

**COMPANY NO. 10776508**

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**STELAR LONDON LIMITED**



**(Adopted by special resolution passed on 11<sup>th</sup> February 2022)**

## **1 Model Articles**

- 1.1 The Model Articles shall apply to the Company, except insofar as they are modified or excluded by these Articles or are inconsistent with these Articles and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 1.2 The whole of Model Articles 6(2) (committees), 7 (directors to take decisions collectively), 8 (unanimous decisions), 9(3) and 9(4) (calling a directors' meeting), 11(2) and 11(3) (quorum for directors' meetings), 12 (chairing of directors' meetings), 13 (casting vote), 14(1–5) (conflicts of interest), 16 (directors' discretion to make further rules), 17 (methods of appointing directors), 22 (powers to issue different classes of shares), 26(5) (share transfers), 27–29 (transmission of shares), 36 (authority to capitalise and appropriation of capitalised sums), 39 (chairing meetings), 44(2) (voting), 43 (errors and disputes), 50 (no right to inspect accounts and other records), 51 (provision for employees), 52 (indemnity) and 53 (insurance) shall not apply to the Company.

## **2 Definitions and Interpretation**

- 2.1 In these Articles, unless the context otherwise requires, the following expressions shall have the following meanings:

<b>Appointor</b>	has the meaning given to it in Article 4.1.
<b>Articles</b>	means these articles of association of the Company as constituted under Article 1.1, as amended from time to time.
<b>A Shareholder</b>	means a holder of A Shares from time to time.
<b>A Shares</b>	means A ordinary shares of £0.000005 each in the capital of the Company.
<b>Available Profits</b>	means profits available for distribution within the meaning of CA 2006.
<b>Bad Leaver</b>	<p>a Shareholder who ceases to be an Employee as a consequence of:</p> <ul style="list-style-type: none"> <li>a) such person's resignation as an Employee, except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or</li> <li>b) that Shareholder's service contract, appointment, or employment contract (as the case may be) is terminated (without any payment in lieu of notice or otherwise) for Cause. For the purposes of this sub-clause (b) "Cause" shall mean in respect of the Option Holder: <ul style="list-style-type: none"> <li>(i) gross misconduct; or</li> <li>(ii) a serious breach of the provisions of his service agreement or appointment letter or contract of employment or any of the terms on which he is engaged; or</li> <li>(iii) (after written warning) repeating or continuing any breach or non-observance of the provisions of his</li> </ul> </li> </ul>

service agreement or contract of employment or any of the terms on which he is engaged; or

which, in each case shall include but not be limited to (after written warning) repeating or continuing any breach of obligations to that Group Company concerning confidentiality or intellectual property or non-compliance with non-compete obligations contained in, and applicable during the term of, his or her contract of employment, appointment letter, or service agreement (as the case may be);

(iv) fraud or acts of dishonesty or any acts that are manifestly prejudicial to any Group Company or its reputation (as determined by the Directors acting reasonably); or

(v) being convicted of, or entering a plea of no contest to, a criminal offence resulting in the imposition of a sentence of imprisonment (whether immediate or suspended).

**Board** means the board of directors of the Company from time to time.

**B Shareholder** means a holder of B Shares from time to time.

**B Shares** means B ordinary shares of £0.000005 each in the capital of the Company.

**Business Day** means a day, other than a Saturday, Sunday or public holiday, on which clearing banks are open for non-automated commercial business in the City of London and Business Days means more than one of them.

**CA 2006** means the Companies Act 2006.

<b>Confidential Information</b>	means all data or information (whether technical, commercial, financial or of any other type) in any form used in or relating to the business of any Group Company, including information relating to products (bought, manufactured, produced, distributed or sold), services (bought or supplied), operations, processes, formulae, methods, plans, strategy, product information, know-how, design rights, trade secrets, market opportunities, customer lists, commercial relationships, marketing, sales materials and general business affairs.
<b>Controlling Interest</b>	an interest in Shares conferring on the holder or holders at least 51% of the A Shares.
<b>Date of Adoption</b>	the date of adoption of these Articles.
<b>Deemed Transfer Notice</b>	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.
<b>Drag Along Notice</b>	shall have the meaning given to it in Article 21.
<b>Directors</b>	means the directors of the Company from time to time.
<b>Disposal</b>	the disposal by the Company of all, or a substantial part of, its business and assets.
<b>Eligible Director</b>	means a Director who would be entitled to vote on the matter at a meeting of the Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter).
<b>Employee Benefit Trust</b>	means a trust approved by the Board and whose beneficiaries are employees of the Group.
<b>Equity Shares</b>	A Shares and B Shares.
<b>Fair Value</b>	shall have the meaning given to it in Article 18.2.
<b>Family Trust</b>	means, as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an

individual) any trust (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 particular Shareholder and/or any of the Privileged Relations of that Shareholder (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 any such person or any voting or other rights attaching thereto are exercisable by or as directed by any 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).

**Founders**

means Lorna Janet Watson and Alfred Mark Dunhill.

**Group**

means the Company and each of its subsidiaries and **Group Company** means any of them.

**Independent Expert**

means the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the 15 Business Day period referred to in Article 18.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

**Issue Price**

means, in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share,

including any share premium.

**Listing**

means the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).

**Listing Shares**

means the issued equity Share capital of the Company (excluding any equity share capital to be subscribed and issued on such Listing other than new Shares to be paid up by way of capitalisation or reserves or arising from any sub-division, consolidation or conversion of Shares;

**Listing Value**

means, in the event of a Listing, the market value of the existing 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 arrangements relating to the Listing, 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 Listing.

**Member of the Same Group**

means, as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.

**Model Articles**

means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008, SI 2008/3229, as at the date of adoption of these Articles and reference to a

numbered Model Article is a reference to that article of the Model Articles.

**Permitted Transferee**

means, in relation to:

- c) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust; and
- d) a Shareholder which is a company, a Member of the Same Group as that company.

**Privileged Relations**

means, in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).

**Respective Proportion**

means, in relation to a Shareholder, the proportion which the number of Shares held by that Shareholder bears to the total number of issued Shares of the Company.

**Sale Proceeds**

means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale).

**Sale Shares**

shall have the meaning given to it in Article 17.2.

**Seller**

shall have the meaning given to it in Article 17.2.

**Shareholder**

means any holder of any Share from time to time.

**Shareholder  
Communication**

means any notice, resolution, document or information which the Company wishes or is required to

communicate with Shareholders or other persons.

**Shareholder Majority** means the holders of 85% in number of the A Shares.

**Shares** means shares (of any class) in the capital of the Company and **Share**: shall be construed accordingly.

**Share Sale** means the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.

**Termination Date** means the date on which the relevant B Shareholder ceases to be a Director.

**Transfer Notice** shall have the meaning given to it in Article 17.2.

2.2 In these Articles, unless the context otherwise requires:

2.2.1 if used, the words and expressions defined in sections 250 (director), 540 (shares), 1159 (subsidiary, wholly-owned subsidiary and holding company), 1161 (undertaking), 1162 (parent undertaking and subsidiary undertaking) and 1173 (minor definitions: general) of CA 2006 have the same meanings in these Articles;

2.2.2 each gender includes the other gender;

2.2.3 the singular includes the plural and vice versa;

2.2.4 references to persons include individuals, unincorporated bodies and partnerships (in each case whether or not having a separate legal



personality), governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;

- 2.2.5 the words 'include', 'includes' and 'including' are deemed to be followed by the words 'without limitation';
- 2.2.6 the words and phrases 'other', 'including' and 'in particular' or similar words shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible;
- 2.2.7 the contents table and the descriptive headings to provisions in these Articles are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of these Articles;
- 2.2.8 references to legislation include any modification or re-enactment thereof but exclude any re-enactment or modification after the date of these Articles to the extent they make any party's obligations more onerous or otherwise adversely affect the rights of any party;
- 2.2.9 references to 'law' include any legislation, any common or customary law, constitution, decree, judgment, order, ordinance, treaty or other legislative measure in any jurisdiction and any directive, request, requirement, guidance or guideline (in each case, whether or not having the force of law but, if not having the force of law, compliance with which is in accordance with the general practice of persons to whom the directive, request, requirement, guidance or guideline is addressed);
- 2.2.10 references to 'writing' or 'written' include faxes and any other method of reproducing words in a legible and non-transitory form;
- 2.2.11 references to time shall mean London time, unless otherwise stated;
- 2.2.12 any English legal term for any legal document, action, remedy, judicial proceeding, court, official, or any other legal concept shall, in relation to any jurisdiction other than England and Wales, be deemed to include the term which most nearly approximates in that jurisdiction to the English legal term.
- 2.2.13 any reference to the 'chairman' in the Model Articles shall, for the purposes of these Articles, be deemed to be a reference to the 'chair';

2.2.14 a person shall be deemed to be 'connected' with another if that person is connected with such other within the meaning of section 1122 of the Corporation Tax Act 2010; and

2.2.15 the term 'acting in concert' shall have the meaning attributed to it at the date of adoption of these Articles by the City Code on Takeovers and Mergers.

### **3 Number of Directors**

The number of directors (excluding alternate directors) shall not be less than two in number.

### **4 Alternate Directors**

4.1 Any director (other than an alternate director) (the **Appointor**) may appoint any other director or any other person whomsoever willing to act (except for an existing director representing the other class of Shares) to be an alternate director and may remove from office an alternate director so appointed. 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.

4.2 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's Appointor.

4.3 Except as these Articles specify otherwise, alternate directors are:

4.3.1 deemed for all purposes to be directors;

4.3.2 liable for their own acts and omissions;

4.3.3 subject to the same restrictions as their Appointors; and

4.3.4 not deemed to be agents of or for their Appointors.

4.4 An alternate director may be paid expenses as if such alternate were a director but shall not be entitled to receive from the Company any fee in its capacity as an alternate director except only such part (if any) of the remuneration otherwise payable to the director appointing such alternate as such director may by notice in writing to the Company from time to time direct. An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of the

directors and of all meetings of committees of directors of which its Appointor is a member at such address as it shall have notified to the secretary.

4.5 Every person acting as an alternate director shall have one vote for each director for whom it acts as alternate in such director's absence (in addition to its own vote if it is also a director). The signature of an alternate director to any resolution in writing of the directors or of a committee of the directors shall, unless notice of its appointment provides to the contrary, be as effective as the signature of its Appointor.

4.6 An alternate director's appointment as an alternate terminates:

4.6.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

4.6.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director;

4.6.3 on the death of the alternate's Appointor; or

4.6.4 when the alternate's Appointor's appointment as a director terminates.

## **5 Proceedings of Directors**

5.1 Subject to the provisions of these Articles, the directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

5.2 At least 7 Business Days' notice shall be given to all directors entitled to receive notice of all proposed meetings of the directors. Such meetings shall be held at least quarterly at the registered office of the Company (or such other place as the Board may agree) and shall be accompanied by an agenda identifying in reasonable detail the matters to be raised at the meeting and copies of any papers to be discussed at the meeting.

5.3 All business arising at any meeting of the directors or of any committee of the directors shall be determined only by resolution. Each director who is entitled to vote shall have one vote at a meeting of the directors. No resolution may be proposed or passed at any such meeting unless the nature of the business to which the resolution relates is included in the agenda for the meeting or unless all the directors present at the meeting agree in writing.

- 5.4 A decision of the directors may also take the form of a resolution in writing, copies of which have been signed by the majority of the Eligible Directors or to which the majority of the Eligible Directors have otherwise indicated agreement in writing, provided that such Eligible Directors would have formed a quorum if the matter had been proposed as a resolution at a meeting of directors.
- 5.5 A resolution in writing (as referred to in Article 5.4) signed by a majority of the Eligible Directors entitled to notice of a meeting of the directors or (as the case may be) of a committee of directors and who are entitled to attend such meeting and vote on such resolution shall be as valid and effective as if it had been passed at a meeting of the directors or (as the case may be) of a committee of directors duly called and constituted. The resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the directors concerned. For the purpose of this Article 5.5 a resolution:
- 5.5.1 may be constituted by an instrument in hard copy or electronic form sent to such address (if any) as may for the time being be notified by the Company for that purpose; and
  - 5.5.2 may consist of several instruments each executed by one or more directors, each sent by one or more directors, or a combination of both and a resolution that is executed by an alternate director need not also be executed by its Appointor.
- 5.6 The quorum for a meeting of the directors shall throughout the meeting be at least two, provided that if a director is not entitled to vote on the business to be transacted pursuant to these Articles or any agreement between the Shareholders that is in force from time to time, it shall not be required to attend for a quorum to be present. If a quorum is not present within 30 minutes of the time fixed for the relevant meeting or, if during the meeting, a quorum ceases to be present, the meeting shall be adjourned for three Business Days at the same time and place. If a quorum is not present within 30 minutes of the time fixed for the adjourned meeting, those Eligible Directors present will constitute a quorum.
- 5.7 The provisions of Article 5 shall apply equally to meetings of any committee of the directors as to meetings of the directors.
- 5.8 Where, pursuant to CA 2006 or these Articles or otherwise, in relation to a matter being considered at a meeting of directors or of a committee of directors, a director

cannot count towards the quorum, if it votes, its vote will not be counted and the other director or directors present, whatever their number and their designations, shall constitute a quorum for the purposes of considering that matter only.

- 5.9 The chair of the Board will not have a casting vote. If any such chair is unable to attend any Board meeting, the directors present will be entitled to nominate and appoint another chair in its place for that Board meeting.
- 5.10 Any director or alternate director may validly participate in a meeting of the Board through telephone conference or any other form of communication equipment (or any combination of these technologies) provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. An Eligible Director so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to CA 2006, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that a quorum of directors is not physically present in the same place. If the directors cannot or do not decide upon where such meeting shall be deemed to take place, then it shall be where the chair of the meeting is located.
- 5.11 A director who is absent from the United Kingdom shall be entitled to receive notice of and attend all meetings of directors and meetings of committees of directors.

## **6 Transactions or other arrangements with the Company**

- 6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 6.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

- 6.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- 6.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 6.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **7 Directors' conflicts**

- 7.1 The Directors may, in accordance with the requirements set out in this Article 7, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this Article 7 will be effective only if:
  - 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
  - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

- 7.3 Any authorisation of a Conflict under this Article 7 may (whether at the time of giving the authorisation or subsequently):
- 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
  - 7.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
  - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
  - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
  - 7.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 7.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 7.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or

any Permitted Transferee of such appointor(s)) and no authorisation under this Article 7 shall be necessary in respect of any such interest.

- 7.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

## **8 Company Secretary**

- 8.1 The directors may appoint a company 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.
- 8.2 Model Article 20 shall apply to the company secretary by insertion of the words 'company secretary' in place of 'directors' in the first instance it appears.

## **9 Share Capital**

- 9.1 The A Shares and the B Shares shall constitute different classes of shares for the purposes of CA 2006 but, save as otherwise provided in these Articles, the A Shares and the B Shares shall rank *pari passu* in all respects.
- 9.2 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.

## **10 Income, dividends**

- 10.1 Any Available Profits which the Directors may decide to distribute shall be applied in distributing such profits among the holders of the A Shares (*pari passu* as if the A Shares constituted one class of shares) in the proportion which the number of A Shares held by that Shareholder bears to the total number of issued A Shares.



- 10.2 The holders of the B Shares shall not be entitled to receive any dividend or other income distribution.

## **11 Return of Capital**

On a return of capital on winding-up or otherwise (but not in respect of any conversion, redemption or purchase by the Company of any Shares), the surplus assets of the Company remaining after the payment of its debts and liabilities shall be applied among the holders of the A Shares and the B Shares (pari passu as if the A Shares and the B Shares constituted one class of shares) in proportion to the number of A Shares and B Shares held by them respectively and on a pari passu basis.

## **12 Exit**

- 12.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in Article 11. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

12.1.1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in Article 11; and

12.1.2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) required by the Directors to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in Article 11.

- 12.2 In the event of a Share Sale:

12.2.1 if the payment of any part of the Sale Proceeds is deferred so that it is only due and payable on date(s) falling after the completion of the Share Sale and is also contingent on certain events or targets being met (a **Deferred Contingent Instalment**), the provisions of article 11 shall be applied at the time of completion in respect of the Sale Proceeds to be paid on completion and repeated each time a Deferred Contingent Instalment becomes due and payable. Each time the provisions of article 11 are reapplied, when calculating the amount due to shareholders the sale proceeds shall include the sum of all consideration that has already been paid and the relevant deferred contingent

instalment, provided that account shall be taken of amounts already received by shareholders, or not received (as the case may be), in respect of previous payments of consideration; and

12.2.2 if the payment of any part of the Sale Proceeds is deferred such that it is only due and payable on date(s) falling after completion of the sale (a **Deferred Instalment**), the provisions of article 11 shall be applied on completion in respect of the total amount of the Sale Proceeds. Shareholders shall be entitled to share in each payment of the Sale Proceeds (including the deferred instalments) pro-rata to their overall entitlement to the sale proceeds, as determined in accordance with article 12.1.

12.3 In the event of a Share Sale occurring where the whole or part of the Sale Proceeds are to be received by the Shareholders in a form other than cash, the Shareholders shall enter into such arrangements in relation to such Sale Proceeds as they may agree or in default of such agreement as the Shareholder Majority may reasonably specify, to ensure that such non-cash consideration is allocated amongst the holders of the Shares so as to achieve the same commercial effect as would be the case pursuant to Article 11 if such consideration had been actually received in cash (and as between the holders of such Shares, such non-cash consideration shall be apportioned between the different classes of Shares in the same proportions as those proportions in which they are entitled to receive the overall Sale Proceeds, unless the Shareholder holding Shares should reach an agreement to the contrary).

12.4 On a Disposal, 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 11.

12.5 Immediately before a Listing and conditionally upon a Listing, the Shareholders shall enter into such reorganisation of the share capital of the Company as they may agree, may be necessary so as to ensure that the Listing Value is allocated between the Shareholders in the same proportions as the provisions of articles 11 and 12 would provide on a Capital Return, Share Sale or Disposal at that Listing Value.

### **13 Variation of Rights**

The rights attached to any class of Shares may from time to time, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than 75% in nominal value of the issued Shares of that class or

with the sanction of a special resolution passed at a separate meeting of the holders of that class of Shares, but not otherwise.

## **14 Issue of Shares**

- 14.1 Subject to the remaining provisions of this Article 14, the directors shall be generally and unconditionally authorised for the purposes of section 551 of CA 2006 to exercise all the powers of the Company to allot (or grant rights or options to subscribe for or to convert any security into) shares up to an aggregate nominal amount of £0.483685 in the share capital of the Company during the period from the date of adoption of these Articles until the fifth anniversary of that date unless the authority is varied or revoked or renewed by the Company in general meeting, provided that this authority shall entitle the directors to make at any time before the expiry of this authority an offer or agreement which will or may require Shares to be allotted after the expiry of the authority (and the Directors may allot relevant shares in pursuance of an offer or agreement as if such authority had not expired).
- 14.2 Sections 561 and 562 of CA 2006 shall not apply to the allotment of equity securities in the Company.
- 14.3 Unless otherwise agreed by a special resolution passed in general meeting or as a written resolution in accordance with Part 13 of the CA 2006, or unless pursuant to the authority of the Directors under Article 14.1, if the Company proposes to allot any Shares, those Shares shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Equity Shares (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Shares are being, or are to be, offered to any other person.
- 14.4 An offer made under article 14.3 shall:
- 14.4.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Shares being offered;
- 14.4.2 remain open for a period of 15 Business Days from the date of service of the offer; and

- 14.4.3 stipulate that any Offeree who wishes to subscribe for a number of Shares in excess of the number to which he is entitled under article 14.3 shall, in his acceptance, state the number of excess Shares (**Excess Securities**) for which he wishes to subscribe.
- 14.5 If, on the expiry of an offer made in accordance with article 14.4, the total number of Shares applied for is less than the total number of Shares so offered, the Directors shall allot the Shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 14.6 Any Shares not accepted by Offerees pursuant to an offer made in accordance with article 14.4 shall be used to satisfy any requests for Excess Securities made pursuant to article 14.4.3. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Equity Shares held by each such applicant bears to the total number of such Equity Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to article 14.7, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the holders of the Equity Shares.
- 14.7 No Shares shall be allotted to any current or prospective employee or director of the Company unless such person shall first have entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

## **15 Share Transfer Restrictions**

- 15.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal 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.
- 15.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to Article 15.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.

- 15.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 15.4 Any transfer of a Share by way of sale which is required to be made under Article 19 (Compulsory Transfers), Article 21 (Drag Along) shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 15.5 The Directors may as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such 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). If any condition is imposed in accordance with this Article 15.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 15.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- 15.6.1 any holder (or the legal representatives of a deceased holder); or
- 15.6.2 any person named as a transferee in a transfer lodged for registration; or
- 15.6.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 15.7 If any such information or evidence referred to in Article 15.6 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 5 Business Days of receipt of such written notice, then:
- 15.7.1 the relevant Shares shall cease to confer on the holder of them any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- (b) to receive dividends or other distributions otherwise attaching to those Shares; or
- (c) to participate in any future issue of Shares; and

15.7.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

15.8 The Directors may reinstate the rights referred to in Article 15.7.1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 15.7.2 on completion of such transfer.

15.9 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that:

15.9.1 it does not contain a Minimum Transfer Condition;

15.9.2 the Proposed Sale Price shall be the Fair Value of those Shares, determined by the Independent Expert in accordance with Article 18; and

15.9.3 the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

15.10 Any Transfer Notice (but not an Offer Notice (as defined in Article 20.3) or a Drag Along Notice (as defined in Article 21)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

## **16 Permitted Transfers**

16.1 A Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee.

16.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

16.2.1 the Original Shareholder;

16.2.2 any Privileged Relation(s) of the Original Shareholder;

16.2.3 subject to Article 16.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or

16.2.4 subject to Article 16.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

16.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:

16.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);

16.3.2 with the identity of the proposed trustee(s);

16.3.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

16.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

16.4 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

16.4.1 the Original Shareholder; or

16.4.2 a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 16.4, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 16.4.

16.5 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

16.5.1 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

16.5.2 give a Transfer Notice to the Company in accordance with article 17,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 16.5. This Article 16.5 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

16.6 Notwithstanding any other provision of this Article 16, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## **17 Pre-emption rights on the transfer of Shares**

17.1 Except where the provisions of Article 16, Article 19, Article 20 or Article 21 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 17.

17.2 A Shareholder (**Seller**) wishing to transfer any Shares must give a notice in writing (**Transfer Notice**) to the Company giving details of the proposed transfer, including:

17.2.1 the number of Shares he wishes to transfer (**Sale Shares**);

17.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer;

17.2.3 the price per Sale Share (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**); and

17.2.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**).



- 17.3 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of this Agreement.
- 17.4 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within 15 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. A Deemed Transfer Notice may not be withdrawn.
- 17.5 The Transfer Price for each Sale Share the subject of a Transfer Notice shall be the price per Sale Share (in cash) agreed between the Seller and the Directors (any Director with whom the Seller is connected not voting) or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with Article 18.
- 17.6 In these Articles, the expression "**Board Invitee**" shall mean any of:
- 17.6.1 the Company (subject to compliance by the Company with the provisions of the CA 2006); and/or
- 17.6.2 the trustees of any Employee Benefit Trust; and/or
- 17.6.3 any person(s) (being a current or future employee or officer of a Group Company) nominated by a Shareholder Majority,
- as selected by the Directors with the consent of a Shareholder Majority in the period of 15 Business Days after the date on which the Transfer Price is agreed or determined in accordance with these Articles or, if no such persons are selected in accordance with this article 17.6 within that period, as selected by a Shareholder Majority within a further period of 20 Business Days.
- 17.7 Subject to article 17.8 below, the Directors shall serve a notice (an "**Offer Notice**") on all Shareholders (other than the Seller) and/or any Board Invitees (as the case may be) to whom the Sale Shares are to be offered in accordance with these Articles as soon as reasonably practicable after (and in any event within 20 Business Days of) whichever is the first to occur of:
- 17.7.1 the period prescribed in article 17.6 for the selection of Board Invitees having expired; or

- 17.7.2 the identity of all Board Invitees having been determined with the consent of a Shareholder Majority; or
- 17.7.3 the Directors determining, with the consent of a Shareholder Majority, that none of the Sale Shares are to be offered to a Board Invitee,
- or, if later, on the Transfer Price being agreed or determined in accordance with these Articles.
- 17.8 An Offer Notice shall:
- 17.8.1 state the Transfer Price;
- 17.8.2 contain the other relevant information set out in the Transfer Notice;
- 17.8.3 invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase; and
- 17.8.4 expire, and the offer made in that Offer Notice shall be deemed to be withdrawn, on a date which is not less than 10 nor more than 20 Business Days after the date of the Offer Notice.
- 17.9 For the purposes of allocating the Sale Shares amongst the Shareholders and/or any Board Invitees, Sale Shares will be offered:
- 17.9.1 firstly, to Board Invitees; and
- 17.9.2 secondly, to the extent not already accepted by Board Invitees, to the holders of A Shares; and
- 17.9.3 lastly, to the extent not already accepted by Board Invitees and/or the holders of the A Shares, to the holders of the B Shares (as a class).
- 17.10 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Shareholders holding shares of a class specified in article 17.9 or the Board Invitees (as the case may be) having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the "**Allocation Date**"), the Directors shall allocate the Sale Shares in accordance with the applications received in the priorities and in respect of each class of persons set out in article 17.9 provided that:

- 17.10.1 if there are applications from any class of offerees for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Share than he applied for) to the number of Shares (disregarding any Compulsory Transfer Shares) of the class entitling them to receive such offer held by each of them respectively;
- 17.10.2 the allocation of any fractional entitlements to Sale Shares amongst the members of a particular class of Shares shall be dealt with by the Directors; and
- 17.10.3 the allocation of Sale Shares between two or more Board Invitees shall be at the absolute discretion of the Directors, subject to the approval of a Shareholder Majority.
- 17.11 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an "**Allocation Notice**") to the Seller and each Shareholder or Board Invitee to whom Sale Shares have been allocated pursuant to article 17.10 (each a "**Buyer**"). An Allocation Notice shall state:
- 17.11.1 the number and class of Sale Shares allocated to that Buyer;
- 17.11.2 the name and address of the Buyer;
- 17.11.3 the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
- 17.11.4 the information (if any) required pursuant to article 17.13; and
- 17.11.5 subject to article 17.13, the place, date and time (being not less than 2 or more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.
- 17.12 Subject to article 17.13, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer.

17.13 If the Transfer Notice contained a Minimum Transfer Condition and the total number of Sale Shares applied for and allocated to the Buyers in accordance with article 17.10 is less than the number of Sale Shares specified in the Minimum Transfer Condition then:

17.13.1 the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the "**Further Offer**") to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;

17.13.2 the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 10 Business Days) specified in the Allocation Notice;

17.13.3 any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 17.10.1 to 17.10.3; and

17.13.4 following the allocation of any Sale Shares amongst the Buyers in accordance with article 17.13.3, and provided the number of Sale Shares specified in the Minimum Transfer Condition have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 17.11 but omitting article 17.11.4 of that article.

17.14 Subject to article 17.15, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 17.13) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer.

17.15 If after following the procedure set out in this article 17 the total number of Shares applied for and allocated to the Buyers remains less than the number of Sale Shares specified in the Minimum Transfer Condition, then:

17.15.1 if the Transfer Notice contained a Minimum Transfer Condition, then notwithstanding any other provision of this article 17 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 17; and

17.15.2 the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.

- 17.16 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 17 the Directors may (and will if requested to do so by a Shareholder Majority) authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf as agent and to deliver that transfer to the relevant Buyer.
- 17.17 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by these articles 17.17 and 17.17 the validity of the proceedings shall not be questioned by any person.
- 17.18 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors).

**Transfers following exhaustion of pre-emption rights**

- 17.19 If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this article 17 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 17.15.2, sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that:
- 17.19.1 no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Shareholder without the prior written consent of a Shareholder Majority;
- 17.19.2 if the Transfer Notice contained a Minimum Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of a Shareholder Majority;
- 17.19.3 the Directors may require to be satisfied that the relevant Sale Shares are being transferred under a bona fide sale for the consideration stated in

the transfer without deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the transfer; and

17.19.4 the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 21 until such time as that offer has been made and, if accepted, completed.

## **18 Valuation**

18.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 15 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.

18.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:

18.2.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);

18.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

18.2.3 that the Sale Shares are capable of being transferred without restriction;

18.2.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and

18.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

- 18.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 18.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 18.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 18.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 18.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 18.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:
- 18.8.1 the Seller withdraws the relevant Transfer Notice in accordance with Article 17.4; or
- 18.8.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,
- in which case the Seller shall bear the cost.

## **19 Compulsory Transfers**

- 19.1 A Shareholder is deemed to have served a Transfer Notice under Article 17.2 immediately before any of the following events:
- 19.1.1 an order being made for the Shareholder's bankruptcy or winding-up (or equivalent procedure in any jurisdiction outside England and Wales);

19.1.2 the Shareholder being disqualified as a director;

19.1.3 the Shareholder committing a material or persistent breach of:

- (a) the Articles;
- (b) any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, to which the Shareholder is a party; or
- (c) any employment contract or directors' service agreement in force between the Shareholder and the Company,

which, if capable of remedy, has not been remedied within 10 Business Days of the Company requiring such remedy; or

19.1.4 except in the case of a Shareholder who is a Founder, that Shareholder, being a director or employee of, or a consultant to, a Group Company:

- (a) ceasing to be such a director, employee or consultant (including where such cessation occurs as a result of a Group Company ceasing to be a Group Company) where the Shareholder does not remain, or immediately become, a director or employee of, or a consultant to, another Group Company; and
- (b) where that Shareholder is a Bad Leaver.

19.2 Forthwith upon a Transfer Notice being deemed to be served under Article 19.1, the Shares subject to the relevant Deemed Transfer Notice (**Compulsory Transfer Shares**) shall cease to confer on the holder of them any rights:

19.2.1 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;

19.2.2 to receive dividends or other distributions otherwise attaching to those Shares; or

19.2.3 to participate in any future issue of Shares issued in respect of those Shares.



19.3 The Directors may reinstate the rights referred to in article 19.2 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 19 on completion of such transfer.

19.4 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of Article 17 as if the Compulsory Transfer Shares were Sale Shares except that where the relevant Deemed Transfer Notice arises as a consequence of article 19.1.4, the Transfer Price in respect of the Compulsory Transfer Shares shall be where the Shareholder is a Bad Leaver the Issue Price, unless the Board in its absolute discretion decides otherwise).

## 20 Tag Along

20.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to Article 16 or Article 19, but after the operation of the pre-emption procedure set out in Article 17), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this Article 20 shall apply.

20.2 The Seller shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder (each an **Offeree**) on the date of the Offer, to buy all of the Shares held by such Offerees on the date of the Offer for a consideration in cash per Share (the **Offer Price**) which is equal to the highest price per Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Shares in connection with the Proposed Transfer.

20.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 10 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall specify:

20.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);

20.3.2 the Offer Price and any other terms and conditions of the Offer;

20.3.3 the Sale Date; and

20.3.4 the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.

20.4 The completion of the Proposed Transfer shall be conditional in all respects on:

20.4.1 the making of an Offer in accordance with this Article 20; and

20.4.2 the completion of the transfer of any Shares by any Offeree (each an Accepting Offeree) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this Article 20.4.

20.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this Article 20 shall not be, subject to the pre-emption provisions of Article 17.

## **21 Drag Along**

21.1 If a Shareholder Majority (the **Selling Shareholders**) wish to transfer all of their interest in their Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (including any holders of shares where such shares may be allotted pursuant to the exercise or conversion of options in existence at the date of the offer) (**Called Shareholders**) to sell and transfer all their interest in Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this Article 21.

21.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of the Sellers' Shares, to the Proposed Buyer and each Called Shareholder. A Drag Along Notice shall specify:

21.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 21;

21.2.2 the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);

21.2.3 the consideration payable for the Called Shares calculated in accordance with Article 21.4;

21.2.4 the proposed date of completion of transfer of the Called Shares.

21.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 30 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

21.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 11.

21.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 21.

21.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:

21.6.1 all of the Called Shareholders and the Selling Shareholders otherwise agree;  
or

21.6.2 that date is less than 15 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 15 Business Days after the date of service of the Drag Along Notice.

21.7 Within 15 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 15 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to Article 21.4 to

the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 21.4 shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 21.4 in trust for the Called Shareholders without any obligation to pay interest.

- 21.8 To the extent that the Proposed Buyer has not, on the expiration of the 15 Business Day period, put the Company in funds to pay the amounts due pursuant to Article 21.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 21 in respect of their Shares.
- 21.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this Article 21.
- 21.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to any share option scheme of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 21 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References

in this Article 21.11 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Shares.

21.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 17.

21.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

## **22 Purchase of own shares**

22.1 Subject to the CA 2006 but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the CA 2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

22.1.1 £15,000; and

22.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

## **23 General Meetings**

23.1 Every notice calling a meeting of the Company shall include, with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of it and that a proxy need not also be a member.

23.2 The accidental failure to give notice of a general meeting to a member shall invalidate the proceedings at the meeting.

23.3 No business shall be transacted at any general meeting unless a quorum of Shareholders is present at the commencement of the business and also when such business is voted upon. The quorum at any general meeting shall be two eligible persons present in person or by proxy. If a quorum is not present within 30 minutes of the time fixed for the relevant meeting, the meeting shall be adjourned for three Business Days at the same time and place. Notice of an adjourned meeting shall be

given to all the Shareholders. If a quorum is not present within 30 minutes of the time fixed for the adjourned meeting, those Shareholders present will constitute a quorum.

- 23.4 The sitting chair of the Board at that time shall chair that general meeting. If the chair is unable to attend any general meeting, the Board shall be entitled to appoint another Director present at the meeting to act as chair at the meeting and the appointment of the chair of the meeting must be the first business of the meeting.
- 23.5 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, a poll is duly demanded. Subject to the provisions of CA 2006, a poll may be demanded at any general meeting by the chair, or by any Shareholder present in person or by proxy and entitled to vote or by a duly authorised representative of a corporation which is a Shareholder entitled to vote. In the case of an equality of votes, whether on a show of hands or on a poll, the chair shall not have a casting vote.
- 23.6 An instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board must be delivered to the registered office of the Company not less than 48 hours before the time appointed for the holding of the meeting (or any adjournment of that meeting) or to the place of the meeting at any time before the time appointed for the holding of the meeting (or any adjournment of that meeting). A notice revoking the appointment of a proxy must be given in accordance with CA 2006.

## **24 Voting**

- 24.1 The A Shares shall confer on each holder of A Shares 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.
- 24.2 The voting rights attaching to A Shares shall be:
- 24.2.1 on a written resolution, every Shareholder holding one or more A Shares shall have one vote for each A Share held by it; and
- 24.2.2 on a resolution to be passed at a general meeting of the Company, every A Shareholder present in person or by proxy or by a representative shall have:
- (a) on a show of hands, one vote each; and
  - (b) on a poll, one vote for each A Share of which it is the holder.

- 24.3 The B Shares shall not entitle the holders to receive notice of or to attend, speak or 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.

## **25 Notices**

- 25.1 Subject to the specific terms of these Articles, any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Board or a committee thereof) shall be in writing.

- 25.2 Any Shareholder Communication may be served by the Company on, or supplied by the Company to, a Shareholder or other person:

25.2.1 personally;

25.2.2 by sending it by first-class post in a pre-paid envelope addressed to such Shareholder or other person at its postal address (as appearing in the Company's register of members in the case of Shareholders); or

25.2.3 by sending or supplying it:

- (a) in electronic form (as specified by section 1168(3) of CA 2006 and otherwise complying with the requirements of section 1168); or
- (b) by website communication in accordance with the provisions of CA 2006 and the Electronic Communications Act 2000.

- 25.3 In the case of a Shareholder Communication validly:

25.3.1 delivered by hand, it shall be deemed to be delivered on signature of a delivery receipt or at the time the Shareholder Communication is left at the correct address; or

25.3.2 sent by post to an address within the United Kingdom, proof that an envelope containing the communication was properly addressed, pre-paid and posted shall be conclusive evidence that it was sent and it shall be deemed to be delivered 48 hours after the envelope containing it was posted;

25.3.3 sent by post to an address outside the United Kingdom, proof that an envelope containing the communication was properly addressed, pre-paid as

and sent by reputable international overnight courier shall be conclusive evidence that it was sent and it shall be deemed to be delivered on signature of a delivery receipt or at the time the Shareholder Communication is left at the correct address; or

25.3.4 sent in electronic form, it shall be deemed to have been given on the same day as it was sent to the address supplied by the Shareholder; or

25.3.5 made by website communication, it shall be deemed to have been received when it was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that it was available on the website.

25.4 In the case of joint holders of a Share, all Shareholder Communications shall be sent or supplied to the joint holder who is named first in the register, and a Shareholder Communication so sent or supplied shall be deemed sent or supplied to all joint holders.

25.5 A Shareholder who has not supplied to the Company either a postal or an electronic address for the service of notices shall not be entitled to receive notices from the Company.

## **26 Indemnity and Insurance**

26.1 Subject to, and on such terms as may be permitted by CA 2006, the Company may:

26.1.1 indemnify, out of the assets of the Company, any director of the Company or any Group Company against all losses and liabilities which it may sustain or incur in the performance of the duties of its office or otherwise in relation thereto;

26.1.2 provide a director and/or director of any Group Company with funds to meet expenditure incurred or to be incurred by it in defending any civil or criminal proceedings brought or threatened against it or in defending itself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority, in either case in connection with any alleged negligence, default, breach of duty or breach of trust by it in relation to the Company or another Group Company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would



otherwise be prohibited under CA 2006 to enable a director to avoid incurring such expenditure; and

- 26.1.3 purchase and maintain insurance for any director or any director of any other Group Company against any liability attaching to any such person in connection with any negligence, default, breach of duty or breach of trust by it in relation to the Company or any such Group Company.