50% or more (by book value) of the consolidated gross tangible assets of the Group at that time,

**Auditors**

the auditors of the Group for the time being,

**Available Profits**

profits available for distribution within the meaning of part 23 of the Act,

**Bad Leaver**

a Member who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in article 11 1 8 as a result of

(a) the voluntary resignation of that Member (other than for a reason set out in the definition of Good Leaver), or

(b) any other circumstances in which he is not a Good Leaver,

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**Bidco**

23 5 Degrees Holdings Limited (registered number 09662167) whose registered office is at Unit 3, Hedge End Retail Park, Charles Watts Way, Hedge End, Southampton SO30 4RT,

**B Ordinary Share**

a B ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

**Business Day**

any day (other than a Saturday, Sunday or public holiday) during which clearing banks in the City of London are open for normal business,

**Cashflow Cover**

has the meaning given in the Facilities Agreement,

**Change of Control**

the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser together with any person connected with or acting in concert with that Third Party Purchaser (other than any such person who was a party to the Investment Agreement on 22 September 2015) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company,

**Compulsory Transfer Notice**

has the meaning given in article 11.2,

**Compulsory Transfer Shares**

in relation to a Relevant Member, any Shares, other than Vested Shares, which are

- (a) held by the Relevant Member at the time of the relevant Transfer Event,
- (b) held at the time of the relevant Transfer Event by any Family Member or Family Trust of the Relevant Member (which Shares were acquired by that Family Member or Family Trust directly or indirectly from the Relevant Member), and
- (c) acquired by the Relevant Member, his Family Members, Family Trusts and/or personal representatives after the occurrence of the Transfer Event pursuant to any Share Option Scheme or any other scheme or arrangement entered into prior to the Transfer Event,

together with, in any case, any further Shares received by any person referred to in paragraphs (a), (b) and (c) above at any time after the relevant Transfer Event which are derived from any such Shares, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise,

**Connection Capital**

Connection Capital LLP (registered number OC349617) and its successors and assigns including any subsequent management vehicle of the Connection Capital investor client network,

**Covenant Breach**

has the meaning given in article 5.3,

**C Ordinary Share**

a C ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

**Director**

a duly appointed director of the Company for the time being,

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**D Ordinary Share**

a D ordinary share of £0 000001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

**Due Date**

has the meaning given in article 2 1,

**Eligible Director**

a Director who would be entitled to vote on a matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter) and references to eligible directors in article 8 of the Model Articles shall be construed accordingly,

**Employee Trust**

any trust, approved by Connection Capital, which is established for the benefit of the employees of the Company or any Group Company and/or any of the persons referred to in section 1166 of the Act,

**Encumbrance**

any mortgage, charge (fixed or floating), pledge, lien, option, hypothecation, restriction, right to acquire, right of pre-emption or interest (legal or equitable) including any assignment by way of security, reservation of title, guarantee, trust, right of set off or other third party right or any other encumbrance or security interest having a similar effect howsoever arising,

**Equity Shares**

the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares and the Ordinary Shares in issue from time to time (including all Shares in issue which are derived from any of them whether by conversion, consolidation or sub-division or by way of capitalisation, rights or bonus issue or otherwise),

**Event of Default**

any of the following

- (a) any act, omission or event occurring which constitutes or may, with the passing of time or the giving of notice, constitute an event of default under any of the Group's banking facilities for the time being and either (i) such event of default not having been remedied or rectified to the Group's bank's satisfaction or (ii) the Group's bank not having formally waived its rights in connection with such event of default in writing,
- (b) any breach occurring by the Group, a Director (other than the Investor Director) or any holder of Management Shares of any of the provisions of these Articles or the Investment Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of Connection Capital within 15 Business Days of a notice from Connection Capital to the Company requesting such remedy,
- (c) the Company failing to pay any interest due on the Loan Notes in accordance with the Loan Note Instrument within 15 Business Days of the relevant date for payment,
- (d) the Company failing to redeem any of the Loan Notes due to be redeemed under the Loan Note Instrument within 15 Business Days of the relevant date for redemption,
- (e) the Company failing to pay any fees due to Connection Capital under these Articles or the Investment Agreement within 15 Business Days of the relevant date,
- (f) any third party funder of any Group Company from time to time becoming entitled to declare the whole or any part of any facilities provided by it to the applicable Group Company due and payable in advance of its stated maturity date as a result of any default in respect of such facilities and such provider shall not have formally waived such entitlement in writing,


- (g) any amount owed by any Group Company to any tax authority, employee or any person who has the benefit of any Encumbrance over any assets of any Group Company not being paid within 10 Business Days of it being due,
- (h) Fixed Charge Cover in respect of any Relevant Period specified in column 1 below being less than the ratio set out in column 2 below opposite that Relevant Period

Column 1 Relevant Period	Column 2 Ratio
Relevant Period expiring 31 December 2015	1 1 1
Relevant Period expiring 29 February 2016	1 1 1
Relevant Period expiring 31 May 2016	1 1 1
Relevant Period expiring 31 August 2016	1 1 1
Relevant Period expiring 30 November 2016	1 35 1
Relevant Period expiring 28 February 2017	1 35 1
Relevant Period expiring 31 May 2017	1 35 1
Relevant Period expiring 31 August 2017	1 35 1
Relevant Period expiring 30 November 2017	1 5 1
Each Relevant Period expiring thereafter	1 5 1

- (i) Cashflow Cover in respect of any Relevant Period being less than 1 2 1,
- (j) Net Leverage in respect of any Relevant Period specified in column 1 below exceeding the ratio set out in column 2 below opposite that Relevant Period

Column 1 Relevant Period	Column 2 Ratio
Relevant Period expiring 31 December 2015	4 1
Relevant Period expiring 29 February 2016	4 1
Relevant Period expiring 31 May 2016	4 1
Relevant Period expiring 31 August 2016	4 1
Relevant Period expiring 30 November 2016	4 35 1
Relevant Period expiring 28 February 2017	4 35 1
Relevant Period expiring 31 May 2017	4 20 1
Relevant Period expiring 31 August 2017	4 20 1
Relevant Period expiring 30 November 2017	3 95 1
Relevant Period expiring 28 February 2018	3 80 1





Relevant Period expiring 31 May 2018	3 60 1
Relevant Period expiring 31 August 2018	3 40 1

**Expert**

the expert identified and engaged in accordance with article 27,

**Facilities Agreement**

the facilities agreement entered into on or around 22 September 2015 for Bidco and made available by National Westminster Bank plc acting through its agent the Royal Bank of Scotland plc,

**Fair Value**

in relation to any Shares, the price which the Expert states in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that

- (a) the Fair Value is the sum which a willing buyer would agree with a willing seller on an arm's length sale to be the purchase price for the Shares concerned on a Share Sale,
- (b) no account shall be taken of the size of the holding which the relevant Shares comprise or whether those Shares represent a majority or minority interest,
- (c) no account shall be taken of the fact that the transferability of the relevant Shares is restricted under these Articles,
- (d) if the Group is then carrying on business as a going concern, it will continue to do so, and
- (e) any difficulty in applying any of the bases set out above shall be resolved by the Expert as they, in their absolute discretion, think fit,

**Family Member**

in relation to any Member, the spouse or civil partner of that Member and their children (including step and adopted children) for the time being,

**Family Trust**

a trust under which the only persons being (or capable of being) beneficiaries are

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

and under which no power of control over the voting powers conferred by any Share is exercisable at any time by, or subject to the consent of, any person other than the trustees, the settlor or the Family Members of that settlor For the purposes of this definition

- (i) settlor shall include a testator or an intestate in relation to a Family Trust arising under a testamentary disposition or an intestacy of a deceased Member (as the case may be), and
- (ii) Family Member shall include the widow or widower of the settlor or the surviving civil partner of such settlor at the date of his death,

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**Fixed Charge Cover**

has the meaning given in the Facilities Agreement,

**FSMA**

the Financial Services and Markets Act 2000,

**Good Leaver**

a Member who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in article 11.1.8 as a result of

- (a) the death of that Member,
- (b) disability or incapacity through ill health (other than where such ill health arises from the abuse of alcohol or drugs) where at least two medical reports from independent medical specialists consider such ill health is preventing, or is likely to prevent, the Member from performing his normal duties,
- (c) the sale or disposal of the Group Company (or the business of the Group Company) by which he is engaged or employed,
- (d) the resignation of the Member for any reason following a Realisation pursuant to which the Investors cease to hold any Shares,
- (e) the termination of that Member's employment by a Group Company in circumstances that are either (i) agreed by Connection Capital or (ii) determined by a decision of a Court, which decision is final and no longer appealable, to be or to amount to constructive or wrongful dismissal (excluding any finding of constructive or wrongful dismissal for reasons of a purely procedural or technical nature but for which the Member would still have been dismissed) where, in the case of (ii) above, the Member has commenced proceedings in respect of such claim within 3 months of the date of cessation of the Member's employment (determined in accordance with article 11.5), or
- (f) any other reason which Connection Capital determines, in its absolute discretion within 20 Business Days of the Member ceasing to be employed or engaged by a Group Company, shall result in the Member being a Good Leaver for the purposes of these Articles,

**Gross Leverage**

has the meaning given in the Facilities Agreement,

**Group**

the Company and its subsidiaries for the time being and references to a **Group Company** shall be construed accordingly,

**Investment Agreement**

the agreement dated on 22 September 2015 and made between the Company, the Members and Connection Capital on that date, as subsequently amended, restated, varied and adhered to from time to time,

**Investor Director**

a Director appointed pursuant to article 16.1,

**Investors**

the holders for the time being of the Preference Shares, the D Ordinary Shares and/or the Ordinary Shares (including any additional or replacement Investor who is joined as an Investor in a deed of adherence to, and in the form required by, the Investment Agreement) and **Investor** shall be construed accordingly,

**Investor Shares**

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the Preference Shares, the D Ordinary Shares and/or the Ordinary Shares,

**Issue Price**

in relation to any Share, the amount paid up or credited as paid up on such Share, including the full amount of any premium at which such Share was issued,

**Listing**

either

- (a) the admission of all or any part of the Equity Shares to listing on the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange's market for listed securities,
- (b) the admission of all or any part of the Equity Shares to trading on AIM, a market operated by the London Stock Exchange, or
- (c) the admission of all or any part of the Equity Shares to listing and/or trading on any other Recognised Investment Exchange,

and, in any such case, such admission becoming unconditionally effective,

**Listing Shares**

the equity share capital (as defined in section 548 of the Act) of the Company (excluding any such equity share capital to be subscribed and issued on the relevant Listing other than new shares to be paid up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of Shares),

**London Stock Exchange**

London Stock Exchange plc,

**Loan Note Instrument**

the instrument dated 22 September 2015 constituting the Loan Notes,

**Loan Notes**

the £462,336 secured fixed rate loan notes 2020 of the Company,

**Management Shares**

the A Ordinary Shares, the B Ordinary Shares and/or the C Ordinary Shares,

**Member**

a registered holder of a Share from time to time, as recorded in the register of members of the Company,

**Model Articles**

the model articles for private companies limited by shares contained in schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to, and in force as at, the Adoption Date,

**Net Leverage**


has the meaning given in the Facilities Agreement,

**Ordinary Share**

an ordinary share of £0 000001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

**Post-Tax Profits**

in respect of the relevant Accounting Period, the consolidated operating profit of the Group before taxation as shown by the audited consolidated profit and loss account of the Company

- 
- (a) after deducting any interest, fees, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised in respect of that Accounting Period, and
  - (b) after deducting any corporation tax or deferred tax charged in respect of that Accounting Period,

**Preference Dividend**

has the meaning given in article 2 2,

**Preference Share**

a preference share of £0 000001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

**Realisation**

a Share Sale or a Listing or an Asset Sale,

**Realisation Date**

means

- (a) in respect of a Listing, the date on which dealings in the Company's shares are permitted to commence, and
- (b) in respect of a Share Sale or an Asset Sale, the date of receipt from the buyer(s) of the consideration first payable on completion of that Share Sale or Asset Sale,

**Realisation Value**

- (a) in respect of a Listing, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the merchant bank (or, if none, the broker) appointed by the Directors to advise in connection with the Listing,
- (b) in respect of a Share Sale, the aggregate price paid or payable for the Shares together with the cash value of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares which, having regard to the substance of the Share Sale as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares but excluding, for the avoidance of doubt, any amount to be provided by a purchaser to procure the repayment by any Group Company of any bank debt or other borrowings, and
- (c) in respect of an Asset Sale, the aggregate price paid or payable for the assets being sold together with the cash value of any other consideration (in cash or otherwise) received or receivable by the Company or any Group Company which, having regard to the substance of the Asset Sale as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of those assets but excluding, for the avoidance of doubt, any amount to be provided by a purchaser to procure the repayment by any Group Company of any bank debt or other third party borrowings,

provided that

- (i) to the extent that the relevant Realisation includes an element of deferred consideration (whether contingent or non-contingent) its value shall be included to the fullest extent possible in the calculation of the Realisation Value as if it had been paid in full on the Realisation Date, and
- (ii) the Realisation Value shall be agreed between Connection Capital and the holders of not less than 50% of the Management Shares and their agreement shall be final and binding on the Company and the Members Any dispute in

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respect of the Realisation Value which has not been resolved by the date which is 5 Business Days prior to the proposed date for completion of the relevant Realisation shall be referred to the Expert for determination,

**Recognised Investment Exchange**

has the meaning given in section 285(1) FSMA,

**Relevant Member**

a Member in respect of whom Connection Capital has notified the Company that an event shall be treated as a Transfer Event in accordance with article 11 1,

**Relevant Period**

has the meaning given in the Facilities Agreement,

**Relevant Securities**

any Shares, or any right to subscribe for or convert any securities into any Shares,

**Seller**

has the meaning given in article 10 1 1,

**Share Option Scheme**

any share option scheme of the Company or any other Group Company approved by Connection Capital,

**Shares**

any shares of any class in the capital of the Company,

**Share Sale**

the transfer of any interest in any Shares (whether by one transaction or a series of transactions), other than a transfer in accordance with article 9 1 or 9 2, which results in a Change of Control,

**Third Party Purchaser**

any person who is not a party to the Investment Agreement from time to time or a person connected with such a party,

**Transfer Event**

each of the events set out in article 11 1,

**Transfer Notice**

a notice in accordance with article 10 that a Member wishes to transfer his Shares, and

**Vested Shares**

the number of Shares calculated in accordance with the table below

Member	Date of Transfer Event	Number and class of Vested Shares
Anil Sudhakar Patil	On or after 22 September 2015	250,000,000 A Ordinary Shares
Anil Sudhakar Patil	Prior to 22 September 2016	10,620 B Ordinary Shares
Mark Hepburn	Prior to 22 September 2016	3,000 C Ordinary Shares
Amanda Hart	Prior to 22 September 2016	Nil
Mark Hepburn	On or after 22 September 2016 but	4,400 C Ordinary Shares

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	prior to 22 September 2017	
Amanda Hart	On or after 22 September 2016 but prior to 22 September 2017	631 C Ordinary Shares
Mark Hepburn	On or after 22 September 2017 but prior to 22 September 2018	5,800 C Ordinary Shares
Amanda Hart	On or after 22 September 2017 but prior to 22 September 2018	1,262 C Ordinary Shares
Mark Hepburn	On or after 22 September 2018 but prior to 22 September 2019	7,200 C Ordinary Shares
Amanda Hart	On or after 22 September 2018 but prior to 22 September 2019	1,894 C Ordinary Shares
Mark Hepburn	On or after 22 September 2019 but prior to 22 September 2020	8,600 C Ordinary Shares
Amanda Hart	On or after 22 September 2019 but prior to 22 September 2020	2,525 C Ordinary Shares
Mark Hepburn	On or after 22 September 2020	10,000 C Ordinary Shares
Amanda Hart	On or after 22 September 2020	3,156 C Ordinary Shares

1 2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company

1 3 In these Articles a reference to

1 3 1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date,

1 3 2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act),

1 3 3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists),

1 3 4 writing includes any mode of reproducing words in a legible and non-transitory form other than email and fax,

1 3 5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act, and

1 3 6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties

1 4 All consents or approvals to be given by Connection Capital or the Investor Director in respect of any provision of these Articles must be given in writing

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- 1 5 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles
- 1 6 Words importing the singular include the plural and vice versa and words importing a gender include every gender
- 1 7 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible
- 1 8 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 of the Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act
- 1 9 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each party

## 2 2 DIVIDENDS

- 2 1 The Company shall, in priority to the payment of any dividend to all other Members in the relevant Accounting Period and also for so long as the Company has sufficient Available Profits to pay the Preference Dividend in full, on the earlier of (i) the date being three months following the end of each relevant Accounting Period, and (ii) the date of adoption of the audited consolidated profit and loss account of the Company in the relevant Accounting Period (the **Due Date**), pay to the holders of the Preference Shares pro rata to their respective holdings, before application of any profits to reserve a fixed, cumulative annual cash dividend (the **Preference Dividend**) calculated as, in each Accounting Period commencing on or after 1 September 2019, 28.4% of the Post-Tax Profits

### 2 2 The Preference Dividend

- 2 2 1 will be paid in cash,
- 2 2 2 shall be distributed amongst the holders of the Preference Shares pro rata according to the number of Preference Shares held by each of them respectively, and
- 2 2 3 is cumulative with effect from 1 September 2019 and shall (notwithstanding any provisions of these Articles and, in particular, notwithstanding that there has not been a recommendation of the Directors or resolution of the Company in general meeting) be automatically declared and paid immediately on the relevant Due Date and, if not then paid, the amount of such dividend, increased in accordance with article 2 3, shall be a debt due and payable by the Company with effect from the relevant Due Date or, if such debt cannot lawfully arise on that date, as soon after that date as such debt can lawfully arise
- 2 3 Where the Company fails to pay any Preference Dividend on the relevant Due Date then the whole amount of such unpaid Preference Dividend shall, with effect from the relevant Due Date, be increased by the lower of (i) 4 per cent per annum above the base rate for the time being of The Royal Bank of Scotland plc, and (ii) 6 per cent per annum, such amount to accrue on a daily basis from the relevant Due Date until the date of actual payment
- 2 4 Where the Company is prohibited by the Act or by the terms of the Group's banking arrangements from paying any Preference Dividend in full on the relevant Due Date, then
- 2 4 1 the Company shall pay, on that date, on account of such Preference Dividend the maximum sum (if any) which can then lawfully be paid by the Company, and
- 2 4 2 as soon as the Company is no longer precluded from doing so, the Company shall pay, on account of the outstanding balance as increased by article 2 3, in priority to the payment of any other dividend and until all Arrears have been paid in full, the maximum amount which can lawfully be paid by the Company from time to time

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2 5 Subject to

- 2 5 1 the Preference Dividend, and any associated Arrears in respect of the then current and all relevant previous Accounting Periods, having been paid in full, and
- 2 5 2 the consent of Connection Capital, and
- 2 5 3 compliance with the terms of the Group's banking arrangements (or funding being available from Bidco in accordance with the terms of the Group's banking arrangements),

any profits which the Company, on the recommendation of the Directors, determines to distribute in respect of any Accounting Period shall be applied on a non-cumulative basis between the holders for the time being of the Equity Shares. Any such dividend shall be paid in cash and shall be distributed amongst the holders of the Equity Shares and amongst the holders of Equity Shares of the relevant class pro rata according to the number of such Equity Shares of the relevant class held by each of them respectively in the following proportions

Class of Share	Multiple of amount of dividend per Share
A Ordinary	1x
B Ordinary	18,085x
C Ordinary	18,085x
D Ordinary	1x
Ordinary	1x

- 2 6 The Company shall procure that each of its subsidiaries for the time being which has profits available for distribution shall, from time to time and to the extent to which it may lawfully do so, and subject to compliance with the terms of the Group's banking arrangements, declare and pay to the Company (or its immediate holding company, as the case may be) the dividends necessary to enable the prompt and lawful payment of the dividends referred to in this article 2

3 **3 RETURN OF CAPITAL**

- 3 1 On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares), any surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority

- 3 1 1 first, in paying to each of the holders of the Equity Shares and Preference Shares (as if they constituted one class) the first £15,278,483 of surplus assets,
- 3 1 2 secondly, in respect of the next £9,046,944 (the **First Return**) of surplus assets, the Equity Shares and Preference Shares shall be divided into such number of units as are set out next to each share class in column 2 of the table below and the amount of the surplus assets shall be divided between the Equity Shares and the Preference Shares using the following formula

$$n/m \times x$$

Where

n = the amount of the First Return



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m = the total number of units ascribable to all the Shares as set out in the table below

x = the total number of units attaching to the relevant class of Share in column 4 of the table below

Share Class	Units	Shares	Units per Class (x)	n/m * x %
Ordinary Shares	1 unit per Share	513,744,000	513,744,000	26 999
Preference Shares	1 unit per Share	22,400	22,400	0 001
A Ordinary Shares	1 unit per Share	250,000,000	250,000,000	13 138
B Ordinary Shares	18,085 units per Share	37,783	683,305,555	35 910
C Ordinary Shares	18,085 units per Share	25,196	455,675,382	23 947
D Ordinary Shares	1 unit per Share	100,000	100,000	0 005
<b>Total Units</b>			<b>1,902,847,337 (m)</b>	<b>100 00</b>

3 1 3 thirdly, in respect of any surplus assets over the amount of the First Return (the **Second Return**), the Equity Shares and Preference Shares shall be divided into such number of units as are set out next to each share class in column 2 of the table below and the amount of the surplus assets shall be divided between the Equity Shares and the Preference Shares using the following formula

$o/p * x$

Where

o = the amount of the Second Return

p = the total number of units ascribable to all the Shares as set out in the table below

x = the total number of units attaching to the relevant class of share in column 4 of the table below

Share Class	Units	Shares	Units per Class (x)	n/m * x %
Ordinary Shares	1 unit per Share	513,744,000	513,744,000	14 407
Preference Shares	1 unit per Share	22,400	22,400	0 001
A Ordinary Shares	1 unit per Share	250,000,000	250,000,000	7 011
B Ordinary Shares	44,490 units per Share	37,783	1,680,965,670	47 141
C Ordinary Shares	44,490 units per Share	25,196	1,120,984,115	31 437
D Ordinary Shares	1 unit per Share	100,000	100,000	0 003
<b>Total Units</b>			<b>3,565,816,185 (m)</b>	<b>100 00</b>

Provided that the amounts payable to the holders of the Investor Shares on the First Return and Second Return (the **Investor Surplus**) shall be apportioned between the holders of the Investor Shares in accordance with article 3 2

3 2 The Investor Surplus shall be allocated in the following order

3 2 1 first, to the holders of the Preference Shares and Ordinary Shares and D Ordinary Shares (as if they constituted one class and pro rata to their respective holdings of Preference Shares and Ordinary Shares and D Ordinary Shares) in payment of an amount equal to the Preferred Return,

3 2 2 second, to the holders of the D Ordinary Shares (pro rata to their respective holdings of D Ordinary Shares), until they have received an amount equal to

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25% of the Preferred Return (in order to give the holders of the D Ordinary Shares in respect of their shareholdings, an aggregate amount equal to 20% of the cumulative distributions of the Investor Surplus and all dividends and other distributions paid to the holders of the Ordinary Shares and the Preference Shares), and

- 3 2 3 third, in respect of the balance of the Investor Surplus, as to 80% to the holders of the Preference Shares and Ordinary Shares (as if they constituted one class and pro rata to their respective holdings of Preference Shares and Ordinary Shares) and 20% to the holders of the D Ordinary Shares (pro rata to their respective holdings of D Ordinary Shares)

In this article 3 2, **Preferred Return** means such amount as is equal to the Issue Price of the Preference Shares or the Ordinary Shares or the D Ordinary Shares (as the case may be) plus an amount equal to interest at an annual rate of 8% (compounded annually on 22 September) on the daily amount of the Issue Price of their Preference Shares or Ordinary Shares or D Ordinary Shares (as the case may be), calculated on the basis of a 365 day year

- 3 3 Where the surplus assets available for distribution to any particular class of share in accordance with article 3 1 or 3 2 is less than the total amount specified to be distributed to that class in that article, the available assets shall be distributed amongst the holders of Shares of that class pro rata according to the method of allocation set out above

#### 4 4 EXIT PROVISIONS

- 4 1 Notwithstanding any provision to the contrary in these Articles, on a Share Sale the Realisation Value shall be apportioned between the holders of Shares in accordance with the table set out in article 3 1, save that references to **surplus assets** shall be deemed to be references to the **Realisation Value**

- 4 2 Notwithstanding any provision to the contrary in these Articles, immediately prior to and conditionally upon a Listing or an Asset Sale the Members shall enter into such reorganisation of the share capital of the Company so as to ensure that the Realisation Value is reallocated between the Members in the same proportions as the preceding provisions of this article 4 would provide on a Share Sale with the same Realisation Value (and, in the case of an Asset Sale, on the basis that such Realisation Value would be distributed to the Members immediately following such reorganisation in accordance with these articles) The details of any such share reorganisation shall be agreed between Connection Capital and the holders of not less than 50% of the Management Shares and their agreement shall be final and binding on the Company and the Members Any dispute in respect of such share reorganisation which has not been resolved by the date which is 5 Business Days prior to the proposed date for completion of the relevant Listing or Asset Sale shall be referred to the Expert for determination in accordance with article 27 The Members undertake to do all such acts necessary (including by the exercise of any voting rights (whether as a Director or Member)) so as to procure that any reorganisation agreed or determined as aforesaid takes place (including, as required, any sub-division, re-designation or consolidation)

#### 5 5 VOTING

- 5 1 Subject to article 5 2, at a general meeting of the Company on a show of hands every holder of Investor Shares or A Ordinary Shares who (being an individual) is present in person or by proxy, or (being a corporation) is present by a representative duly authorised under section 323 of the Act, shall have one vote and every holder of B Ordinary Shares or C Ordinary Shares who (being an individual) is present in person or by proxy, or (being a corporation) is present by a representative duly authorised under section 323 of the Act, shall have 18,085 votes for every Share of which it is the holder and on a poll every holder of Investor Shares or A Ordinary Shares present in person, by representative or by proxy shall have one vote for every Share of which it is the holder and every holder of B Ordinary Shares or C Ordinary Shares present in person, by representative or by proxy shall have 18,085 votes for every Share of which it is the holder On a written resolution every holder of Investor Shares or A Ordinary Shares shall have one vote for each Share of which it is the holder

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and every holder of B Ordinary Shares or C Ordinary Shares shall have 18,085 votes for each Share of which it is the holder

5 2 If an Event of Default has occurred or is subsisting and Connection Capital notifies the Company in writing that such event or circumstance has occurred or is subsisting, then the number of voting rights attaching to each B Ordinary Share and C Ordinary Share shall reduce from 18,085 to one

5 3 The reduction in voting rights attached to the B Ordinary Shares and C Ordinary Shares by virtue of article 5 2 shall continue only for so long as the relevant Event of Default continues to subsist or until such Event of Default is waived or otherwise remedied to the satisfaction, confirmed in writing, of Connection Capital (acting reasonably) immediately following which the number of voting rights attaching to each B Ordinary Share and C Ordinary Share shall increase from one to 18,085 For the avoidance of doubt, if an Event of Default arises pursuant to a failure to comply with a ratio set out in any of paragraphs (h) to (k) of the definition of Event of Default (a **Covenant Breach**), then any such Covenant Breach shall be deemed to be remedied should the Company subsequently comply with the required ratio on a subsequent test date

5 4 At any time when the provisions of article 5 2 apply (regardless of whether or not such voting rights have actually been exercised at any general meeting or on any written resolution), the Company may issue Relevant Securities ranking ahead of or pari passu with the Management Shares without the consent of the holders of the Management Shares For the avoidance of doubt, any such issue shall not require the class consent of the holders of Management Shares

## 6 VARIATION OF CLASS RIGHTS

6 1 Without prejudice to the generality of their rights, the rights attaching to the Investor Shares shall be deemed to be varied at any time by any of the following occurring without class consent

6 1 1 any variation to the share capital of the Company or any Group Company (other than a wholly owned subsidiary) or the rights attaching to any of the Shares, or the creation, allotment, issue or redemption of any shares or securities or the grant of or agreement to grant any option or right to require the allotment or issue of, or subscribe for, or convert any instrument into any share or securities of the Company or any Group Company or cancelling or accepting the surrender of any such right to subscribe or convert,

6 1 2 any alteration to the constitution (as defined in section 17 of the Act) of any Group Company (other than a wholly owned subsidiary),

6 1 3 instituting any proceedings or taking any steps in relation to or in preparation for the winding up, administration or dissolution of, or the appointment of an administrator, administrative receiver, receiver or manager in respect of any Group Company or any of the assets or undertaking of any Group Company,

6 1 4 the declaration or payment of any distribution or return of a capital or income nature to any person,

6 1 5 the capitalisation of any undistributed profits (whether or not such profits are available for distribution and including profits standing to the credit of any reserve) or any sums standing to the credit of the share premium account or capital redemption reserve fund of any Group Company,

6 1 6 the creation, variation or extension by a Group Company of any Encumbrance (other than any interest arising by operation of law in the normal and ordinary course of business or retention of title in the normal and ordinary course of trading),

6 1 7 the appointment or removal of any director of any Group Company (other than an Investor Director or the chairman in accordance with article 16 1, 16 4 or 19 7 2),

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- 6 1 8 the appointment or removal of the auditors of any Group Company (other than a deemed reappointment in accordance with section 487(2) of the Act),
- 6 1 9 a Realisation,
- 6 1 10 the acquisition (by any means) by any Group Company of any shares (or any interest in any shares) in the capital of any company or the whole or any part (or any interest in any part) of the business and assets of any other person,
- 6 1 11 the disposal (by any means) by any Group Company of any shares (or any interest in any shares) in the capital of any Group Company, or the admission to trading on the London Stock Exchange (or any other Recognised Investment Exchange) of any of the issued share capital of any Group Company (other than the Company),
- 6 1 12 the making of any material change (including cessation) in the nature of the business of the Group,
- 6 1 13 the convening of a general meeting, or the circulating of a written resolution, to effect or approve any matter which would, by virtue of this article 6 1, constitute a variation of the rights attached to the Investor Shares,
- 6 1 14 the registration or purported registration of a transfer of any interest in any Shares other than as permitted by these Articles, or
- 6 1 15 any Group Company incurring or agreeing to incur an obligation to do any of the matters set out above in this article 6 1

## 7 7 ISSUE OF SHARES

- 7 1 Notwithstanding any other provision of these Articles, the maximum issued share capital of the Company shall be £1,393 66 divided into 22,400 Preference Shares, 250,000,000 A Ordinary Shares, 37,783 B Ordinary Shares, 25,196 C Ordinary Shares, 100,000 D Ordinary Shares and 513,744,000 Ordinary Shares provided that the restriction in this article 7 1 shall not be breached as a result of any conversion or reclassification of Shares made in accordance with the provisions of these Articles
- 7 2 Subject to articles 7 3 to 7 8, the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to allot Relevant Securities The authority granted under this article 7 1 shall
  - 7 2 1 be limited to a maximum amount in nominal value of £31 56,
  - 7 2 2 only apply in so far as it is not renewed, waived or revoked by ordinary resolution of the holders of Equity Shares, and
  - 7 2 3 expire on the day immediately preceding the fifth anniversary of the Adoption Date, provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period
- 7 3 Save in respect of any Shares issued and allotted in accordance with the provisions of the Investment Agreement, and unless Connection Capital agrees otherwise, any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of shall, before they are so allotted, granted or otherwise disposed of, be offered to the Members holding Equity Shares Such offer shall be made by means of a notice (a **Subscription Notice**) served by the Directors on all Members holding Equity Shares which shall
  - 7 3 1 state the number and class of Relevant Securities offered,
  - 7 3 2 state the subscription price per Relevant Security, which shall be determined by the Directors with the consent of Connection Capital,
  - 7 3 3 if directed by Connection Capital, include conditions that if the holders of Investor Shares, in addition to subscribing for Relevant Securities pursuant to any Subscription Notice, are also proposing to loan monies to the Company at the same time (whether by subscription for loan notes or otherwise) (an **Investor Loan**) then the holders of Management Shares shall also be required

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to make loans to the Company on the same terms (an **Ordinary Loan**) provided that an Ordinary Loan for a holder of Management Shares shall be in the same proportion of loan to share capital subscription as the proportions proposed to be invested by the holders of Investor Shares pursuant to any Investor Loan,

- 7 3 4 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe, and
- 7 3 5 expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified therein, being not less than 10 nor more than 20 Business Days after the date of the Subscription Notice
- 7 4 After the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Members holding Equity Shares having responded to the Subscription Notice (in either case, the **Subscription Allocation Date**), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that
  - 7 4 1 no Relevant Securities shall be allocated to any Member who, at the Subscription Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice),
  - 7 4 2 no Relevant Securities shall be allocated to any Member who does not satisfy any conditions set out in the Subscription Notice pursuant to article 7 3 3,
  - 7 4 3 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than he applied for) to the number of Equity Shares held by each of them respectively, and
  - 7 4 4 the allocation of any fractional entitlements to Relevant Securities amongst the Members shall be dealt with by the Directors, with the consent of Connection Capital, in such manner as they see fit
- 7 5 Within 5 Business Days of the Subscription Allocation Date the Directors shall give notice in writing (a **Subscription Allocation Notice**) to each Member to whom Relevant Securities have been allocated pursuant to article 7 4 (each a **Subscriber**) A Subscription Allocation Notice shall state
  - 7 5 1 the number and class of Relevant Securities allocated to that Subscriber,
  - 7 5 2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him, and
  - 7 5 3 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place
- 7 6 Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect of those Relevant Securities If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall
  - 7 6 1 be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 7 3 to 7 5, and
  - 7 6 2 indemnify the Company against all costs, claims and expenses which the Company may suffer or incur as a result of such failure

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- 7 7 Any Relevant Securities which are not accepted pursuant to articles 7 3 to 7 5, and any Relevant Securities released from the provisions of those articles either by virtue of a Subscriber's default in accordance with article 7 6 or by virtue of the agreement of Connection Capital, may be offered by the Directors to a third party approved by Connection Capital and such Relevant Securities shall, subject to the provisions of the Act and article 6 1, be at the disposal of the Directors who may allot, grant or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that
- 7 7 1 no Share shall be issued at a discount,
- 7 7 2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Members pursuant to article 7 3, and
- 7 7 3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than 3 months after the date of the relevant Subscription Notice relating to those Relevant Securities (or, in the case of Relevant Securities released from the provisions of articles 7 3 to 7 5 by virtue of the agreement of Connection Capital, the date of such agreement being given) unless the procedure in articles 7 3 to 7 5 is repeated in relation to that Relevant Security
- 7 8 The provisions of articles 7 3 to 7 5 shall not apply
- 7 8 1 to the grant of any option pursuant to a Share Option Scheme and the subsequent issue of any Shares on the exercise of such option, or
- 7 8 2 at any time when the provisions of article 5 2 apply (regardless of whether or not such voting rights have actually been exercised at any general meeting or on any written resolution)
- 7 9 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company
- 7 10 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the Investment Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Investment Agreement
- 7 11 Where any Equity Share is issued to an existing Member holding Equity Shares, such new Equity Share shall, if so required by Connection Capital, on and from the time of registration of the allotment of that share in the register of members of the Company, be immediately and automatically (without resolution of the Members or Directors) redesignated as a Share of the same class as the Equity Shares already held by such Member
- 8 **8 TRANSFER OF SHARES - GENERAL**
- 8 1 Notwithstanding any other provision of these Articles, the Directors shall not register a transfer of any interest in a Share
- 8 1 1 if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of Connection Capital) is of unsound mind, or
- 8 1 2 unless
- (a) the transfer is permitted by article 9, or
- (b) the transfer is made in accordance with articles 10, 11, 12 or 13,
- and in either case (other than in respect of a transfer to a Third Party Purchaser under article 12 or 13) the transferee, if not already a party to the Investment Agreement and if such a deed is required under the Investment Agreement, has entered into a deed of adherence to, and in the form required by, the Investment Agreement
- 8 2 The Directors may only refuse to register a transfer of Shares which is either permitted under article 9 or made in accordance with articles 10, 11, 12 or 13 if.
- 8 2 1 the transfer has not been lodged at the Company's registered office (or such other place as the Directors may nominate for this purpose),

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- 8 2 2 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for a lost, stolen or damaged certificate in such form as is reasonably required by the Directors) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer,
- 8 2 3 the transfer is in respect of more than one class of Shares,
- 8 2 4 the transfer is in favour of more than four transferees, or
- 8 2 5 the transfer has not been properly stamped or certified as being not liable to stamp duty

In all other cases, the Directors must register such a transfer of Shares Article 26(5) of the Model Articles shall not apply to the Company

8 3 For the purposes of ensuring that

- 8 3 1 a transfer of any Share is in accordance with these Articles,
- 8 3 2 no circumstances have arisen whereby a Member is required to give or may be deemed to have given a Transfer Notice in respect of any Share, or
- 8 3 3 no circumstances have arisen whereby the provisions of article 13 are required to be or ought to have been triggered,

the Directors may from time to time (and shall, if so requested to do by Connection Capital) require any Member to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors or Connection Capital reasonably believes to have information relevant to such purpose provides, such information and evidence as the Directors or Connection Capital may reasonably require for such purpose Pending such information or evidence being provided, the Directors are entitled (and shall, if so requested to do by Connection Capital) to refuse to register any relevant transfer of Shares

8 4 If any information or evidence provided pursuant to article 8 3 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Member may be required to give or be deemed to have given a Transfer Notice the Directors may with the consent of Connection Capital (and shall, if so requested to do so by Connection Capital) by notice in writing to the relevant Member require that a Transfer Notice be given in respect of the Shares concerned

8 5 In any case where a Member is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Directors to the relevant Member requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days Notwithstanding any other provision of these Articles, unless Connection Capital notifies the Company otherwise, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 8 5 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice which are derived from any Share which is the subject of that Transfer Notice, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise) shall with effect from the date of the relevant deemed Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of such shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Shares

8 6 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any Encumbrance

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8 7 Where any Shares are the subject of a Transfer Notice (including a Compulsory Transfer Notice deemed to have been given in accordance with article 11 2), no transfer of any such Shares shall be permitted pursuant to article 9

8 8 Where any Equity Share is transferred to an existing Member holding Equity Shares, such Equity Share shall, if so required by Connection Capital, on and from the time of registration of the transfer of that share in the register of members of the Company, be immediately and automatically (without resolution of the Members or Directors) redesignated as a Share of the same class as the Equity Shares already held by such Member

## 9 9 **PERMITTED TRANSFERS**

### 9 1 **Investor Shares**

Any Investor Share may be transferred at any time to

9 1 1 another nominee or trustee for, or general partner of, the investment fund or co-investment plan or underlying beneficial owner for whom the Shares are held,

9 1 2 another investment fund or co-investment plan which is managed or advised by the same manager or adviser as the transferor or as the investment fund or co-investment plan for whom the Shares are held,

9 1 3 another investment vehicle of the person for whom the Shares are held,

9 1 4 another member of Connection Capital's investor client network, or that other member's nominated investment vehicle (with the prior consent of Connection Capital), or

9 1 5 a manager, custodian, nominee or trustee (or other person so authorised) of any person mentioned in articles 9 1 1 to 9 1 3, or by any such manager, custodian, nominee or trustee to any such person

### 9 2 **Transfer with consent**

Any Shares may at any time be transferred with the prior consent of Connection Capital and the holders of Management Shares carrying more than 5% of the total voting rights of all of the Management Shares

### 9 3 **Transfer within corporate group**

9 3 1 Any Member which is a body corporate may at any time transfer any Shares held by it to a company which is for the time being a subsidiary or holding company of that Member or another subsidiary of such holding company (each a **member of the same group**)

9 3 2 Where, following a transfer or series of transfers of Shares pursuant to this article 9 3, the transferee of any Shares ceases at any time for any reason to be a member of the same group as the original transferor of those Shares, such transferee shall forthwith transfer all the Shares held by it to the original transferor (or another member of the same group as that original transferor) for such consideration as they may agree between them and, if they do not agree such consideration or if the transfer is not effected for any other reason within 20 Business Days of the date on which the transferee ceases to be a member of the same group as the original transferor, the Directors may (and shall, if so requested to do by Connection Capital) either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares or require such transferee to serve a Transfer Notice in respect of all the Shares held by it in which case the provisions of article 10 shall apply

### 9 4 **Transfer to a Family Member**

9 4 1 Subject to article 9 4 2, any individual Member may at any time transfer any of the Shares held by him to one or more of his Family Members



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- 9 4 2 No transfer of Shares shall be permitted pursuant to article 9 4 1 if the registration of that transfer would result in the number of Shares held by the relevant transferor representing less than 50% of the total number of Shares held from time to time by that transferor, his Family Members and/or any Family Trust of his (where such Family Member or Family Trust acquired Shares, directly or indirectly, from that transferor)
- 9 4 3 Where, following a transfer of Shares pursuant to article 9 4 1, the transferee of those Shares ceases for any reason to be a Family Member of the original transferor of those Shares or one of the events specified in articles 11 1 1 to 11 1 7 occurs in relation to the transferee, such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) shall within 20 Business Days of a written request so to do from the Directors or Connection Capital, transfer all the Shares held by them to the original transferor failing which the Directors may (and shall, if so requested to do by Connection Capital) at any time either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) and register the original transferor of those Shares as the holder of such Shares or require such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) to serve a Transfer Notice in respect of all the Shares held by him and the provisions of article 10 shall apply
- 9 4 4 A Family Member to whom Shares have been transferred pursuant to this article 9 4 may transfer those Shares back to the original transferor at any time but may not otherwise transfer such Shares pursuant to this article 9 4 or article 9 5
- 9 4 5 For the avoidance of doubt, the provisions of article 9 4 3 shall apply in priority to the provisions of article 11 in relation to a transfer of Shares required following the occurrence of one of the events in articles 11 1 1 to 11 1 7 in relation to a transferee
- 9 5 **Transfer to a Family Trust**
- 9 5 1 Subject to articles 9 5 2 and 9 5 3, any individual Member may at any time transfer any of the Shares held by him to one or more trustees to be held on a Family Trust
- 9 5 2 No transfer of Shares shall be permitted pursuant to article 9 5 1 if the registration of that transfer would result in the number of Shares held by the relevant transferor representing less than 50% of the total number of Shares held from time to time by that transferor, his Family Members and/or any Family Trust of his (where such Family Member or Family Trust acquired Shares, directly or indirectly, from that transferor)
- 9 5 3 No transfer of Shares shall be permitted pursuant to article 9 5 1 unless Connection Capital (acting reasonably) is satisfied
- (a) with the terms of the instrument constituting the Family Trust,
  - (b) with the identity of the proposed trustee(s) of the Family Trust,
  - (c) that the proposed transfer will not result in more than 50% of the Equity Shares being held by the trustee(s) of the Family Trust and any other trust, and
  - (d) that no costs incurred in the setting up or administration of the Family Trust are to be paid by any Group Company
- 9 5 4 Where any Shares are held by a trustee(s) on a Family Trust, those Shares may be transferred to
- (a) any new trustee(s) of the Family Trust appointed on a change in trustee(s),

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- (b) the settlor of such Family Trust,
- (c) the trustees of another Family Trust which has the same settlor, or
- (d) any Family Member of the settlor of such Family Trust on their becoming entitled to such Shares under the terms of the Family Trust

9 5 5 Where any Shares are held by a trustee(s) on a Family Trust and either

- (a) the relevant trust ceases to be a Family Trust in relation to the settlor, or
- (b) there ceases to be any beneficiaries of the Family Trust other than charities,

the trustee(s) shall forthwith, and in any event within 20 Business Days of the date on which the trust ceases to be such a Family Trust or there cease to be any beneficiaries as above, transfer all the Shares held by them to the original transferor failing which the Directors may (and shall, if so requested to do by Connection Capital) at any time either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares or require such trustee(s) to serve a Transfer Notice in respect of all the Shares held by them and the provisions of article 10 shall apply

#### 9 6 **Transfer by Employee Trust**

Where any Shares are held by a trustee(s) on an Employee Trust, those Shares may be transferred to

9 6 1 any new trustee(s) of the Employee Trust appointed on a change in trustee(s), or

9 6 2 any beneficiary of the Employee Trust, provided the transfer is made pursuant to, and in accordance with the rules of, a Share Option Scheme

#### 10 **10 PRE-EMPTION ON TRANSFER OF SHARES**

##### 10 1 **Transfer Notice**

10 1 1 Except as permitted under article 9 (Permitted Transfers) or as provided for in articles 12 (Drag Along) and 13 (Tag Along), any Member (a **Seller**) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a **Transfer Notice**) to the Company of his wish

10 1 2 Subject to article 10 1 3, a Transfer Notice shall

- (a) state the number and class of Shares (the **Sale Shares**) which the Seller wishes to transfer,
- (b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares,
- (c) state the price per Share (the **Proposed Price**) at which the Seller wishes to transfer the Sale Shares,
- (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 10 (a **Total Transfer Condition**),
- (e) relate to only one class of Share,
- (f) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 10, and
- (g) not be capable of variation or cancellation without the consent of Connection Capital

10 1 3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with article 11 2)

- (a) it shall relate to all the Shares registered in the name of the Seller,
- (b) it shall not contain a Total Transfer Condition,
- (c) subject to article 11 3, the Transfer Price shall be such price as may be agreed between the Seller and the Directors, with the consent of Connection Capital, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice or if no price is agreed within such period, the Fair Value determined in accordance with article 10 2 2,
- (d) it shall be irrevocable, and
- (e) subject to articles 8 4 and 11 6, the Seller may retain any Sale Shares for which Buyers (as defined in article 10 5 2) are not found

## 10 2 Transfer Price

10 2 1 The Sale Shares will be offered for sale in accordance with this article 10 at the following price (the **Transfer Price**)

- (a) subject to the consent of Connection Capital, the Proposed Price, or
- (b) such other price as may be agreed between the Seller and the Directors, with the consent of Connection Capital, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice, or
- (c) if no price is agreed pursuant to article (b) within the period specified in that article, whichever is the lower of (i) the Proposed Price and (ii) the Fair Value

10 2 2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 10 2 1(b), the Directors shall instruct the Expert to determine and certify the Fair Value of the Sale Shares in accordance with article 27

10 2 3 Where the Fair Value is less than the price proposed by the Directors to the Seller not less than 10 Business Days prior to receipt of the Expert's report by the Company then the Expert's fees shall be borne wholly by the Seller

## 10 3 Board Invitees

In these Articles, the expression **Board Invitee** shall mean any of

- 10 3 1 the Company (subject to compliance by the Company with the provisions of the Act), and/or
- 10 3 2 the trustees of any Employee Trust, and/or
- 10 3 3 any person(s) (being a current or future employee or officer of a Group Company) approved by Connection Capital),

as selected by the Directors with the consent of Connection Capital in the period of three months after the date on which the Transfer Price is agreed or determined in accordance with these Articles or, if no such persons are selected in accordance with this article 10 3 within that period, as selected by Connection Capital within a further period of three months

## 10 4 Offer Notice

10 4 1 Subject to article 10 4 2, the Directors shall serve a notice (an **Offer Notice**) on all Members and any Board Invitees (as the case may be) to whom the Sale Shares are to be offered in accordance with these Articles as soon as reasonably practicable after (and in any event within 20 Business Days of) whichever is the first to occur of

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- (a) the period prescribed in article 10 3 for the selection of Board Invitees having expired, or
- (b) the identity of all Board Invitees (if any) having been determined by the Directors (with the consent of Connection Capital), or
- (c) the Directors determining, with the consent of Connection Capital, that none of the Sale Shares are to be offered to a Board Invitee,

or, if later, on the Transfer Price being agreed or determined in accordance with these Articles

10 4 2 An Offer Notice shall not be sent to, and no Sale Shares shall be treated as offered to, the Seller or any Member who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name

10 4 3 An Offer Notice shall

- (a) state the Transfer Price,
- (b) contain the other relevant information set out in the Transfer Notice,
- (c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase, and
- (d) expire, and the offer made in that Offer Notice shall be deemed to be withdrawn, on a date which is not less than 10 nor more than 20 Business Days after the date of the Offer Notice

10 4 4 For the purposes of allocating the Sale Shares amongst the Members and any Board Invitees, Sale Shares of a class specified in the first column of the table set out below will be treated as offered

- (a) first, to all persons in the category set out in the corresponding line in the second column in the table below, and
- (b) secondly, to the extent not already accepted by persons in the second column, to all persons in the category set out in the corresponding line in the third column in the table below

Class of Sale Shares	First offer to:	Second offer to:
Management Shares	Board Invitees	Members holding Equity Shares
Investor Shares	Members holding Investor Shares	Members holding Management Shares

## 10 5 Allocation of Sale Shares

10 5 1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Members holding shares of a class specified in a column in the table in article 10 4 4 having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the **Allocation Date**), the Directors shall allocate the Sale Shares in accordance with the applications received in the priorities and in respect of each class of persons set out in the table in article 10 4 4 provided that

- (a) if there are applications from any class of offerees for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Share than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively,

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- (b) the allocation of any fractional entitlements to Sale Shares amongst the members of a particular class of Shares shall be dealt with by the Directors, with the consent of Connection Capital, in such manner as they see fit,
  - (c) the allocation of Sale Shares between two or more Board Invitees shall be at the absolute discretion of the Directors, subject to the approval of Connection Capital, and
  - (d) no Sale Shares shall be allocated to any Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name
- 10 5 2 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Member or Board Invitee to whom Sale Shares have been allocated pursuant to article 10 5 1 (each a **Buyer**) An Allocation Notice shall state
- (a) the number and class of Sale Shares allocated to that Buyer,
  - (b) the name and address of the Buyer,
  - (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him,
  - (d) the information (if any) required pursuant to article 10 5 4, and
  - (e) subject to article 10 5 4, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place
- 10 5 3 Subject to article 10 5 4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer
- 10 5 4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 10 5 1 is less than the total number of Sale Shares then
- (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the **Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price,
  - (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 10 Business Days) specified in the Allocation Notice,
  - (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 10 5 1(a) to 10 5 1(c), and
  - (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article (c), and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 10 5 2 but omitting article 10 5 2(d) of that article
- 10 5 5 Subject to article 10 5 6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 10 5 4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer
- 10 5 6 If after following the procedure set out in this article 10 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then

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- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 10 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 10, and
  - (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares

#### 10 6 Default by the Seller

- 10 6 1 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 10, the Directors may (and will if requested to do so by Connection Capital) authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer
- 10 6 2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 10 6 the validity of the proceedings shall not be questioned by any person
- 10 6 3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors with the consent of Connection Capital)

#### 10 7 Transfers following exhaustion of pre-emption rights

If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this article 10 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 10 5 6(b), sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that

- 10 7 1 no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Member without the prior written consent of Connection Capital and the Directors,
- 10 7 2 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of Connection Capital and the Directors,
- 10 7 3 the Directors may require to be satisfied that the relevant Sale Shares are being transferred under a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the transfer (without prejudice to any power of the Directors to refuse to register a transfer in accordance with article 8), and
- 10 7 4 the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 13 until such time as that offer has been made and, if accepted, completed

#### 11 11 COMPULSORY TRANSFERS

- 11 1 Subject to article 9 4 5, in this article 11 each of the following shall be a **Transfer Event** in relation to a Member holding B Ordinary Shares or C Ordinary Shares

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- 11 1 1 the death of that Member,
- 11 1 2 an order being made for the bankruptcy of that Member or a petition being presented for such bankruptcy which petition is not withdrawn or dismissed within 10 Business Days of being presented,
- 11 1 3 the Member convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally,
- 11 1 4 the Member being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1986),
- 11 1 5 any step being taken for the appointment of a receiver, manager or administrative receiver over all or any part of the Member's assets, or any other steps being taken to enforce any Encumbrance over all or any part of the Member's assets or any Shares held by that Member,
- 11 1 6 any proceedings or orders equivalent or analogous to any of those described in articles 11 1 2 to 11 1 5 above occurring in respect of the Member under the law of any jurisdiction outside England and Wales,
- 11 1 7 that Member suffering from mental disorder and being admitted to hospital or by reason of his mental health, being subject to any court order which wholly or partly prevents that Member from personally exercising any powers or rights which that Member would otherwise have,
- 11 1 8 that Member, being a director or employee of, or a consultant to, a Group Company, ceasing to be such a director, employee or consultant (including where such cessation occurs as a result of a Group Company ceasing to be a Group Company) where the Member does not remain, or immediately become, a director or employee of, or a consultant to, another Group Company, or
- 11 1 9 that Member breaching any material provision of these Articles or the Investment Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of Connection Capital within 10 Business Days of a notice from Connection Capital to the Member requesting such remedy,

and, in any such case, Connection Capital notifying the Company within six months of the occurrence of such event (or, if later, within six months of the date on which the Directors first became aware of the occurrence of such event) that such event is a Transfer Event in relation to that Member for the purposes of this article 11

- 11 2 Upon Connection Capital notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 11 1, the Relevant Member and any other person holding Compulsory Transfer Shares, shall be deemed to have served a Transfer Notice (a **Compulsory Transfer Notice**) in respect of all the Compulsory Transfer Shares held from time to time by each of them respectively. A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares
- 11 3 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 10 as if the Compulsory Transfer Shares were Sale Shares except that where the relevant Transfer Event falls within the provisions of article 11 1 8, the Transfer Price in respect of the Compulsory Transfer Shares shall be
  - 11 3 1 where the Relevant Member is a Bad Leaver, whichever is the lower of
    - (a) their Fair Value, and
    - (b) their Issue Price,
  - 11 3 2 where the Relevant Member is a Good Leaver, their Fair Value
- 11 4 Any dispute as to whether the provisions of article 11 3 1 or 11 3 2 apply in relation to any Compulsory Transfer Notice shall not affect the validity of a Compulsory Transfer Notice nor shall it delay the procedure to be followed under article 10 in respect of such notice. If,

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- however, the Issue Price is less than the Fair Value any Buyer acquiring Compulsory Transfer Shares pursuant to a Compulsory Transfer Notice while such dispute is continuing shall pay to the Seller whichever is the lower of their Fair Value and their Issue Price and shall, in addition, pay to the Company an amount equal to the difference between their Fair Value and their Issue Price. The Company shall hold such amount as trustee in a separate interest-bearing account and shall, upon final resolution of the relevant dispute, pay such amount (together with interest on such amount but less any applicable bank charges) to
- 11 4 1 the Seller, in respect of any Compulsory Transfer Shares which are determined to be sold for their Fair Value, or
  - 11 4 2 the Buyer, in respect of any Compulsory Transfer Shares which are determined to be sold for their Issue Price
- 11 5 For the purposes of article 11 1 8 the date of cessation of a Member's employment, directorship or engagement shall be (or be deemed to be) whichever is the first to occur of
- 11 5 1 the date of a notice given by a Group Company to the Member terminating (or purporting to terminate) that Member's employment, directorship or engagement with the Group (or, if later, the date specified in any such notice as being the termination date), regardless of whether any such notice constitutes unfair or wrongful dismissal,
  - 11 5 2 the date of a notice given by a Member to a Group Company terminating (or purporting to terminate) that Member's employment, directorship or engagement with the Group (or, if later, the date specified in any such notice as being the termination date), regardless of whether any such notice may lawfully be given by the Member,
  - 11 5 3 the date on which a repudiatory breach of any contract of employment or engagement by either the Member or a Group Company is accepted by the other party to that contract,
  - 11 5 4 the date of any event which results in the termination of the contract of employment or engagement under the doctrine of frustration, or
  - 11 5 5 in any circumstances other than those specified in articles 11 5 1 to 11 5 4, the date on which the Member actually ceases to be employed or engaged by the Group
- 11 6 Notwithstanding any other provision of these Articles, unless Connection Capital otherwise consents and notifies the Company accordingly, any Compulsory Transfer Shares shall, with effect from the date of the relevant Compulsory Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer on the holder of those Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Compulsory Transfer Shares (or other Shares)
- 11 7 Upon the service of a Compulsory Transfer Notice each of the Relevant Member and any other person holding Compulsory Transfer Shares shall be deemed to have irrevocably appointed Connection Capital as the agent of such Member to execute, in the name of and on behalf of that Member, any stock transfer form and covenant for full title guarantee in respect of the Compulsory Transfer Shares registered in the name of that Member and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Compulsory Transfer Shares pursuant to this article 11
- 11 8 Articles 27(2)(a) and 28 of the Model Articles shall not apply to the Company
- 12 **DRAG ALONG**
- 12 1 If Members (including the Investor) holding Equity Shares which in aggregate carry the right to cast more than 50% of the votes that may be cast at a general meeting of the Company (together the **Selling Members**) wish to transfer all their Equity Shares to a proposed purchaser (the **Proposed Purchaser**), they shall have the option (a **Drag Along Option**) to



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require all or any of the other Members (the **Remaining Members**) to transfer all their Shares with full title guarantee to the Proposed Purchaser (or as the Proposed Purchaser shall direct) in accordance with this article 12

12 2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to each of the Remaining Members at any time before the registration of the transfer of the Selling Members' Shares. A Drag Along Notice shall specify

12 2 1 that the Remaining Members are required to transfer all their Shares (the **Remaining Shares**) pursuant to this article 12,

12 2 2 the identity of the Proposed Purchaser,

12 2 3 the total consideration payable for all of the Shares proposed to be sold to the Proposed Purchaser by the Selling Members and the Remaining Members (the **Total Drag Consideration**) and specifying the allocation of the Total Drag Consideration between the Selling Members and the Remaining Members in accordance with the table set out in article 3 1, save that references to **surplus assets** therein shall be deemed to be references to such Total Drag Consideration, and

12 2 4 the proposed date of transfer (if known)

12 3 A Drag Along Notice

12 3 1 may be revoked by the Selling Members at any time prior to the completion of the sale and purchase of the Remaining Shares, and

12 3 2 shall lapse if for any reason the sale of the Selling Members' Shares to the Proposed Purchaser is not completed within 40 Business Days of the date of service of the Drag Along Notice (such lapse being without prejudice to the right of the Selling Members to serve any further Drag Along Notice following such lapse)

12 4 Subject to article 12 5, the Total Drag Consideration shall be payable in the same form and due at the same time(s)) to each of the Selling Members and the Remaining Members

12 5 Prior to completion of the sale and purchase of the Remaining Shares, the Selling Members may direct by notice in writing to the Company that any Remaining Member who, at the date of the Drag Along Notice, is bound to give or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice) is paid the cash equivalent of any non-cash consideration due to the Selling Members from the Proposed Purchaser in lieu of such non-cash consideration. Such cash consideration in lieu may be paid to a Remaining Member either on completion or at the same time as the relevant non-cash consideration is received by the Selling Members at the absolute discretion of the Selling Members. Any dispute in relation to the amount of any cash consideration in lieu of any non-cash consideration which has not been resolved within 10 Business Days of the date of the Drag Along Notice shall be referred to the Expert for determination in accordance with article 27

12 6 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Members' Shares or such later date, being not more than 20 Business Days after the date of such completion, as the Selling Members may direct in writing

12 7 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed each of the Selling Members (severally) as the agent of the Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form and covenant for full title guarantee in respect of the Remaining Shares registered in the name of that Remaining Member and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Remaining Shares pursuant to this article 12

12 8 The provisions of this article 12 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer of Shares contained in these Articles shall not apply to the transfer of any Shares to a

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Proposed Purchaser named in a Drag Along Notice (or as that Proposed Purchaser may direct) Any Transfer Notice or Compulsory Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 10 shall automatically be revoked by the service of a Drag Along Notice

12 9 Where at any time after the service of a Drag Along Notice but before completion of the sale and purchase of the Remaining Shares by the Proposed Purchaser, any person (a **New Member**) becomes a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Member. Upon the deemed service of a Drag Along Notice pursuant to this article 12 9 the New Member shall become bound to sell and transfer to the Proposed Purchaser (or as the Proposed Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 12 shall apply mutatis mutandis to the sale of any such Shares by such New Member provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of

12 9 1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this article 12 9, and

12 9 2 the date of completion of the sale and purchase of the Remaining Shares pursuant to the original Drag Along Notice

### 13 TAG ALONG

13 1 Subject to article 12 and save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 9, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the **Committed Shares**) which would result in a Change of Control shall be made or registered unless before the transfer is lodged for registration

13 1 1 Connection Capital and the holders of Management Shares carrying the right to exercise a majority of the votes that may be cast at a general meeting by all of the Management Shares has consented to such transfer, and

13 1 2 the relevant Third Party Purchaser has made a bona fide offer (a **Tag Along Offer**) by notice in writing (a **Tag Along Notice**) to acquire, in accordance with this article 13, from all the Members other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Equity Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration, or at the price, (the **Tag Along Consideration**) calculated in accordance with articles 13 3 and 13 4

13 2 A Tag Along Notice shall

13 2 1 state the Tag Along Consideration (subject to article 13 4),

13 2 2 state the identity of the relevant Third Party Purchaser,

13 2 3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer, and

13 2 4 subject to article 13 4 1, expire, and the offer made in that notice shall be deemed to be withdrawn, on the date (being not less than 10 nor more than 20 Business Days after the date of the Tag Along Notice) specified in that notice

13 3 For the purposes of this article 13, the Tag Along Consideration shall be determined on a per Share basis in the same manner as the Total Drag Consideration in accordance with article 12 2 save that references therein to Total Drag Consideration shall be to Tag Along Consideration and such Tag Along Consideration shall be payable in respect of the Uncommitted Shares in the same form and due at the same time(s) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the

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substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares

- 13 4 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of Uncommitted Shares carrying the right to exercise not less than 75% of the votes that may be cast at a general meeting by all of the Uncommitted Shares within 10 Business Days of the date of the Tag Along Notice, such matter shall be referred for determination to the Expert (in accordance with article 27) and, pending their determination

13 4 1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Expert's determination of the Tag Along Consideration is served on the Third Party Purchaser and the Members holding Uncommitted Shares, and

13 4 2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered

#### 14 14 GENERAL MEETINGS

- 14 1 Without prejudice to the provisions of sections 302 and 288(3) of the Act, the Investor Director acting alone may

14 1 1 call a general meeting of the Company, or

14 1 2 propose a written resolution of the Company (and the provisions of section 291 of the Act shall apply to any such proposed written resolution)

- 14 2 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon Two Members, of whom at least one shall be a holder of Investor Shares, present either in person, by proxy or by a duly appointed corporate representative shall be a quorum

- 14 3 Article 40(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article "Subject to the consent of Connection Capital,"

- 14 4 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved"

- 14 5 Any Member, having the right to attend and vote at the meeting in question and who is present at that meeting in person, by proxy or by a duly appointed corporate representative, may demand a poll Article 44(2) of the Model Articles shall not apply to the Company

- 14 6 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made "

- 14 7 Article 45(1) of the Model Articles shall be amended as follows

14 7 1 by the deletion of the words in Article 45(1)(d) and the insertion in their place of the following "is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate ", and

14 7 2 by the insertion of the following as a new paragraph at the end of Article 45(1) "and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion but subject to the consent of Connection Capital accept the proxy notice at any time before the meeting "

- 14 8 The Company shall not be required to give notice of a general meeting to a Member

14 8 1 whose registered address is outside the United Kingdom unless he has provided an address for service within the United Kingdom, or

14 8 2 for whom the Company no longer has a valid United Kingdom address

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15 15 **APPOINTMENT AND REMOVAL OF DIRECTORS**

15 1 Unless and until determined otherwise by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall not be less than two

15 2 The office of a Director (other than an Investor Director) shall automatically be vacated, and the Director in question shall be deemed to have resigned, upon

15 2 1 in the case of an executive Director only, that Director ceasing for any reason whatsoever to be employed by the Company or any other Group Company in circumstances where he does not remain, or immediately become, an employee of another Group Company,

15 2 2 that Director failing to take part in any directors' decisions for a period of more than 6 consecutive months (and the Directors, with the consent of Connection Capital, resolving that his appointment as a Director should terminate (and the director in question shall not be an "Eligible Director" for the purposes of such resolution of the Directors), or

15 2 3 the Board, with the consent of Connection Capital, resolving to request his resignation

Article 18 of the Model Articles shall be extended accordingly

16 16 **INVESTOR DIRECTOR, CHAIRMAN AND OBSERVER**

16 1 From time to time and on more than one occasion

16 1 1 Connection Capital may appoint one person to

(a) be a non-executive director of the Company (an **Investor Director**) and, from time to time and on more than one occasion, remove any such person appointed by them, and

(b) attend, observe or speak (but not in any event vote) at meetings of the Directors,

and from time to time and on more than one occasion, remove any such person appointed by them, and

16 1 2 the holders of the Management Shares and Connection Capital may, by mutual agreement, appoint any person to be the chairman of the Directors and, from time to time and on more than one occasion, remove any such person appointed by them. In the event that the holders of the Management Shares and Connection Capital cannot agree on the identity of the chairman within 40 Business Days of the name of the first proposed chairman being given by one to the other, Connection Capital may appoint any person to be the interim chairman of the Directors and, from time to time and on more than one occasion, remove any such person appointed by them, until such time as a chairman is mutually agreed between the holders of the Management Shares and Connection Capital

16 2 Any appointment or removal pursuant to article 16 1 shall be made by notice in writing to the Company. Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice

16 3 Subject to section 168 of the Act, on any resolution to remove an Investor Director the Investor Shares shall together carry one vote in excess of 50% of all the other votes exercisable in relation to such resolution and if any such Investor Director is removed pursuant to section 168 of the Act or otherwise Connection Capital may reappoint him or any other person as an Investor Director

16 4 Upon written request from Connection Capital, the Company shall procure that any Investor Director or the chairman is forthwith appointed as a director of any other Group Company indicated in such request

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- 16 5 If at any time there is no Investor Director serving, or the serving Investor Director declines to give a decision on any matter, then any matter in these Articles requiring the consent or approval of the Investor Director(s) may be consented to or approved by Connection Capital and any notice, information, document or other matter or thing required to be given or delivered to the Investor Director(s) shall be given or delivered to Connection Capital
- 16 6 The Investor Director (and any alternate Director appointed by him from time to time) shall be entitled to make such disclosure to the holders of the Investor Shares in relation to the business and affairs of the Group as he may, in his absolute discretion, see fit
- 16 7 Article 12(1) to 12 (3) of the Model Articles shall not apply to the Company
- 17 **17 ALTERNATE DIRECTORS**
- 17 1 Subject to article 17 2, any Director (in this article 17, an **appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to
- 17 1 1 exercise that director's powers, and
- 17 1 2 carry out that director's responsibilities,
- in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor
- 17 2 The appointment by the Investor Director of an alternate director shall not be subject to approval by resolution of the Directors with the consent of Connection Capital
- 17 3 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors
- 17 4 The notice must
- 17 4 1 identify the proposed alternate, and
- 17 4 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice
- 17 5 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor
- 17 6 Save as provided otherwise in these Articles, alternate Directors
- 17 6 1 are deemed for all purposes to be Directors,
- 17 6 2 are liable for their own acts and omissions,
- 17 6 3 are subject to the same restrictions as their appointors, and
- 17 6 4 are not deemed to be agents of or for their appointors,
- and, in particular, 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
- 17 7 A person who is an alternate Director but not a Director
- 17 7 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
- 17 7 2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate), and
- 17 7 3 shall not be counted as more than one Director for the purposes of articles 17 7 1 and 17 7 2
- 17 8 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

- 17 9 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 17 10 The appointment of an alternate Director terminates
- 17 10 1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate,
  - 17 10 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director,
  - 17 10 3 on the death of the alternate's appointor,
  - 17 10 4 when the appointment of the alternate's appointor as a Director terminates, or
  - 17 10 5 when written notice from the alternate, resigning his office, is received by the Company.

## 18 18 REMUNERATION AND AUDIT COMMITTEES

Without prejudice to the provisions of article 5(1) of the Model Articles there will be a remuneration committee and an audit committee which will operate in accordance with the provisions of the Investment Agreement.

## 19 19 PROCEEDINGS OF DIRECTORS

### 19 1 Decisions of the directors may be taken either

- 19 1 1 by a majority at a board meeting, or
- 19 1 2 by a Directors' written resolution made in accordance with articles 19 2 and 19 3.

Articles 7(1) and 8 of the Model Articles shall not apply to the Company.

19 2 Any Director may propose a Directors' written resolution. A Directors' written resolution is proposed by notice in writing of the proposed Directors' written resolution being given to each Director indicating the proposed resolution and the time by which it is proposed that the Directors should adopt it. Any decision which a person giving notice of a Directors' proposed written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.

19 3 A proposed Directors' written resolution is adopted when all the Eligible Directors in relation to the resolution(s) contained in the proposed Directors' written resolution have signed one or more copies of it, provided that those Eligible Directors would have formed a quorum at a meeting of the Directors to consider such resolution(s). It is immaterial whether a Director signs the resolution before or after the time by which the notice proposed that it should be adopted.

19 4 Two Eligible Directors, of whom one shall be the Investor Director (unless the Investor Director is not an Eligible Director in relation to the relevant meeting or Connection Capital has previously agreed otherwise in writing), present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under article 21 if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. For the purpose of any meeting held to consider a decision referred to in article 19 9, the quorum for such a meeting shall be the Investor Director. Article 11(2) of the Model Articles shall not apply to the Company.

19 5 If an Investor Director has been appointed, but is not present at a Directors' meeting, and an observer, who is either a member or an employee of Connection Capital, is present at such meeting, the observer shall be deemed to be the duly appointed alternate of the Investor Director at such Directors' meeting.

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- 19 6 If the number of votes for and against a proposal at a Directors' meeting are equal the chairman shall not have a casting vote Article 13 of the Model Articles shall not apply to the Company
- 19 7 If, and for so long as, the provisions of article 5 2 apply (regardless of whether or not such voting rights have actually been exercised at any general meeting or on any written resolution)
- 19 7 1 the Investor Director shall be entitled to exercise such number of votes at any meeting of the Directors, or any committee of the Directors of which he is a member, which is equal to one vote more than half the total number of votes exercisable at any such meeting, and
- 19 7 2 Connection Capital may, by notice to the Company, appoint any person as a Director and/or remove any such person appointed by Connection Capital as a Director Any appointment or removal pursuant to this article 19 7 2 shall be made by notice in writing to the Company Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice Immediately following the provisions of article 5 2 ceasing to apply, Connection Capital shall remove any such person so appointed as a Director from office
- 19 8 Not less than 5 Business Days' notice of a Directors' meeting must be given to each Director in writing provided that the requirements of this article may be waived or varied, subject to the written consent of Connection Capital, with the prior approval of all Eligible Directors Article 9(3) of the Model Articles shall not apply to the Company
- 19 9 Where any decision is to be made by the Company or any Group Company in relation to
- 19 9 1 the exercise, enforcement or waiver of any of its rights under, or the giving of any consent under
- (a) the Investment Agreement, or
- (b) the Acquisition Documents,
- 19 9 2 the exercise, enforcement or waiver of any rights against a Member holding Management Shares or a Director (or any person connected with any such Member or Director),
- then, notwithstanding any other provision of these Articles, if an Investor Director is appointed for the time being then no meeting of the Directors at which any such decision will be considered shall be quorate unless an Investor Director is present in person and at such meeting only the Investor Director shall be entitled to vote The Investor Director shall have exclusive conduct of any proceedings of any nature arising in connection with any such rights and no other Director shall have power to take any decision or settle or compromise any claim in relation to such matters
- 19 10 Article 5 of the Model Articles shall be modified so that the Directors may only delegate any of their powers to a person or committee with the prior consent of Connection Capital Article 6(2) of the Model Articles shall be amended by the insertion of the following words before the word "may" "with the consent of Connection Capital"
- 19 11 Article 16 of the Model Articles shall be amended by the insertion of the following words after the word "may" "with the consent of Connection Capital "
- 19 12 Article 51 of the Model Articles shall be amended by the insertion of the following words at the start of that article "Subject to the consent of Connection Capital,"
- 19 13 Article 4(1) of the Model Articles shall be amended by the insertion of the following words at the start of that article "Subject to the consent of Connection Capital,"
- 20 **20 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**
- 20 1 Subject to sections 177 and 182 of the Act and, save in the case of an Investor Director, subject to the consent of Connection Capital, and provided (in any case) he has declared

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the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way (whether directly or indirectly) interested in an existing or proposed transaction or arrangement with the Company

20 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

20 1 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such contract or proposed contract in which he is interested,

20 1 3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such contract or proposed contract in which he is interested,

20 1 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,

20 1 5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

20 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

20 2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company

## 21 21 DIRECTORS' CONFLICTS OF INTEREST

21 1 Subject to the consent of Connection Capital (other than in relation to an Investor Director), the Directors may, in accordance with the requirements set out in this article 21, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a **Conflict**)

21 2 Any authorisation under this article will be effective only if

21 2 1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors, with the consent of Connection Capital may determine,

21 2 2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and

21 2 3 the matter was agreed to without the Director in question voting or would have been agreed to if his vote had not been counted

21 3 Any authorisation of a Conflict under this article 21 shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently

21 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised,

21 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine, and

21 3 3 be terminated or varied by the Directors at any time



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

- 21 4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to
- 21 4 1 disclose such information to the Directors or to any Director or other officer or employee of the Company, or
- 21 4 2 use or apply any such information in performing his duties as a Director, where to do so would amount to a breach of that confidence
- 21 5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, and they will so provide if directed to do so by Connection Capital, in either case without limitation, that the Director
- 21 5 1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict,
- 21 5 2 is not given any documents or other information relating to the Conflict, and
- 21 5 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict
- 21 6 Where the Directors authorise a Conflict
- 21 6 1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict, and
- 21 6 2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation
- 21 7 An Investor Director or the Chairman may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in
- 21 7 1 any Group Company,
- 21 7 2 a holder of Investor Shares,
- 21 7 3 any company which is for the time being a subsidiary or holding company of a holder of Investor Shares or another subsidiary of such holding company, or
- 21 7 4 any investment fund or co-investment plan for whom Investor Shares are held, or
- 21 7 5 a manager, custodian, nominee or trustee for, or general partner of, any investment fund or co-investment plan for whom Investor Shares are held,
- and no authorisation under article 21 1 shall be necessary in respect of such interest
- 21 8 A Director other than an Investor Director or the Chairman may, notwithstanding his office, be a Member or a director or other officer of, or employed by or otherwise interested in any Group Company and no authorisation under article 21 1 shall be necessary in respect of such interest
- 21 9 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

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22        22        **DIRECTORS' BENEFITS**

22 1        Article 19(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article "Subject to the consent of Connection Capital,"

22 2        Article 19(3) of the Model Articles shall be amended by the insertion of the following words at the start of that article "Subject to the consent of Connection Capital and"

23        23        **SECRETARY**

The Directors may appoint any person who is willing to act as the Secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person

24        24        **SERVICE OF DOCUMENTS**

24 1        Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient

24 1 1        if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted,

24 1 2        if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider,

24 1 3        if properly addressed and delivered by hand, when it was given or left at the appropriate address,

24 1 4        if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

24 1 5        if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article 24 1, no account shall be taken of any part of a day that is not a working day

24 2        In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

25        25        **INDEMNITY**

25 1        Subject to article 25 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

25 1 1        each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

(a)        in the actual or purported execution and/or discharge of his duties, or in relation to them, and

(b)        in relation to the activities of the Company (or any Group Company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

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- 25 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 25 1 1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure
- 25 2 This article 25 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law
- 25 3 In this article 25 and in article 26 a **relevant officer** means any director or other officer or former director or other officer of the Company or any Group Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or any Group Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)
- 25 4 Article 52 of the Model Articles shall not apply to the Company
- 26 26 **INSURANCE**
- 26 1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company, any Group Company or any pension fund or employees' share scheme of the Company or Group Company
- 26 2 Article 53 of the Model Articles shall not apply to the Company
- 27 27 **EXPERT**
- 27 1 Where these Articles provide for any matter or dispute to be determined by the Expert, such matter or dispute shall be referred, at the request of any Member, to the Auditors unless any Member objects to the appointment of the Auditors to act as the Expert in which case the matter shall be referred to an independent chartered accountant nominated in writing for this purpose by the agreement between the Investor Director and a majority of the other Directors or, failing such agreement being reached with 10 Business Days of the date on which any such Member objects, on application of any Member by the President for the time being of the Institute of Chartered Accountants in England and Wales
- 27 2 The Expert shall be engaged on terms agreed between the relevant Expert, the Directors and Connection Capital, provided that if such terms are not so agreed within 10 Business Days of the Expert being instructed, the Expert shall be engaged on such terms as may be agreed between the Expert and Connection Capital (acting reasonably) For the purposes of agreeing the terms of the Expert's engagement pursuant to this article 27 2, the Directors or Connection Capital (as the case may be) shall act as agent for the Company and each relevant Member
- 27 3 The Company and any relevant Members shall supply the Expert with any information which he may reasonably request in connection with his determination The Company and any relevant Members shall be entitled to make written submissions to the Expert provided that a copy of any such written submissions is also simultaneously delivered to the other relevant parties The Expert shall give due weight to any such written submission which is received by the Expert within such time limit as he may determine and have notified to the relevant parties
- 27 4 The decision of the Expert (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Members
- 27 5 The cost of any reference to the Expert shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Expert (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Expert, equally by the parties concerned

28      28      **CHANGE OF NAME**

Subject to the consent of Connection Capital, the name of the Company may be changed by a decision of the Directors

29      29      **PURCHASE OF OWN SHARES OUT OF CASH**

In accordance with section 692(1) of the Act the Company may purchase its own shares with cash up to an amount not exceeding £15,000 or the value of 5% of its share capital (whichever is the lower) in each Accounting Period