

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
FOUNDERS INTELLIGENCE LIMITED

(Adopted by a special resolution passed on 1 May 2020)



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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 of these articles (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 Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("**Table A**") shall not apply to the Company.
- 1.3 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.
- 1.4 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), 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.
- 1.5 References to "Ordinary Shares" in these Articles shall be deemed to be a reference to A Ordinary Shares, B Ordinary Shares and B1 Ordinary Shares (to the extent that any A Ordinary Shares, B Ordinary Shares and/or B1 Ordinary Shares are in issue at the relevant time). For the purposes of these Articles (except for Articles 5, 6 and 17), A Ordinary Shares, B Ordinary Shares and B1 Ordinary Shares shall rank pari passu in all respects as if they constituted one and the same class of Shares.

2. Definitions

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

"**A Ordinary Shares**" means the A ordinary shares of £0.001 each in the capital of the Company from time to time;

"**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);

(b) any Member of the same Group; or

(c) any Member of the same Fund Group;

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

"Available Amount" has the meaning given in Article 5.1;

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

"B Ordinary Shares" means the B ordinary shares of £0.001 each in the capital of the Company from time to time;

"B1 Ordinary Shares" means the B1 ordinary shares of £0.001 each in the capital of the Company from time to time;

"Bad Leaver" means a person who ceases to be an Employee as a consequence of 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 gross misconduct, fraud, dishonesty or conviction for a criminal offence (other than a minor motoring offence).

"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;

"Bonus Issue" or **"Reorganisation"** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves or any consolidation or sub-division or any repurchase or redemption of shares or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company;

"Budget" means the annual budget relating to the Company in the agreed form;

"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);

"C1 Shares" means the C1 ordinary shares of £0.001 each in the capital of the Company from time to time;

"C2 Shares" means the C2 ordinary shares of £0.001 each in the capital of the Company from time to time;

"C3 Shares" means the C3 ordinary shares of £0.001 each in the capital of the Company from time to time;

"C4 Shares" means the C4 ordinary shares of £0.001 each in the capital of the Company from time to time;

"C5 Shares" means the C5 ordinary shares of £0.001 each in the capital of the Company from time to time;

"C Shares" means together, the C1 Shares, C2 Shares, C3 Shares, C4 Shares and C5 Shares;

"C Share Hurdle Amount" means a specified hurdle amount which applies to a particular class of C Share as determined by the Board prior to the issue and allotment of any C Share of such particular class of C Share, as evidenced by the minutes of the relevant meeting of the Board or any C Share Subscription Agreement, provided that the C Share Hurdle Amount may be adjusted from time to time by the Board in such manner as it may determine, acting fairly and reasonably, in order to take into account any Adjustment Event, acquisition, disposal, distribution or sale of less than all of the outstanding shares of the Company (or any other event or circumstance which relates to or affects the Company's share capital or the value thereof), in each case, which occurs after the Date of Adoption. For the avoidance of doubt, the C Share Hurdle Amount shall be the same for all shares of a particular class of C Share;

"C Share Subscription Agreement" means a written agreement between the Company and holder of C Shares relating to such holder's subscription for C Shares;

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

"Commencement Date" means the date on which the employment or consultancy of the relevant Employee with the Company or any member of the Group commences;

"Company" means Founders Intelligence Limited (company registered number 09874263);

"Company's Lien" has the meaning given in Article 32.1;

"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;

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

"E Shares" means the E shares of £1.00 each in the capital of the Company from time to time;

"Effective Termination Date" means the earlier of either (i) the date notice is given to terminate the Employee's employment or consultancy; and (ii) the date on which the Employee's employment or consultancy terminates;

"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 is a director of, or who provides consultancy services to, the Company or any member of the Group;

"Employee Shares" in relation to an Employee means all Shares (excluding any A Ordinary Shares, B1 Ordinary Shares, and C Shares (but only if and to the extent that any C Share Subscription Agreement applicable to such Employee's holding of C Shares does not provide for mandatory transfer of shares in connection with such holder of C Shares ceasing to be an Employee)) held by:

- (a) the Employee in question; and
- (b) any Permitted Transferee of that Employee other than those Shares held by those persons that the Board declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of that person's relationship with the Employee;

"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;

"Exit" means a Share Sale, an Asset Sale or an IPO;

"Expert Valuer" is as determined in accordance with Article 15.2;

"Fair Value" is as determined in accordance with Article 15;

"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;

"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" means Brent Hoberman or any other individual during any period when appointed in accordance with Article 24.2;

"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;

"Leaver's Percentage" has the meaning given in Article 17.1;

"Lien Enforcement Notice" has the meaning given in Article 32.3;

"Listing Shares" means the issued equity share capital of the Company upon an IPO (excluding any equity share capital to be subscribed and issued on such IPO other than new shares to be paid up by way of capitalisation of reserves or arising from any subdivision, consolidation or conversion of shares);

"Listing Value" means, in the event of an IPO, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the IPO, all as determined by the financial advisers to the Company or, if none, the broker appointed by the Board to advise in connection with the IPO;

"Lower Hurdle Participating C Shares" means, by reference to any class of C Shares (**"Specific C Share Class"**), all other classes of C Shares with a C Share Hurdle Amount which is lower than the C Share Hurdle Amount applicable to the Specific C Share Class;

"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 or securities issued as a result of the events set out in Article 11.7) excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Date of Adoption;

"Non-Participating C Shares" means, in relation to any return of assets on liquidation, capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares) or Share Sale, any class of C Share in respect of which the C Share Hurdle Amount is equal to or greater than (a) the Available Amount; or (b) in the event of a Partial Sale, the amount determined in accordance with Article 6.2;

"Offer" has the meaning set out in Article 18.2;

"Offer Period" has the meaning set out in Article 18.3;

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

"Ordinary Shares" means the A Ordinary Shares, B Ordinary Shares and B1 Ordinary Shares;

"Original Shareholder" has the meaning set out in Article 13.1;

"Partial Sale" has the meaning set out in Article 6.2;

"Partial Sale Percentage" means, in relation to a Partial Sale, the percentage of the Shares (excluding any E Shares and Deferred Shares) in issue which are sold as part of the Partial Sale;

"Participating C Shares" means, in relation to any return of assets on liquidation, capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares) or Share Sale, any class of C Share in respect of which the C Share Hurdle Amount is less than (a) the Available Amount; or (b) in the event of a Partial Sale, the amount determined in accordance with Article 6.2;

"Permitted Transfer" means a transfer of Shares in accordance with Article 13;

"Permitted Transferee" means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies; and
- (b) in relation to a Shareholder who is a company, to any Member of the same Group as such Shareholder;

"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);

"Priority Rights" means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 14.5(c) or Article 17.5;

"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;

"Proposed Purchaser" means a proposed bona fide third party purchaser who at the relevant time has made an offer on arm's length terms;

"Proposed Sale Date" has the meaning given in Article 18.3;

"Proposed Sale Notice" has the meaning given in Article 18.3;

"Proposed Sale Shares" has the meaning given in Article 18.3;

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

"Proposed Transfer" has the meaning given in Article 18.1;

"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 27.4;

"Restricted Shares" has the meaning set out in Article 17.7;

"Sale Shares" has the meaning set out in Article 14.2(a);

"Seller" has the meaning set out in Article 14.2;

"Selling Shareholders" shall have the meaning given in Article 19.2;

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

"Shares" means the Ordinary Shares, C Shares, E Shares and Deferred Shares in issue from time to time;

"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:

- (a) 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; or
- (b) the purchaser of those shares is any entity established by Founders Forum LLP its partners or its affiliates after the date of these Articles;

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

"Subscription Letter" means a written agreement between the Company and an Employee for the subscription of B Ordinary Shares and, if applicable, setting out such Employee's Leaver's Percentage for the purposes of Article 17.1.

"Transfer Notice" shall have the meaning given in Article 14.2;

"Transfer Price" shall have the meaning given in Article 14.2;

"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; and

"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 Except as otherwise provided in these Articles, the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares. Except as otherwise provided in these Articles, the C Shares shall rank pari passu in all respects but shall constitute separate classes of shares.
- 3.3 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.
- 3.4 Subject to the Act, the Company may purchase its own Shares with cash to the extent permitted by section 692(1ZA) of the Act.
- 3.5 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".
- 3.6 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".

3.7 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 to distribute in respect of any Financial Year will be distributed among the holders of the Ordinary Shares (pari passu as if the Ordinary Shares constituted one class of share) pro rata to their respective holdings of Ordinary Shares.

4.3 The C Shares, E Shares and the Deferred Shares shall not entitle the holders to receive any dividend or other distribution.

4.4 If there are nil paid or partly paid share(s), any holder of such share(s) shall only be entitled, in case of any dividend, to be paid an amount equal to the amount of the dividend multiplied by the percentage of the amount that is paid up (if any) on such share(s) during any portion or portions of the period in respect of which a dividend is paid.

4.5 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any sums unpaid on existing Shares held by the persons entitled to such capitalised sum.

4.6 If:

- (a) a Share is subject to the Company's Lien; and
- (b) the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company by the holder of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Money so deducted shall be used to pay any of the sums payable in respect of that Share and/or used to discharge any other indebtedness owing from the holder of that Share to the Company (as the Board may decide). The Company shall notify the distribution recipient in writing of:

- (i) the fact and sum of any such deduction;
- (ii) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and
- (iii) how the money deducted has been applied.

4.7 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 preference

5.1 On a return of assets on liquidation, capital reduction or otherwise (except upon the redemption of shares of any class or the purchase by the Company of its own shares), the assets of the Company available for distribution amongst Shareholders after payment of its liabilities or, on a

Share Sale, the Proceeds of Sale (in each case, the "**Available Amount**") shall be applied in the following manner and order of priority:

- (a) first, in paying to each of the E Shareholders, if any, in priority to any other classes of Shares an amount equal to the nominal value of each of the E Shares held by them respectively (provided that if there are insufficient surplus assets to pay such amounts to the E Shareholders, the remaining surplus assets shall be distributed to the E Shareholders pro rata to the amounts paid up on the E Shares);
- (b) second, after making the payments under Article 5.1(a), in paying to the holders of the Deferred Shares, if any, in priority to any other classes of Shares (other than the E Shares) a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares);
- (c) third, after making the payments under Articles 5.1(a) and 5.1(b), in paying to the holders of any Non-Participating C Shares, an amount equal to the nominal value of each of the Non-Participating C Shares held by them respectively (provided that if there are insufficient surplus assets to pay such amounts to the holders of the Non-Participating C Shares, the remaining surplus assets shall be distributed to the holders of the Non-Participating C Shares pro rata to the amounts paid up on the Non-Participating C Shares); and
- (d) fourth, after making the payments under Articles 5.1(a) to 5.1(c), in paying to the A Ordinary Shareholders, B Ordinary Shareholders, B1 Ordinary Shareholders and Participating C Shares (as if the A Ordinary Shares, B Ordinary Shares, B1 Ordinary Shares and Participating C Shares were one and the same class of shares) the balance of the Available Amount, which shall be distributed among the holders of such shares pro rata (as if such shares constituted one and the same class) to the number of shares held, provided that the holders of a particular class of Participating C Shares ("**Relevant C Share Class**") shall have no entitlement to distributions prior to the holders of A Ordinary Shares, B Ordinary Shares, B1 Ordinary Shares and all Lower Hurdle Participating C Shares (if any) together having received in aggregate the C Share Hurdle Amount applicable to the Relevant C Share Class (or, in the case of a Partial Sale, having received in aggregate an amount equal to the Partial Sale Percentage of the C Share Hurdle Amount applicable to the Relevant C Share Class).

6. Exit provisions

6.1 On a Share Sale, the Proceeds of Sale shall be distributed in the order of priority 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 required by Board to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5.

In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 5.

6.2 On any Share Sale where less than 100% of the issued shares are sold (a "**Partial Sale**"), for the purposes of determining whether a class of C Shares are Participating C Shares or Non-Participating C Shares, the relevant amount shall be such amount as would be distributed to the shareholders if there was a Share Sale of 100% of the issued shares in which the total price payable for the entire issued share capital is deemed to be the value of the Company as a whole implied by the consideration actually payable pursuant to such Partial Sale.

6.3 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) in the order of priority 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 Board (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.

6.4 On an IPO:

- (a) any Treasury Shares shall be cancelled or, with the approval of the Board, transferred in accordance with these Articles prior to the IPO;
- (b) the Company shall issue:
 - (i) to each A Ordinary Shareholder such number (if any) of A Ordinary Shares; and
 - (ii) to each B Ordinary Shareholder and B1 Ordinary Shareholder such number (if any) of B Ordinary Shares or B1 Ordinary Shares,

such that the proportion which the Ordinary Shares held by such Shareholders bears to the issued Ordinary Shares following the completion of all such issues and any reorganisation of the C Shares pursuant to Article 6.4(d) (and any transfer of Treasury Shares pursuant to Article 6.4(a)) shall be equal to the proportion that the maximum Proceeds of Sale that Shareholder would have been entitled to receive on a Share Sale on that date would bear to the Proceeds of Sale as a whole where such Proceeds of Sale are equal to the Listing Value;

- (c) the additional Ordinary Shares shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and those additional Ordinary Shares shall be issued at par fully paid. The capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with this Article. If the Company is not legally permitted to carry out the capitalisation the Shareholders shall be entitled to subscribe in cash at par for that number of additional Ordinary Shares as would otherwise have been issued pursuant to Article 6.3(b); and
- (d) immediately prior to and conditionally upon an IPO, the holders of C Shares shall consent to and take all actions as may be required by the Board to reorganise the share capital of the Company to ensure that, immediately following such reorganisation and following all share issues pursuant to Article 6.4(b) (and any transfer of Treasury Shares pursuant to Article 6.4(a), each holder of C Shares holds A Ordinary Shares only and that the value of the A Ordinary Shares held by such holder of C Shares on the IPO is equal to the Proceeds of Sale that such holder of C Shares would have been entitled to receive on a Share Sale pursuant to Article 6.1 in respect of its C Shares on that date, where such Proceeds of Sale are equal to the Listing Value.

7. Votes in general meeting and written resolutions

7.1 The Ordinary Shares shall confer on each Ordinary Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

7.2 The E Shares shall confer the right on each E Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

7.3 The C Shares and the Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.

- 7.4 Where Shares (other than E Shares) confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.
- 7.5 An E Shareholder, who is an employee, shall never have less than 5% of the voting rights at any such general meeting or for the purposes of any written resolution of the Shareholders provided that if the E Shareholder has, at any such general meeting or for the purposes of any written resolution of the Shareholders:
- (a) 5% or more of the voting rights by virtue of holding any other classes of Shares, the E Shares shall not confer any additional voting rights; or
 - (b) voting rights but less than 5% of the voting rights by virtue of holding any other classes of Shares, the E Shares shall confer such additional voting rights on the Shareholder so that, in aggregate, such Shareholder has 5% of the voting rights.
- 7.6 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 and until 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. **Deferred Shares**
- 9.1 Subject to the Act, any Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder(s) without obtaining the sanction of the holder(s).
- 9.2 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:
- (a) appoint any person to execute any transfer (or any agreement to transfer) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise); and/or
 - (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
 - (c) purchase such Deferred Shares in accordance with the Act,
- in any such case (i) for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holder(s) and (ii) with the Company having

authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.

9.3 No Deferred Share may be transferred without the prior consent of the Board.

10. Variation of rights

10.1 Subject to Articles 10.2 to 10.4, 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 per cent. in nominal value of the issued shares of that class.

10.2 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall constitute a variation of the rights of those existing classes of shares.

10.3 The allotment and issue by the Company of B Ordinary Shares, B1 Ordinary Shares or C Shares and the determination by the Board of any of the C Share Hurdle Amounts shall not constitute a variation, abrogation or modification of the rights attaching to any existing class of Shares.

10.4 For the purposes of Article 10.1:

- (a) the A Ordinary Shares, B Ordinary Shares and B1 Ordinary Shares shall be deemed to constitute one and the same class of Shares and the prior written consent of the holders of not less than three-quarters by number of the issued Ordinary Shares, or the sanction of a special resolution passed at a separate general meeting of the holders of the A Ordinary Shares, B Ordinary Shares and B1 Ordinary Shares shall be a valid consent to the modification, variation, alteration or abrogation of the rights attached to the A Ordinary Shares, B Ordinary Shares and B1 Ordinary Shares; and
- (b) the C1 Shares, C2 Shares, C3 Shares, C4 Shares and C5 Shares shall be deemed to constitute one and the same class of Shares and the prior written consent of the holders of not less than three-quarters by number of the issued C Shares, or the sanction of a special resolution passed at a separate general meeting of the holders of the C Shares shall be a valid consent to the modification, variation, alteration or abrogation of the rights attached to any class of C Shares.

11. Allotment of new shares or other securities: pre-emption

11.1 Subject to the remaining provisions of this Article 11, 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 Board thinks proper, provided that:

- (i) this authority shall be limited to £160 divided into 150,000 Ordinary Shares and 10,000 C Shares;
- (ii) this authority shall only apply insofar as the Company has not by special resolution waived or revoked it;
- (iii) this authority may only be exercised for a period of five years commencing upon the Date of Adoption (unless this authority is waived or revoked prior to the expiry of such period pursuant to Article 11(ii)), 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 to the extent unused.

- 11.2 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.
- 11.3 Unless otherwise agreed by special resolution, 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 Ordinary 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 Ordinary Shares (as if the Ordinary Shares constituted one and the same class) 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.
- 11.4 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 Ordinary 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).
- 11.5 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.
- 11.6 Subject to the requirements of Articles 11.3 to 11.5 (inclusive) and 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.
- 11.7 The provisions of Articles 11.3 to 11.6 (inclusive) shall not apply to:
- (a) the allotment, or grant of options to subscribe for, up to 150,000 Ordinary Shares pursuant to the authority set out in Article 11.1;
 - (b) the allotment, or grant of options to subscribe for, up to 10,000 C Shares pursuant to the authority set out in Article 11.1
 - (c) New Securities issued or granted in order for the Company to comply with its obligations under these Articles; and
 - (d) New Securities issued as a result of a Bonus Issue or Reorganisation which has been approved in writing by the Board (such approval to include the consent of the Investor Director)
- 11.8 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.
12. **Transfers of Shares – general**
- 12.1 In Articles 12 to 19 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.
- 12.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

- 12.3 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.
- 12.4 Any transfer of a Share by way of sale which is required to be made under Articles 12 to 19 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 12.5 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 the Directors suspect that the proposed transfer may be fraudulent.

- 12.6 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 a 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 12.6 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 12.7 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 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 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, unless otherwise agreed by the Board, 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); 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 and shall in any event be reinstated upon the completion of any transfer referred to in (c) above.

12.8 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.

12.9 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 (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 5 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 14.2(d)); and
- (c) the Seller wishes to transfer all of the Shares held by it.

12.10 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.

13. Permitted Transfers

13.1 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.

13.2 Shares previously transferred as permitted by Article 13.1 may be transferred by the transferee to the Original Shareholder or any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

13.3 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.

13.4 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.

13.5 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer

Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

- 13.6 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 per cent 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.
- 13.7 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) (and may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 13.8 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 14.2,
- failing which he shall be deemed to have given a Transfer Notice.
- 13.9 On the death (subject to Article 13.3), 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.
- 13.10 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 the Board.
- 13.11 A transfer of any Shares approved by the Board may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall not be subject to Article 14 and shall be registered by the Directors.
- 13.12 The Company shall only be permitted to sell or transfer any Shares held as Treasury Shares to any person with the approval of the Board.
- 13.13 Any holder of C Shares may at any time transfer some or all of their C Shares to:
- (a) the Company; or
 - (b) any person nominated by the Board,
- if permitted or required to do so pursuant to the terms of a C Share Subscription Agreement.

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

14.1 Save where the provisions of Articles 13, 18 and 19 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 14.

14.2 A Shareholder who wishes to transfer Shares or who is required to transfer Shares in accordance with these Articles (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. In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board. In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 10 Business Days of the Company receiving the Transfer Notice.

14.3 Except with the consent of the Board, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

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

14.5 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 15,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 14.5(c) and 14.6. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered;

(c) Save as set out in Article 17.5, the Sale Shares shall be offered and allocated in the following priority:

- (i) first, to the Ordinary Shareholders (as if the Ordinary Shares constituted one and the same class of Shares); and
- (ii) second, to the Company (which may purchase the Sale Shares, and cancel or hold such Shares as Treasury Shares, if it is lawfully permitted to do so),

in each case on the basis set out in Article 14.6.

14.6 *Transfers: Offer*

(a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders specified in the offer other than the Seller (the "Continuing Shareholders") and the Company inviting them to apply in writing within the period from the date of the offer to the date 10 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 14.6 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 has applied for Sale Shares in the proportion (fractional

entitlements being rounded to the nearest whole number) which his existing holding of the relevant class(es) of Shares bears to the total number of the relevant class(es) of Shares held by those Continuing Shareholders who have applied for Sale Shares and to the Company, in the order of priority set out in Article 14.5(c), 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 and the Company in accordance with their applications and the order or priority set out in Article 14.5(c), and the balance will be dealt with in accordance with Article 14.7(e).

14.7 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 14.6 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 14.6 give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated and to the Company (if the Company applied for Sale Shares and Sale Shares have been allocated to it) (each an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than five Business Days nor more than 10 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 14.7(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 (or in the case of the Company, cancel the Sale Shares purchased by the Company); 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 14.7(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 14.7(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 determines in its 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.
- 14.8 Any Sale Shares offered under this Article 14 to a Shareholder may be accepted in full or part only by a Member of the same Group as that Shareholder in accordance with the terms of this Article 14.
15. **Valuation of Shares**
- 15.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 12.9, 14.2 or 17.4 or otherwise then, on the date of failing agreement, the Board shall either:
- (a) appoint an expert valuer in accordance with Article 15.2 (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.
- 15.2 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.
- 15.3 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.

- 15.4 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.
- 15.5 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.
- 15.6 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).
- 15.7 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.
- 15.8 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.
- 15.9 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.
16. **Compulsory transfers – general**
- 16.1 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.
- 16.2 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 16.2 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.
- 16.3 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.
- 16.4 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.
17. **Departing Employees**
- 17.1 For this purposes of this Article 17, the following definitions shall apply:

"Leaver's Percentage" means, in relation to and for the purposes of determining the number of Employee Shares that are required (pursuant to this Article 17) to be converted into Deferred Shares or to be transferred as a result of an Employee ceasing to be an Employee within the period commencing on the Commencement Date and ending on the Effective Termination Date, the percentage as calculated as follows, or as may otherwise be agreed in writing between the Company and the relevant Employee pursuant to a Subscription Letter (in which case the terms of such Subscription Letter shall prevail for the purposes of determining the meaning of Leaver's Percentage in this Article 17.1):

the percentage (rounded to the nearest two decimal places) as calculated using the formula below:

$$100 - ((1/36 \times 100) \times NM),$$

where "NM" means the number of full calendar months from Commencement Date to the Effective Termination Date such that the Leaver's Percentage shall be zero on the third anniversary of the Commencement Date and thereafter.

Deferred Shares

17.2 Unless the Board determines that this Article 17.2 shall not apply and subject to Article 17.4, if at any time:

- (a) an Employee ceases to be an Employee by reason of being a Bad Leaver, all the Employee Shares, E Shares and B1 Ordinary Shares relating to such Employee shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) on the Effective Termination Date (rounded down to the nearest whole share); or
- (b) an Employee ceases to be an Employee for any reason other than where such Employee is a Bad Leaver, the Leaver's Percentage of the Employee Shares relating to such Employee shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Share held) on the Effective Termination Date (rounded down to the nearest whole share).

17.3 Upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date. Upon the Deferred Conversion Date, the relevant Employee (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the share certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the Unvested Shares so converting and upon such delivery there shall be issued to him (or his Permitted Transferee(s)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Ordinary Shares.

Deemed Transfer Notice

17.4 The Board shall be entitled to determine at any time that, in the alternative to Article 17.2 (a) , if an Employee ceases to be an Employee, a Transfer Notice shall be deemed to be given in respect of all of the Employee Shares which were to convert into Deferred Shares under Article 17.2 on the Effective Termination Date.

In such circumstances the Transfer Price shall be the higher of Fair Value and the nominal value of the Employee Shares.

17.5 If an Employee ceases to be an Employee then in respect of the Employee Shares which did not convert into Deferred Shares under Article 17.2 (b) and the Employee's B1 Ordinary Shares (together the **Leaving Employee's Remaining Holding**) the Board shall be entitled by giving notice to the leaving Employee within six months of the Effective Termination Date to determine that a Transfer Notice shall be deemed to be have given by the Employee in respect of 50% of the Leaving Employee's Remaining Holding.

In such circumstances the Transfer Price shall be the higher of Fair Value and the nominal value of the Employee Shares.

- 17.6 For the purposes of Article 17.4 and 17.5 above, Fair Value can:
- (a) be ascertained using a valuation method agreed in writing between the Company and the relevant Employee pursuant to a Subscription Letter (in which case the terms of such Subscription Letter shall prevail); or
 - (b) shall be as agreed between the Board and the relevant Employee, or failing agreement within 10 Business Days of seeking to agree such price, shall be as determined in accordance with Article 15.

17.7 For the purposes of this Article 17, the Priority Rights shall be such that the Employee Shares are offered in the following order of priority:

- (a) first, to the Company (subject always to the provisions of the Act);
- (b) second, to any person(s) nominated by the Board (other than the departing Employee); and
- (c) third, to the other Employees pro rata to the number of Ordinary Shares held by each of them on the Effective Termination Date.

Suspension of voting rights

17.8 All voting rights attached to Employee Shares and B1 Ordinary 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 notifies him otherwise.

17.9 Any Employee Shares or B1 Ordinary Shares whose voting rights are suspended pursuant to Article 17.8 ("**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 17.8 shall be automatically restored immediately prior to an IPO.

18. **Tag-along Rights**

18.1 Except in the case of Permitted Transfers and transfers pursuant to Articles 16 and 17, the provisions of Article 18.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Ordinary 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.

18.2 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 Ordinary Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 18.6).

18.3 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**").

18.4 If any other holder of Ordinary 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.

18.5 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.

18.6 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 18.6(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) For the purposes of this Article 18.6, "**Relevant Sum**" means: $C \div A$, where
"A" means the number of Ordinary Shares being sold in connection with the relevant Proposed Transfer; and
"C" means the Supplemental Consideration.

18.7 Sales made in accordance with this Article 18 shall not be subject to Article 14.

19. **Drag-along Rights**

19.1 If one or more Shareholders constituting Selling Shareholders (as defined in Article 19.2) 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 19.

19.2 For the purposes of this Article 19, "**Selling Shareholders**" means at any time, the holders of 51% of the Ordinary Shares (as if they were one and the same class of shares) on a fully diluted basis.

19.3 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.

19.4 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.

19.5 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**") provided that if the consideration payable to the Selling Shareholders is wholly or partly non-cash consideration, the Selling Shareholders may determine that the Drag Consideration shall be paid to all or some of the Called Shareholders in cash in an amount equal to the value of the non-cash consideration which the Called Shareholders would otherwise be entitled to receive (such value to be determined by the Board by reference to the transaction between the Proposed Purchaser and the Selling Shareholders, and in the event that the Called Shareholders and the Board disagree on such value, the value shall be determined by an Expert Valuer appointed in accordance with Article 15.2).

- 19.6 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.
- 19.7 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**").
- 19.8 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.
- 19.9 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 19 in respect of their Shares.
- 19.10 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 19 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 Shareholder's 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.
- 19.11 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 14.
- 19.12 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 19 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.

20. General meetings

- 20.1 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.
- 20.2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50 per cent in nominal value of the Ordinary Shares (excluding Treasury Shares), any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 20.3 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.
- 20.4 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.
- 20.5 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.
- 20.6 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.
- 20.7 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.

21. Proxies

- 21.1 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)".
- 21.2 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.

22. Directors' borrowing powers

The Directors may 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.

23. Alternate Directors

23.1 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.

23.2 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.

23.3 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.

23.4 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.

23.5 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.

23.6 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.

- 23.7 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).
- 23.8 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.
- 23.9 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.

24. Number of Directors

- 24.1 Unless and until the Company shall otherwise determine by special resolution, the number of Directors shall be not less than two and not more than nine.
- 24.2 For so long as Founders Forum LLP continues to hold 50% or more of the Ordinary Shares in issue from time to time, Brent Hoberman or any alternative nominated by Founders Forum LLP shall be appointed and shall be entitled to remain in office as the Investor Director.

25. Disqualification of Directors

- 25.1 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) a majority of his co-Directors serve notice on him in writing, removing him from office.

26. Proceedings of Directors

- 26.1 The Company shall procure that at least 6 meetings of the board shall be held each year.
- 26.2 The quorum for Directors' meetings shall be three Directors provided that the Investor Director must be in attendance for the quorum to be established, save that where a Relevant Interest of a Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such 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. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 26.3 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.
- 26.4 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.

26.5 The Company shall send to the Investor Director:

- (a) Reasonable advance notice of each Board meeting;
- (b) A written agenda for each Board meeting, accompanied by all relevant papers; and
- (c) As soon as practicable after each such meeting, a copy of the minutes of such meeting.

26.6 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.

26.7 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.

26.8 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 have a second or casting vote provided that the chairman shall not have a casting vote on a vote on a particular matter upon which he is restricted from voting.

26.9 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.

27. Restrictions on the Company

27.1 The Company undertakes to the Investor Director that no resolution, decision or action shall be passed or made or taken by the Company or any Group Company for the time being or by any of their respective directors, employees or agents in relation to the matters referred to in Schedule 1, without the prior written consent the Investor Director.

28. Directors' interests

Specific interests of a Director

28.1 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

- 28.2 For the purposes of this Article 27, 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

- 28.3 In any situation permitted by this Article 27 (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

- 28.4 Subject to Article 27.6, 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 27.7 and 27.8, 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 27.6, 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 27.

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

- 28.5 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 is to declare an interest

- 28.6 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 27.1 or Article 27.2 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 27.1(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 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

- 28.7 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 27.

- 28.8 For the purposes of this Article 27:

- (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.

29. **Notices**

- 29.1 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 28.

Notices in hard copy form

- 29.2 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 Acts (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.
- 29.3 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*
- 29.4 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 28.2; 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.
- 29.5 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 facsimile 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 28.4(c), at the time such delivery is deemed to occur under the Act.
- 29.6 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

- 29.7 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

- 29.8 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.
- 29.9 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).

30. **Indemnities and insurance**

- 30.1 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 29.1(a)(i), 29.1(a)(iii)(B) and 29.1(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.

- 30.2 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.

31. **Data Protection**

- 31.1 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.

32. **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.

33. **Lien**

- 33.1 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.

- 33.2 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.

- 33.3 Subject to the provisions of this Article 32, if:

- (a) a notice complying with Article 32.4 (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.

- 33.4 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.
- 33.5 Where any Share is sold pursuant to this Article 32:
 - (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.
- 33.6 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.
- 33.7 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.
- 34. **Call Notices**
- 34.1 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.
- 34.2 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 it is to be paid; and
 - (c) may permit or require the call to be paid by instalments.
- 34.3 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.
- 34.4 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.

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- 34.5 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.
- 34.6 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.
- 34.7 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.
- 34.8 If the due date for payment of such a sum as referred to in Article 33.7 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.
- 34.9 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).
- 34.10 For the purposes of Article 33.9:
- (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, five per cent. 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).
- 34.11 The Directors may waive any obligation to pay interest on a call wholly or in part.
- 34.12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.
35. **Forfeiture of Shares**
- 35.1 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.
- 35.2 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.
- 35.3 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.
- 35.4 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.
- 35.5 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.
- 35.6 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.
- 35.7 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.
- 35.8 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.
- 35.9 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.

35.10 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.

36. **Surrender of Shares**

36.1 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.

36.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.

36.3 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.

37. **Authority to capitalise and appropriation of capitalised sums**

37.1 The Board may, if authorised to do so by an ordinary resolution:

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "**Capitalised Sum**") to 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.

37.2 Capitalised Sums may be applied on behalf of such Shareholders and in such proportions as the Board may (in its absolute discretion) deem appropriate.

37.3 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.

37.4 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.

37.5 Subject to the Articles the Board may:

- (a) apply Capitalised Sums in accordance with Articles 36.3 and 36.4 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 36; 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 36.

Restricted Matters

Matters referred to in Article 27

The following are the matters referred to in clause 27:

1. Increase, alter, reduce, consolidate, sub-divide or otherwise vary or reduce the share capital of, or alter or vary any of the rights attached to any of the shares for the time being in the capital of, the Company or any other Group Company which is not wholly-owned directly or indirectly by the Company.
2. Alter the Company's Articles of Association.
3. Pass any resolution for the Company's winding up or to place it in administration.
4. Purchase or redeem any of the shares of the Company or any other Group Company which is not wholly-owned directly or indirectly by the Company.
5. Issue any debentures or other securities (other than to a Group Company).
6. Appoint new auditors (provided that this restriction shall not apply to the reappointment of the existing auditors).
7. Make any alteration to the Company's name.
8. Cause the Investor Director to be removed from office as a Director.
9. Grant any option to subscribe for shares or issue any securities convertible into shares (other than in either case to a Group Company), enter into any agreement for the same or establish any share option scheme or employee share scheme.
10. Create or cause or permit to be created or to exist any mortgage, charge, lien (other than liens arising in the ordinary course of business) or other encumbrance whatsoever over the whole or any part of the Company's undertaking property or assets.
11. Sell, transfer, lease, licence or in any way dispose of the whole or a substantial part of the Company's business undertaking or assets whether by a single transaction or a series of transactions (other than to a Group Company).
12. Acquire the whole or any part of the assets or undertaking of any other company (other than a Group Company) or business (other than from a Group Company).
13. Acquire or dispose of any freehold or leasehold property (other than from or to a Group Company).
14. Subscribe for, or otherwise acquire or sell, transfer or otherwise dispose of (other than from or to a Group Company) any interest in the share capital of any other body corporate.
15. Make or permit any substantial alteration (including cessation) to the general nature of the business carried on or proposed to be carried on by the Company at the date of this agreement.
16. Extend, develop or evolve the business of the Company concerned other than through the Group Company concerned or another member of the Group.
17. Enter into any joint venture or partnership agreement or arrangement with any other person firm or company.

18. Enter into any transaction of any nature whatsoever otherwise than by way of bargain at arm's length and at the best price or on the best terms reasonably obtainable.
19. Make any loan to or enter into any guarantee or stand surety for the obligations of any third party (other than a Group Company) or enter into any agreement for the same.
20. Enter into any contract of a long term onerous or unusual nature or assume any material liability otherwise than in the ordinary course of business.
21. Initiate any litigation or arbitration other than in the ordinary course of business or settle any such litigation or arbitration.
22. Cause to be appointed to the Company's board of directors any person other than the present members of the Board and the Investor Director.
23. Make any change in the Company's accounting reference date or to any of the accounting policies in force at the date of this agreement.
24. Save as provided in the Articles, pay make or declare any dividend or other distribution in respect of its profits assets or reserves (other than to a Group Company) or enter into any agreement for the same.
25. Enter into any contract of employment or consultancy agreement with (or make any change to the terms of employment or engagement or to the emoluments of) any employee or director whose emoluments are (or are proposed to be) in excess of £120,000 per annum). And for this purpose "emoluments" shall mean sums paid by way of fees, salary, bonus, commission, pension contributions, benefits in kind and all items of value received by any person or his spouse or to another on his behalf or for his benefit.
26. Enter into any agreement or arrangement under which the emoluments (as defined in paragraph 25 above) received by any person in his capacity as a director or employee of any Group Company would exceed an amount which it is reasonable to pay to any person performing the duties and having the responsibilities of any such person; or
27. In any financial year:
 - 1 incur or enter into any commitment to incur any capital expenditure not provided for in the Budget, if the estimated amount of such expenditure is for an individual item in excess of £25,000 or
 - 2 sell transfer lease license or in any way dispose of any fixed asset or fixed assets, not provided for in the Budget, if such sale transfer lease licence or disposal is of an individual item with a net book value in excess of £25,000.
28. Undertake any reconstruction or amalgamation or enter into any scheme of arrangement.
29. Approve any resolution, or seek any order from a competent court, to place the Company or any Group Company in administration without the Investor Director having first approved in writing such resolution or application to court.
30. Adopt the Budget of the Company in respect of any financial year.
31. Constitute/appoint any committee of the Board.

32. Determine any actions pursuant to Article 17 in respect of Employee Shares, E Shares, B1 Shares and/or Deferred Shares of Employees who cease to be Employees by reason of being a Bad Leaver, or otherwise.