

Certified a true and correct copy  
of the original document

Signed [Signature]  
Printed CLAIRE WILCOCK

Muckle LLP

Newcastle upon Tyne

Date 19.01.2017

Company number: 09184608

Private Company Limited by Shares

Written Resolutions

of

XQ Digital Resilience Ltd

(Company)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions (Resolutions) are passed as ordinary and special resolutions (as appropriate)

**Ordinary Resolution**

- 1 That, the 400 ordinary shares of £1 each in the issued share capital of the Company be subdivided into 40,000 ordinary shares of £0.01 each, with such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of £1 each in the capital of the Company as set out in the Company's articles of association for the time being

**Special Resolutions**

- 2 That, subject to the passing of Resolution 1, in accordance with section 569 of the Companies Act 2006 (Act), the directors of the Company be generally empowered to allot equity securities (as defined by section 560 of the Act) as if section 561 of the Act and or any other rights of pre-emption contained in the Company's articles or otherwise did not apply in respect of the allotment of up to 13,334 ordinary shares of £0.01 each in the capital of the Company
- 3 That the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

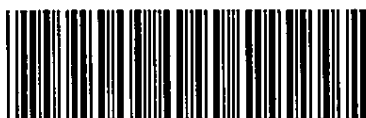
**Agreement**

The undersigned, who were entitled to vote on the Resolutions on 11 JANUARY 2017  
(Circulation Date), hereby irrevocably agree to the Resolutions

Date	Member	Signature
11 JANUARY 2017	David Carroll	[Signature]
"	Richard Bach	[Signature]
"	Matthew Blades	[Signature]
"	Andrew Rees	[Signature]
"	Graham Wilde	[Signature]

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FRIDAY



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20/01/2017

#155

COMPANIES HOUSE

#### **Notes**

1. You can choose to agree to all of the Resolutions or none of them, but you cannot agree to only some of the Resolutions
2. If you agree to the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it by hand or by post to the Company
3. If you do not agree to the Resolutions, you do not need to do anything, you will not be deemed to agree if you fail to reply
4. When you have indicated your agreement to the Resolutions, you may not revoke your agreement
5. Unless, within 28 days beginning with the Circulation Date, sufficient agreement has been received for the Resolutions to be passed, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us on or before this date
6. If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document

b.c.

The Companies Act 2006

Company Limited by Shares

(Adopted by a special resolution passed on 11 JANUARY 2017)

## New Articles of Association

of XQ Digital Resilience Limited


Dated 11 JANUARY 2017

Osborne Clarke LLP  
2 Temple Back East  
Temple Quay  
Bristol  
BS1 6EG

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Signed   
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Muckle LLP

Newcastle upon Tyne

Date 19.01.2017

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**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**  
**NEW**  
**ARTICLES OF ASSOCIATION**  
**of**  
**XQ DIGITAL RESILIENCE LIMITED**

(Adopted by a special resolution passed on 11 JANUARY 2017)

1. **Introduction**
- 1 1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Date of Adoption (the "Model Articles") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1 2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force
- 1 3 In these Articles
  - (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles,
  - (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa,
  - (c) Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company,
  - (d) reference to "Issued Shares" of any class shall exclude any Shares of that class held as Treasury Shares from time to time, unless stated otherwise, and
  - (e) reference to the "holders" of Shares or a class of Share shall exclude the Company holding Treasury Shares from time to time, unless stated otherwise
- 1 4 In respect of any actions or matters requiring or seeking the acceptance, approval, agreement consent or words having similar effect of an Investor Director under these Articles, if at any time an Investor Director has not been appointed or an Investor Director declares in writing to the Company and the Investor that he considers that providing such consent gives rise or may give rise to a conflict of interest to his duties as a Director, such action or matter shall require an Investor Consent

**2 Definitions**

In these Articles the following words and expressions shall have the following meanings

"Act" means the Companies Act 2006 (as amended from time to time)

**"Acting in Concert"** has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time)

**"Asset Sale"** means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business)

**"Associate"** in relation to any person means

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined), or
- (b) any Member of the same Group

**"Auditors"** means the auditors of the Company from time to time

**"Available Profits"** means profits available for distribution within the meaning of part 23 of the Act

**"Bad Leaver"** means a person who ceases to be an Employee as a consequence of

- (a) such person's resignation as an Employee except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect, or
- (b) that person's dismissal as an Employee for cause where "cause" shall mean the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct

**"Board"** means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles

**"Business Day"** means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday)

**"Civil Partner"** means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder.

**"Company"** means XQ Digital Resilience Limited

**"Company's Lien"** has the meaning given in Article 31.1

**"Controlling Interest"** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010

**"CTA 2010"** means the Corporation Tax Act 2010

**"Date of Adoption"** means the date on which these Articles were adopted

**"Director(s)"** means a director or directors of the Company from time to time

**"electronic address"** has the same meaning as in section 333 of the Act

**"electronic form"** and **"electronic means"** have the same meaning as in section 1168 of the Act.

**"Eligible Director"** means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors

**"Employee"** means an individual who is employed by or who provides consultancy services to, the Company or any member of the Group

**"Employee Shares"** in relation to an Employee means all Ordinary Shares held by

- (a) the Employee in question, and
- (b) any Permitted Transferee of that Employee,

other than Ordinary Shares that an Employee holds as result of exercising option(s) under any Share Option Plan(s)

**"Encumbrance"** means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim) conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law)

**"Equity Securities"** has the meaning given in sections 560(1) to (3) inclusive of the Act and for the avoidance of doubt an allotment of Equity Securities includes a transfer of shares which immediately before such transfer were held by the Company as Treasury Shares

**"Expert Valuer"** is as determined in accordance with Article 13.9

**"Fair Value"** is as determined in accordance with Article 13.10

**"Family Trusts"** means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons

**"Financial Year"** has the meaning set out in section 390 of the Act

**"Good Leaver"** means a person who ceases to be an Employee and who is not a Bad Leaver and shall include, without limitation, a person who ceases to be an Employee by reason of redundancy, retirement and/or when the Board (including Investor Director Consent) determines that a person is not a Bad Leaver

**"Group"** means the Company and its Subsidiary Undertaking(s) (if any) from time to time and "Group Company" shall be construed accordingly

**"hard copy form"** has the same meaning as in section 1168 of the Act

**"Holding Company"** means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company (excluding Treasury Shares) immediately prior to the transfer of the issued share capital of the Company to such holding company

**"Investor Director Consent"** means the prior written consent of the Investor Director

**"Investor Director"** means the director of the Company nominated by the Investor under Article 23 1, and being the Investor as at the Date of Adoption

**"Investor Consent"** means the prior written consent of the Investor

**"Investor"** means Jeffrey Thomas

**"IPO"** means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000)

**"ITEPA"** means Income Tax (Earnings and Pensions) Act 2003

**"Lien Enforcement Notice"** has the meaning given in Article 31 3.

**"a Member of the same Group"** means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking

**"NASDAQ"** means the NASDAQ Stock Market of the NASDAQ OMX Group Inc

**"New Securities"** means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares) excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Date of Adoption

**"Offer"** has the meaning set out in Article 16 2

**"Offer Period"** has the meaning set out in Article 16 3

**"Ordinary Shareholders"** means the holders from time to time of the Ordinary Shares (but excludes the Company holding Treasury Shares)

**"Ordinary Shares"** means the ordinary shares of £0.01 each in the capital of the Company from time to time

**"Original Shareholder"** has the meaning set out in Article 12 1

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 12

**"Permitted Transferee"** means

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees; and
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group,

subject to the approval of a majority of the Directors

**"Priority Rights"** means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 15 2

**"Privileged Relation"** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue)



**"Proceeds of Sale"** means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale

**"Proposed Purchaser"** means a proposed purchaser who at the relevant time has made an offer on arm's length terms

**"Proposed Sale Date"** has the meaning given in Article 16 3

**"Proposed Sale Notice"** has the meaning given in Article 16 3

**"Proposed Sale Shares"** has the meaning given in Article 16 3

**"Proposed Seller"** means any person proposing to transfer any shares in the capital of the Company

**"Proposed Transfer"** has the meaning given in Article 16 1

**"Qualifying Company"** means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010)

**"Qualifying Person"** has the meaning given in section 318(3) of the Act

**"Relevant Interest"** has the meaning set out in Article 26 4

**"Restricted Shares"** has the meaning set out in Article 15 5

**"Sale Shares"** has the meaning set out in Article 13 2(a)

**"Seller"** has the meaning set out in Article 13 2

**"Shareholder"** means any holder of any Shares (but excludes the Company holding Treasury Shares)

**"Share Option Plan(s)"** means the share option plan(s) of the Company, the terms of which have been approved by the Investor

**"Shares"** means the Ordinary Shares

**"Share Sale"** means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale

**"Subscription and Shareholders' Agreement"** means the subscription and shareholders' agreement dated on or around the Date of Adoption between, amongst others, the Company and the Investor

**"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"** have the respective meanings set out in sections 1159 and 1162 of the Act

**"Transfer Notice"** shall have the meaning given in Article 13 2

**"Transfer Price"** shall have the meaning given in Article 13 2

**"Treasury Shares"** means shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act

**"Trustees"** in relation to a Shareholder means the trustee or the trustees of a Family Trust

### **3 Share capital**

3 1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue

3 2 The words **"and the directors may determine the terms, conditions and manner of redemption of any such shares"** shall be deleted from article 22(2) of the Model Articles

3 3 Subject to Investor Consent and the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act

3 4 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words **"that the shares are fully paid; and"** with the words **"the amount paid up on them, and"**

3 5 In article 25(2) of the Model Articles, the words **"payment of a reasonable fee as the directors decide"** in paragraph (c) shall be deleted and replaced by the words **"payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine"**

3 6 For the avoidance of doubt, the Company shall not exercise any right in respect of any Treasury Shares including without limitation any right to

- (a) receive notice of or to attend or vote at any general meeting of the Company,
- (b) receive or vote on any proposed written resolution, and
- (c) receive a dividend or other distribution

save as otherwise permitted by section 726(4) of the Act

### **4 Dividends**

4 1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4

4 2 Any Available Profits which the Company may determine, with Investor Consent, to distribute in respect of any Financial Year, will be distributed among the Shareholders *pro rata* to their respective holdings of Shares

4 3 Subject to the Act and these Articles, the Board may, provided Investor Consent is given, pay interim dividends if justified by the Available Profits in respect of the relevant period

4 4 Article 31(1) of the Model Articles shall be amended by

- (a) the replacement of the words **"either in writing or as the directors may otherwise decide"** at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words **"in writing"**, and
- (b) the replacement of the words **"either in writing or by such other means as the directors decide"** from the end of paragraph (d) of that article 31(1) with the words **"in writing"**

**5 Liquidation**

On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) among the holders of the Shares pro rata to the number of Shares held

**6 Exit provisions**

6.1 On a Share Sale the Proceeds of Sale shall be distributed as set out in Article 5 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale

(a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 5 and

(b) the Shareholders shall take any action within their respective powers to do so if reasonably required by the Investor to ensure that the Proceeds of Sale in their entirety are distributed as set out in Article 5

6.2 On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) as set out in Article 5 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Investor (including, but without prejudice to the generality of this Article 6.2, actions that may be necessary to put the Company into voluntary liquidation) so that Article 5 applies

**7 Votes in general meeting and written resolutions**

7.1 The Ordinary Shares shall confer on each holder of Ordinary Shares one vote per Ordinary Share and the right to receive notice of and to attend, speak and vote at all general meetings of the Company and/or on a poll and/or to receive and vote on proposed written resolutions of the Company

7.2 No voting rights attached to a Share which is nil paid or partly paid may be exercised

(a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it or

(b) on any proposed written resolution,

unless all of the amounts payable to the Company in respect of that share have been paid

**8 Consolidation of Shares**

8.1 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale

8.2 When the Company sub-divides or consolidates all or any of its Shares, the Company may subject to the Act and to these Articles, by ordinary resolution determine that, as between the

Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others.

**9 Variation of rights**

9 1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75% in nominal value of the issued shares of that class

9 2 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not constitute a variation of the rights of those existing classes of shares

**10 Allotment of new shares or other securities: pre-emption**

10 1 Subject to the remaining provisions of this Article 10, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to

(a) allot Shares, or

(b) grant rights to subscribe for or convert any securities into Shares,

to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that

(i) this authority shall be limited to a maximum nominal amount of £133 34,

(ii) this authority shall only apply insofar as the Company has not by resolution waived or revoked it;

(iii) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require Shares to be allotted or rights granted to subscribe for or convert any security into Shares after the expiry of such authority (and the Directors may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired)

This authority is in substitution for all subsisting authorities, save for the authority granted to the Directors by written resolution on or around the Date of Adoption in relation to the allotment of up to 13,334 Ordinary Shares to the Investor pursuant to the terms of the Subscription and Shareholders' Agreement

10 2 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company

10 3 Unless otherwise agreed by special resolution (including Investor Consent), if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Shares (the "Subscribers") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as may be without involving fractions) The offer

(a) shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "Subscription Period") and give details of the number and subscription price of the New Securities, and

(b) may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their

acceptance state the number of excess New Securities for which they wish to subscribe

- 10.4 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him)
- 10.5 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers
- 10.6 Subject to the requirements of Articles 10.3 to 10.5 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment or grant to that person must be approved in writing by the Investor
- 10.7 The provisions of Articles 10.3 to 10.5 (inclusive) shall not apply to
- (a) options to subscribe for Ordinary Shares under the Share Option Plans,
  - (b) New Securities issued or granted in order for the Company to comply with its obligations under these Articles and
  - (c) New Securities issued as a result of a bonus issue of shares which has been approved in writing by the Investor
- 10.8 No Shares shall be allotted (nor any Treasury Shares be transferred) to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company
- 11 Transfers of Shares – general
- 11.1 In Articles 11 to 17 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share
- 11.2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 11.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him
- 11.4 Any transfer of a Share by way of sale which is required to be made under Articles 13 to 17 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee
- 11.5 The Directors may refuse to register a transfer if
- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind,
  - (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the

United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company,

- (c) it is a transfer of a Share which is not fully paid
  - (i) to a person of whom the Directors do not approve, or
  - (ii) on which Share the Company has a lien,
- (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint,
- (e) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer,
- (f) the transfer is in respect of more than one class of Shares,
- (g) the transfer is in favour of more than four transferees, or
- (h) these Articles otherwise provide that such transfer shall not be registered

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

11 6 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 11 6 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

11 7 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may, with Investor Director Consent, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors or the Investor Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur

- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question) provided that, at the election of the relevant Investor, such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of an Investor, or

- (b) the withholding of payment of all dividends or other distributions otherwise attaching to the relevant shares or to any further shares issued in respect of those shares, and
- (c) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder

The rights referred to in (a) and (b) above may be reinstated by the Board subject to Investor Director Consent and shall in any event be reinstated upon the completion of any transfer referred to in (c) above

- 11 8 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period
- 11 9 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that
  - (a) the Transfer Price for the Sale Shares will be as agreed between the Board (including Investor Director Consent) (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares,
  - (b) it does not include a Minimum Transfer Condition (as defined in Article 13 2(d)), and
  - (c) the Seller wishes to transfer all of the Shares held by it
- 11 10 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of
  - (a) the transferor, and
  - (b) (if any of the shares is partly or nil paid) the transferee

## 12 Permitted Transfers

- 12 1 A Shareholder (who is not a Permitted Transferee) (the "Original Shareholder") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise
- 12 2 Shares previously transferred as permitted by Article 12 1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 12 3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 12 4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares

12.5 Trustees may:

- (a) transfer Shares to a Qualifying Company, or
- (b) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder; or
- (c) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise

12.6 No transfer of Shares may be made to Trustees unless the Board is satisfied

- (a) with the terms of the trust instrument and in particular with the powers of the trustees,
- (b) with the identity of the proposed trustees,
- (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts, and
- (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company

12.7 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board (to include Investor Consent) to have given a Transfer Notice in respect of such Shares

12.8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or
- (b) give a Transfer Notice to the Company in accordance with Article 13.2,

failing which he shall be deemed to have given a Transfer Notice

12.9 On the death (subject to Article 12.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice

12.10 A transfer of any Shares approved by the Board and the Investor Director may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors



12.11 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board, including Investor Director Consent

12.12 The Company shall only be permitted to sell or transfer any Shares held as Treasury Shares to any person with Investor Consent

**13. Transfers of Shares subject to pre-emption rights**

13.1 Save where the provisions of Articles 12 and 17 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 13

13.2 A Shareholder who wishes to transfer Shares (a "Seller") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "Transfer Notice") to the Company specifying

- (a) the number of Shares which he wishes to transfer (the "Sale Shares"),
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
- (c) the price at which he wishes to transfer the Sale Shares; and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "Minimum Transfer Condition")

If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the "Transfer Price") must be agreed by the Board (including Investor Director Consent). In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (including Investor Director Consent). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within five Business Days of the Company receiving the Transfer Notice

13.3 Except with Investor Director Consent, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn

13.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price

13.5 As soon as practicable following the later of

- (a) receipt of a Transfer Notice, and
- (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 14,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 13.6 and 13.7. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered

**13.6 Transfers. Offer**

- (a) The Board shall offer the Sale Shares to the holders of Shares other than the Seller (the "Continuing Shareholders") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "Offer Period") for the maximum number of Sale Shares they wish to buy
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Article 13.6 will be conditional on the fulfilment of the Minimum Transfer Condition

- (c) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who have applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the Shares bear to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy
- (d) If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 13 7(e)

#### 13 7 **Completion of transfer of Sale Shares**

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 13 6 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect
- (b) If
  - (i) the Transfer Notice does not include a Minimum Transfer Condition, or
  - (ii) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under Article 13 6 and once the requirements of Articles 16 and/or 17 have been fulfilled to the extent required, give written notice of allocation (an "Allocation Notice") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "Applicant") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares

- (c) Upon service of an Allocation Notice the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it
- (d) If the Seller fails to comply with the provisions of Article 13 7(c)
  - (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board may on behalf of the Seller
    - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
    - (B) receive the Transfer Price and give a good discharge for it, and
    - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
  - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his

certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board)

- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 13 7(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price
- (f) The right of the Seller to transfer Shares under Article 13 7(e) does not apply if the Board is of the opinion on reasonable grounds that
  - (i) the transferee is a person (or a nominee for a person) who the Board (with Investor Director Consent) determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company,
  - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
  - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

#### **Valuation of Shares**

**13 8** If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 11 9, 13 2 or otherwise then, on the date of failing agreement, the Board shall either

- (a) appoint an expert valuer in accordance with Article 13 9 (the "Expert Valuer") to certify the Fair Value of the Sale Shares, or
- (b) (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice

**13 9** The Expert Valuer will be either

- (a) the Auditors, or
- (b) (if otherwise agreed by the Board and the Seller) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company

**13 10** The "Fair Value" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- (c) that the Sale Shares are capable of being transferred without restriction,

- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares (excluding any Shares held as Treasury Shares) without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares, and
  - (e) reflect any other factors which the Expert Valuer reasonably believes should be taken into account
- 13 11 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit
- 13 12 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination
- 13 13 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 13 14 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose
- 13 15 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares
- 13 16 The cost of obtaining the certificate shall be paid by the Company unless
  - (a) the Seller cancels the Company's authority to sell, or
  - (b) the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,

In which case the Seller shall bear the cost
- 14 **Compulsory transfers – general**
- 14 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors
- 14 2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either
  - (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer), or
  - (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder

If either requirement in this Article 14 2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine
- 14.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets

(other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine

- 14.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice

**15 Departing employees**

***Deemed Transfer Notice***

- 15.1 Unless the Board and the Investor determine that this Article 15 shall not apply, if at any time an Employee ceases to be an Employee, the relevant Employee shall be deemed to have given a Transfer Notice in respect of all the Employee Shares on the Effective Termination Date provided that no Transfer Notice shall be required to be given by a Good Leaver who ceases to be an Employee on or after the date falling 5 years after the Date of Adoption

In such circumstances the Transfer Price shall be as follows

- (a) where the relevant Employee ceases to be an Employee by reason of being a Bad Leaver, the lower of Fair Value and the nominal value of the Employee Shares
- (b) where the relevant Employee ceases to be an Employee by reason of being a Good Leaver, the Fair Value

For the purposes of this Article, Fair Value shall be as agreed between the Board (including Investor Director Consent) and the relevant Employee, or failing agreement within five Business Days of seeking to agree such price, shall be as determined in accordance with Article 13

- 15.2 For the purposes of this Article, the Priority Rights shall be such that the Employee Shares are offered in the following order of priority

- (a) to any person(s) approved by the Board (other than the departing Employee) and the Investor, and/or
- (b) to the Company (subject always to the provisions of the Act)

***Suspension of voting rights***

- 15.3 All voting rights attached to Employee Shares held by an Employee or by any Permitted Transferee of that Employee (the "Restricted Member"), if any, shall at the time he ceases to be an Employee be suspended unless the Board and the Investor notifies him otherwise

- 15.4 Voting rights suspended pursuant to Article 15.3 shall be automatically restored immediately prior to an IPO

- 15.5 Unless otherwise agreed by the Board acting with Investor Director Consent, any Employee Shares whose voting rights are suspended pursuant to Article 15.3 ("Restricted Shares") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended pursuant to Article 15.3 shall be automatically restored immediately prior to an IPO

**16 Mandatory Offer on a Change of Control**

**16.1** Except in the case of Permitted Transfers and transfers pursuant to Article 15, after going through the pre-emption procedure in Article 13, the provisions of Article 16.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Shares (the **"Proposed Transfer"**) which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company

**16.2** A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the **"Offer"**) to the other Shareholders to acquire all of the Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 16.7)

**16.3** The Offer must be given by written notice (a **"Proposed Sale Notice"**) at least 10 Business Days (the **"Offer Period"**) prior to the proposed sale date (**"Proposed Sale Date"**) The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the **"Proposed Sale Shares"**)

**16.4** If any other holder of Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect

**16.5** If the Offer is accepted by any Shareholder (an **"Accepting Shareholder"**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders

**16.6** The Proposed Transfer is subject to the pre-emption provisions of Article 13 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 13

**16.7** For the purpose of this Article

(a) the expression **"Specified Price"** shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser

(i) in the Proposed Transfer; or

(ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Sum, as defined in Article 16.7(b), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the **"Supplemental Consideration"**) provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of Articles 5 and 6,

(b) Relevant Sum = C - A

where

A = number of Shares being sold in connection with the relevant Proposed Transfer

C = the Supplemental Consideration

17 **Drag-along**

17.1 If the holders of 70% of the Ordinary Shares (including the Investor) (the "Selling Shareholders") wish to transfer all their interest in Shares (the "Sellers' Shares") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "Drag Along Option") to compel each other holder of Shares (each a "Called Shareholder" and together the "Called Shareholders") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the "Drag Purchaser") in accordance with the provisions of this Article

17.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that

- (a) the Called Shareholders are required to transfer all their Shares (the "Called Shares") under this Article,
- (b) the person to whom they are to be transferred,
- (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article),
- (d) the proposed date of transfer, and
- (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "Sale Agreement"),

(and, in the case of paragraphs (b) to (d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article

17.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice

17.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Articles 5 and 6 (the "Drag Consideration")

17.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder

17.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the "Drag Completion Date"), each Called Shareholder shall deliver

- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser,

- (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company, and
- (c) duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company.

(together the "Drag Documents")

- 17.7 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 17.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 17 in respect of their Shares.
- 17.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 17 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company for the Called Shareholders Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- 17.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 13.
- 17.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.
- 18 **General meetings**
- 18.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 18.2 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.



- 18.3 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 18.4 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded
- 18.5 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 18.6 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver proxy notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day

## 19 Proxies

- 19.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)"
- 19.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may
- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote,
  - (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director, or
  - (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid

## 20 Directors' borrowing powers

The Directors may, with Investor Director Consent where required, exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party

**21 Alternate Directors**

**21.1** Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "Appointor") may appoint any director or any other person as he thinks fit to be his alternate Director to

- (a) exercise that Director's powers, and
- (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor

The appointment of an alternate Director shall not require approval by a resolution of the Directors

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

**21.3** The notice must.

- (a) identify the proposed alternate, and
- (b) 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

**21.4** An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor

**21.5** Except as these Articles specify otherwise, alternate directors

- (a) are deemed for all purposes to be Directors,
- (b) are liable for their own acts and omissions
- (c) are subject to the same restrictions as their Appointors, and
- (d) are not deemed to be agents of or for their Appointors,

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

**21.6** A person who is an alternate Director but not a Director

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating), and
- (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate)

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

**21.7** A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each 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)

- 21 8 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company
- 21 9 An alternate Director's appointment as an alternate shall terminate
- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
  - (b) 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,
  - (c) on the death of the alternate's Appointor, or
  - (d) when the alternate's Appointor's appointment as a Director terminates
- 22 **Number of Directors**
- Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than two
- 23 **Appointment of Directors**
- 23 1 In addition to the powers of appointment under article 17(1) of the Model Articles, the Investor for so long as he has complied with his obligations to subscribe for Shares in accordance with Clauses 3 and 4 of the Subscription and Shareholders' Agreement and hereafter subject to the Investor and his Permitted Transferees holding not less than 10% of the Shares in issue shall be entitled to nominate one person to act as a Director by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. The Investor shall be entitled to remove their nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place
- 23 2 An appointment or removal of a Director under Article 23 1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company
- 23.3 The Investor Director shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking
- 23 4 The Investor shall be entitled to appoint one person to act as an observer to the Board, to the Board of directors of any Subsidiary Undertaking and any committee of the Board or board of directors of any Subsidiary Undertaking established from time to time. The observer shall be entitled to attend and speak at all such meetings and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting
- 24 **Disqualification of Directors**
- In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if
- (a) he is convicted of a criminal offence (other than a minor motoring offence; and the Directors resolve that his office be vacated, or
  - (b) in the case of Directors other than an Investor Director, if a majority of his co-Directors (including Investor Director Consent) serve notice on him in writing, removing him from office

**25 Proceedings of Directors**

- 25 1 The quorum for Directors' meetings shall be two Directors who must include the Investor Director (save that where a Relevant Interest of an Investor Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Investor Director and any other interested Director shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting) If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting and the Investor Director If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed
- 25 2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 25 3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participants in number is assembled In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting
- 25 4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it
- 25 5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting
- 25 6 Questions arising at any meeting of the Directors shall be decided by a majority of votes In the case of any equality of votes, the chairman shall not have a second or casting vote
- 25 7 A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means) Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also

**26 Directors' Interests**

***Specific interests of a Director***

- 26 1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,

- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company,
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

***Interests of which a Director is not aware***

- 26.2 For the purposes of this Article 26, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

***Accountability of any benefit and validity of a contract***

- 26.3 In any situation permitted by this Article 26 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

***Terms and conditions of Board authorisation***

- 26.4 Subject to Article 26.5, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("Interested Director") who has proposed that the Directors authorise his interest ("Relevant Interest") pursuant to that section may, for the avoidance of doubt
- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including without limitation
    - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
    - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or

- (iii) restricting the application of the provisions in Articles 26.6 and 26.7, so far as is permitted by law, in respect of such Interested Director,
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time, and

subject to Article 26.6, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 26

***Terms and conditions of Board authorisation for an Investor Director***

- 26.5 Notwithstanding the other provisions of this Article 26, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 26.7

***Director's duty of confidentiality to a person other than the Company***

- 26.6 Subject to Article 26.7 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 26), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director

- 26.7 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 26.6 shall apply only if the conflict arises out of a matter which falls within Article 26.1 or has been authorised under section 175(5)(a) of the Act

***Additional steps to be taken by a Director to manage a conflict of interest***

- 26.8 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
  - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

***Requirement of a Director to declare an interest***

- 26.9 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 26.1 or Article 26.2 at a meeting of the Directors, or by general notice in

accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest

- (a) falling under Article 26.1(g);
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as being aware of anything of which they ought reasonably to be aware), or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles

#### ***Shareholder approval***

26 10 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 26

26 11 For the purposes of this Article 26

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director,
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

#### **27 Notices**

27 1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied

- (a) in hard copy form;
- (b) in electronic form, or
- (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 27.

#### ***Notices in hard copy form***

27 2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):

- (a) to the Company or any other company at its registered office, or
- (b) to the address notified to or by the Company for that purpose, or

- (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or
  - (d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors, or
  - (e) to any other address to which any provision of the Companies Act (as defined in the Act) authorises the document or information to be sent or supplied, or
  - (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company
- 27.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective
- (a) if delivered, at the time of delivery;
  - (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first
- Notices in electronic form**
- 27.4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may
- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
  - (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 27.2, or
  - (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify
    - (i) on its website from time to time, or
    - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time
- 27.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective
- (a) if sent by fax or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
  - (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
  - (c) if delivered in an electronic form at the time of delivery, and
  - (d) if sent by any other electronic means as referred to in Article 27.4(c), at the time such delivery is deemed to occur under the Act
- 27.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall



be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

**Notice by means of a website**

- 27.7 Subject to the provisions of the Act, any notice or other document or information to be given sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.

**General**

- 27.8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "Primary Holder") Notice so given shall constitute notice to all the joint holders
- 27.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise)

**28 Indemnities and insurance**

- 28.1 Subject to the provisions of and so far as may be permitted by, the Act

(a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no Director or any associated company is indemnified by the Company against

- (i) any liability incurred by the director to the Company or any associated company, or
- (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or
- (iii) any liability incurred by the director
  - (A) in defending any criminal proceedings in which he is convicted,
  - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him, or
  - (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 28.1(a)(i), 28.1(a)(ii)(B) and 28.1(a)(iii)(C) applying,

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

28.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

## 29. Data Protection

Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a "Recipient") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group ("Recipient Group Companies") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

## 30. Secretary

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.

## 31. Lien

31.1 The Company shall have a first and paramount lien (the "Company's Lien") over every Share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share.

31.2 The Company's Lien over a Share

- (a) shall take priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

The Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company's Lien shall not be subject to it, either wholly or in part.

31.3 Subject to the provisions of this Article 31, if

- (a) a notice complying with Article 31.4 (a "Lien Enforcement Notice") has been given by the Company in respect of a Share, and

(b) the person to whom the notice was given has failed to comply with it,

the Company shall be entitled to sell that Share in such manner as the Directors decide

**31 4 A Lien Enforcement Notice**

- (a) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum payable within 14 days of the notice,
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

**31 5 Where any Share is sold pursuant to this Article 31**

- (a) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser, and
- (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale

**31 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied**

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice,
- (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity for lost certificate in a form acceptable to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice

**31 7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date**

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share

**32 Call Notices**

**32 1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "Call Notice") to a Shareholder who has not fully paid for that Shareholder's Share(s) requiring the Shareholder to pay the Company a specified sum of money (a "call") which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice**

- 32 2 A Call Notice.
- (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium),
  - (b) shall state when and how any call to which it relates is to be paid, and
  - (c) may permit or require the call to be paid by instalments
- 32 3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent
- 32 4 Before the Company has received any call due under a Call Notice the Directors may
- (a) revoke it wholly or in part, or
  - (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made
- 32 5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.
- 32 6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to
- (a) pay calls which are not the same, or
  - (b) pay calls at different times
- 32 7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued as being payable to the Company in respect of that Share (whether in respect of nominal value or premium)
- (a) on allotment,
  - (b) on the occurrence of a particular event, or
  - (c) on a date fixed by or in accordance with the terms of issue
- 32 8 If the due date for payment of such a sum as referred to in Article 32 7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture
- 32 9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below)
- (a) the Directors may issue a notice of intended forfeiture to that person, and
  - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the Call Payment Date at the Relevant Rate (as defined below)
- 32 10 For the purposes of Article 32 9
- (a) the "Call Payment Date" shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "Call Payment Date" is that later date,

(b) the "Relevant Rate" shall be

- (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted,
- (ii) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors, or
- (iii) if no rate is fixed in either of these ways, 5% a year,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a)

32 11 The Directors may waive any obligation to pay interest on a call wholly or in part

32 12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice

### 33 Forfeiture of Shares

33 1 A notice of intended forfeiture

- (a) may be sent in respect of any Share for which there is an unpaid sum in respect of which a call has not been paid as required by a Call Notice,
- (b) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (c) shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice,
- (d) shall state how the payment is to be made, and
- (e) shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited

33 2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture

33 3 Subject to these Articles, the forfeiture of a Share extinguishes

- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company

33 4 Any Share which is forfeited in accordance with these Articles

- (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited
- (b) shall be deemed to be the property of the Company, and
- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit

**33 5 If a person's Shares have been forfeited then**

- (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members,
- (b) that person shall cease to be a Shareholder in respect of those Shares
- (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation,
- (d) that person shall remain liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture) and
- (e) the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal

**33 6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit**

**33 7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer**

**33 8 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date**

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share

**33 9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share**

**33 10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which**

- (a) was, or would have become, payable and
- (b) had not, when that Share was forfeited, been paid by that person in respect of that Share

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

**34 Surrender of Shares**

**34 1 A Shareholder shall be entitled to surrender any Share**

- (a) in respect of which the Directors issue a notice of intended forfeiture,
- (b) which the Directors forfeit, or
- (c) which has been forfeited

The Directors shall be entitled to accept the surrender of any such Share.

- 34.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share
- 34.3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited
- 35 **Authority to capitalise and appropriation of capitalised sums**
- 35.1 The Board may, if authorised to do so by an ordinary resolution (with Investor Consent)
- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve, and
  - (b) appropriate any sum which they so decide to capitalise (a "Capitalised Sum") to such Shareholders and in such proportions as the Board may in their absolute discretion deem appropriate (the "Shareholders Entitled")

Article 36 of the Model Articles shall not apply to the Company

- 35.2 Capitalised Sums may be applied on behalf of such Shareholders and in such proportions as the Board may (in its absolute discretion) deem appropriate
- 35.3 Any Capitalised Sum may be applied in paying up new Shares up to the nominal amount (or such amount as is unpaid) equal to the Capitalised Sum, which are then allotted credited as fully paid to the Shareholders Entitled or as they may direct.
- 35.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are allotted credited as fully paid to the Shareholders Entitled or as they may direct
- 35.5 Subject to the Articles the Board may:
- (a) apply Capitalised Sums in accordance with Articles 35.3 and 35.4 partly in one way and partly another,
  - (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article 35; and
  - (c) authorise any person to enter into an agreement with the Company on behalf of all of the Shareholders Entitled which is binding on them in respect of the allotment of Shares or debentures under this Article 35