

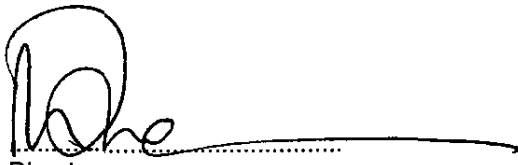
Company number: 10807097

**ENSCO 1240 LIMITED**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**RESOLUTIONS**  
**(passed on 5<sup>th</sup> April 2018)**

The following resolution was duly passed as a special resolution of the Company (as indicated) on 5<sup>th</sup> April 2018 by way of written resolution in accordance with the provisions of Chapter 2 of Part 13 Companies Act 2006:

**SPECIAL RESOLUTION**

1. **THAT** the articles of association of the Company attached to this resolution be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company (the **New Articles**).

  
Director

Date: 5<sup>th</sup> April 2018



DATED 5 April 2018

ENSCO 1240 LIMITED  
(company number 10807097)

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ARTICLES OF ASSOCIATION

adopted on 5 April 2018

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Company number: 10807097

**PRIVATE COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF  
ENSCO 1240 LIMITED (THE "COMPANY")**

**1. DEFINITIONS AND INTERPRETATION**

1.1 In these Articles the following definitions will apply:

**Accounting Period**

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

**acting in concert**

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

**Acquisition Documents**

the share purchase agreement dated on the Adoption Date relating to the acquisition by Bidco of the entire share capital of JCRA Group Limited (the **Acquisition Agreement**) and any other document entered into or to be entered into pursuant to the terms of that agreement;

**Act**

the Companies Act 2006;

**Activation Notice**

the meaning given to such term in article 4.1;

**Adoption Date**

25 August 2017;

**A1 Ordinary Share**

an A1 ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

**A2 Ordinary Share**

an A2 ordinary share of £0.01 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

**Asset Sale**

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

**Auditors**

the auditors of the Group for the time being;

**Bad Leaver**

a Member who:

- (a) ceases to be an employee or director of, or a consultant to, a Group Company as a result of dismissal or termination (as the case may be) without notice or without payment in lieu of notice in each case in circumstances justifying summary dismissal where the applicable Group Company is unilaterally entitled to so dismiss or terminate without notice or payment in lieu of notice; or

(b) in circumstances where article 10.1.9 applies;

**Bidco**

ENSCO 1149 Limited (company number 09796409);

**B Ordinary Share**

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

**Business Day**

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

**Change of Control**

the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser together with any person connected with or acting in concert with that Third Party Purchaser would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company;

**Compulsory Transfer Notice**

has the meaning given in article 10.3;

**Compulsory Transfer Shares**

in relation to a Relevant Member:

- (a) any A2 Ordinary Shares; and
- (b) in the event of such Relevant Member being a Bad Leaver or Early Leaver, any A1 Ordinary Shares,

which are:

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

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

**Connection Capital**

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

**Director**

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

**Drag Event**

has the meaning given in article 11.1;

**Drag Proceeds**

has the meaning given in article 11.5;

**Early Leaver**

a Member who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in article 10.1.8 as a result of voluntary resignation (but not as a result of constructive dismissal) during the period of 12 months commencing on the Adoption Date;

**Eligible Director**

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

**Employee Trust**

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

**Encumbrance**

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

**Equity Shares**

the A1 Ordinary Shares, the A2 Ordinary Shares, the B Ordinary Shares and the Ordinary Shares in issue from time to time;

**Event of Default**

any of the following:

- (a) any act, omission or event occurring which constitutes or will, with the passing of time or the giving of notice, constitute an event of default under any of the Group's banking facilities for the time being and the Group's bank not having formally waived its rights in connection with such event of default in writing to the reasonable satisfaction of Connection Capital;
- (b) any breach occurring by the Group, a Director (other than the Investor Director) or any holder of A1 Ordinary Shares or A2 Ordinary Shares of any of the provisions of these Articles or the Investment Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of Connection Capital within 10 Business Days of a notice of such breach, from Connection Capital to the Company and each Director other than an Investor Director;
- (c) the Company failing to pay any fees due to Connection Capital under these Articles or the Investment Agreement within 10 Business Days of being notified of such failure;
- (d) any third party funder of any Group Company from time to time becoming entitled to declare the whole or any part of any facilities provided by it to the applicable Group Company due and payable in advance of its stated maturity date as a result of any default by that Group Company in respect of such facilities and such provider shall not have formally waived such entitlement or default (or any of its rights in connection with the default or exercise of such entitlement) in writing to the reasonable satisfaction of Connection Capital;
- (e) any amount owed by any Group Company to any tax authority, employee or any person who, in each case, has the benefit of any Encumbrance over any assets of any Group Company not being paid within 10 Business Days of it being due;

- (f) the Company failing to pay (or satisfy by rolling up interest pursuant to paragraph 2 of schedule 2 of the Investor Loan Note Instrument) any interest due on the Investor Loan Notes in accordance with the Investor Loan Note Instrument within 5 Business Days of being notified of such failure;
- (g) the Company failing to redeem any of the Investor Loan Notes on the date which they are due to be redeemed under the Investor Loan Note Instrument at any time;
- (h) the contents of any financial or other information delivered or made available to Connection Capital pursuant to the Investment Agreement demonstrating that during the following 12 months it is reasonably likely (in the reasonable opinion of Connection Capital (acting in good faith), and after consultation with the Directors) that:
  - (i) an order will be made or a resolution passed or a petition presented for the winding up of a Group Company;
  - (ii) an administrator will be appointed over or in respect of a Group Company;
  - (iii) an administrative receiver, receiver or manager will be appointed over all or any of the assets or undertaking of a Group Company;
  - (iv) a Group Company will cease to carry on its business or be unable to pay its debts as they fall due; or
  - (v) a Group Company will breach any of its financial covenants or other obligations under the Investor Loan Note Instrument, the Facility Documents or any other financing documents entered into with a third party funder from time to time; or
- (i) a Group Company no longer being authorised by the Financial Conduct Authority and/or Financial Industry Regulatory Authority (in each case, or any successor authority), as the case may be, to the extent such authorisation is a legal or regulatory requirement;

#### **Expert**

the expert identified and engaged in accordance with article 26;

#### **Facility Documents**

the facilities agreement dated on the Adoption Date and made between (amongst others) the Company and Clydesdale Bank Plc, together with all documents (including an Intercreditor Agreement and debentures entered into by certain members of the Group associated with it);

#### **Fair Value**

the price agreed between the Relevant Member and the Remuneration Committee within 30 days of service of a Compulsory Transfer Notice, or failing such agreement, which the Expert states in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that:

- (a) the Fair Value is the sum which a willing buyer would agree with a willing seller on an arm's length sale to be the purchase price for the Shares concerned on a Share Sale comprising a sale of 100% of the Shares;
- (b) no account shall be taken of the size of the holding which the relevant Shares comprise or whether those Shares represent a majority or minority interest;
- (c) no account shall be taken of the fact that the transferability of the relevant Shares is restricted under these Articles;
- (d) whilst account may be taken of future prospects of the Group, no account shall be

taken of any future value attributable to the relevant Shares;

- (e) if the Group is then carrying on business as a going concern, it will continue to do so; and
- (f) any difficulty in applying any of the bases set out above shall be resolved by the Expert as they, in their absolute discretion, think fit;

**Family Member**

in relation to any Member, the spouse, civil partner and/or siblings (but not spouses or civil partners of such siblings) of that Member and their children (including step and adopted children) for the time being;

**Family Trust**

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

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

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

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

**FSMA**

the Financial Services and Markets Act 2000;

**Good Leaver**

Either:-

- (a) a Member who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in article 10.1.8(a) as a result of:
  - (i) the death of that Member;
  - (ii) disability or incapacity through ill health (other than where such ill health arises from the abuse of alcohol or drugs) where at least two medical reports from independent medical specialists consider such ill health is preventing, or is likely to prevent, the Member from performing his normal duties;
  - (iii) any other reason which the Remuneration Committee determines, in its absolute discretion within 20 Business Days of the Member ceasing to be employed or engaged by the Group Company, shall result in the Member being a Good Leaver for the purposes of these Articles; or
- (b) a Member to whom article 10.1.8(b) applies;

**Group**

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

**Independent Expert**

a firm of independent accountants agreed between the transferor(s) of the Shares in question and the Remuneration Committee or (in default of agreement within 10 Business Days) elected by the President of the Institute of Chartered Accountants in England and Wales at the request of the Remuneration Committee or the transferor of the Shares;

**Intercreditor Agreement**

the intercreditor agreement to be entered into on or around the Adoption Date among, *inter alios*, The Clydesdale Bank PLC as senior lender, the Company and Ensco 1149 Limited;

**Intermediate Leaver**

a Member who ceases to be an employee or director of, or consultant to, a Group Company in circumstances where the Member is not a Good Leaver, Early Leaver or a Bad Leaver;

**Investment Agreement**

the agreement dated on the Adoption Date and made between the Company, Bidco, Gateley Custodian and Nominee Services Limited, the Members and Connection Capital on that date;

**Investors**

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

**Investor Director**

a Director appointed pursuant to article 15.1;

**Investor Loan Notes**

the £6,688,399.86 secured 8% fixed rate loan notes 2022 of Bidco;

**Investor Loan Note Instrument**

the instrument dated the same date as the Adoption Date constituting the Investor Loan Notes;

**Investor Shares**

the B Ordinary Shares and/or Ordinary Shares;

**Issue Price**

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

**Leaver**

a Bad Leaver, a Good Leaver, an Early Leaver or an Intermediate Leaver;

**Leaver Loan Notes**

secured loan notes of the Company with an interest rate linked to UK Retail Price Index which shall only be repayable on a Realisation, the terms of which shall be set by the Remuneration Committee but to rank *pari passu* with the Management Loan Notes in respect of repayment;

**Listing**

either:

- (a) the admission of all or any part of the Equity Shares to listing on the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange's



market for listed securities;

- (b) the admission of all or any part of the Equity Shares to trading on AIM, a market operated by the London Stock Exchange; or
- (c) the admission of all or any part of the Equity Shares to listing and/or trading on any other Recognised Investment Exchange,

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

**London Stock Exchange**

London Stock Exchange plc;

**Management Consent**

the consent of Members holding in aggregate at least 33% of the Shares;

**Management Director**

has the meaning given in article 14.3;

**Management Loan Notes**

the £4,598,999.97 secured 10% fixed rate loan notes 2022 of the Company;

**Member**

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

**Model Articles**

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

**Nominee Warehouse**

has the meaning given in article 9.3.2;

**Ordinary Share**

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

**Realisation**

a Share Sale or a Listing or an Asset Sale;

**Recognised Investment Exchange**

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

**Relevant Member**

a Member in respect of whom the Remuneration Committee has notified the Company that an event shall be treated as a Transfer Event in accordance with article 10.1;

**Relevant Securities**

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

**Remuneration Committee**

has the meaning given to it in the Investment Agreement;

**Reserved Shares**

as at the Adoption Date, 989,246.00 unissued A2 Ordinary Shares which, if issued will together comprise 9.89% of the Company's fully diluted share capital as at immediately following the Adoption Date;

**Seller**

has the meaning given in article 9.1.1;

**Share Option Scheme**

any share option scheme of the Company or any other Group Company approved by the Remuneration Committee;

**Shares**

any shares in the capital of the Company;

**Share Sale**

the transfer of any interest in any Shares (whether by one transaction or a series of transactions), other than a transfer in accordance with article 8.1 or 8.2, which results in a Change of Control;

**Tag Event**

has the meaning given in article 12.1;

**Tag Proceeds**

has the meaning given in article 12.7;

**Third Party Purchaser**

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

**Transfer Event**

each of the events set out in article 10.1;

**Transfer Notice**

a notice in accordance with article 9 that a Member wishes to transfer his Shares; and

**Vested Shares**

- (a) in the case of any Relevant Member holding A2 Ordinary Shares in circumstances where such Relevant Member is an Intermediate Leaver and where the date of the Transfer Event falls between the date on which that Relevant Member first acquired A2 Ordinary Shares (the **Issue Date**) and the fifth anniversary of such **Issue Date**, an amount of the A2 Ordinary Shares held by that Relevant Member equal to **VS** where:

$$VS = \frac{PT}{FT} \times RMCTS$$

where:

**RMCTS** = total number of the A2 Ordinary Shares held by the Relevant Member

**PT** = number of calendar days from and including the Issue Date to and including the date of the Transfer Event

**FT** = 1,825

and where applicable VS shall be rounded up to the nearest whole number; or

- (b) in the case of any Relevant Member holding A2 Ordinary Shares in any other circumstances (other than set out in (a) above), 100% of the A2 Ordinary Shares held by that Relevant Member; and
- (c) in the case of any Relevant Member holding A1 Ordinary Shares in circumstances where such Relevant Member is a Leaver other than a Bad Leaver or an Early Leaver, 100% of the A1 Ordinary Shares held by that Relevant Member.

- 1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.
- 1.3 In these Articles a reference to:
- 1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date, except to the extent that any replacement, modification or re-enactment or any statute, statutory provision or subordinate legislation made after the Adoption Date would increase or extend the liability of any Member or the Company under or pursuant to these Articles;
  - 1.3.2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);
  - 1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
  - 1.3.4 writing includes any mode of reproducing words in a legible and non-transitory form other than email and fax;
  - 1.3.5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and
  - 1.3.6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.
- 1.4 All consents or approvals to be given by Connection Capital or an Investor Director or which require Management Consent in respect of any provision of these Articles must be given in writing which shall for the purposes of any such consents or approvals include email, provided always that (but without affecting the validity or effectiveness or time of delivery or deemed delivery of such email) any such email is subsequently initialled by Connection Capital, the relevant Investor Director or relevant Member(s) (as the case may be) as being authentic and are included in the minutes of the subsequent meeting of the Directors. Any consent or approval to be given by an Investor Director may be given by an Investor Director signifying consent or approval at a board meeting of any Group Company, provided that such consent or approval is included in the minutes of that meeting, or by signing or otherwise authenticating a written resolution of the directors of any Group Company.
- 1.5 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles.
- 1.6 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.7 The words "other", "include", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.8 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 of the Corporation Tax Act 2010 (except that in construing section 1122 "control" has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act.
- 1.9 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each party.

## 2. **DIVIDENDS**

- 2.1 The holders of the B Ordinary Shares shall never be entitled to receive any dividends.
  - 2.2 The holders of the Ordinary Shares, A1 Ordinary Shares and A2 Ordinary Shares shall not be entitled to receive any dividends in respect of those shares until such time as the Investor Loan Notes, the Management Loan Notes and the Leaver Loan Notes (to the extent that any Leaver Loan Notes have been issued and are outstanding) have been redeemed in full.
  - 2.3 Subject to articles 2.1 and 2.2, any profits which the Company, on the recommendation of the Directors and subject to the consent of Connection Capital, determines to distribute in respect of any Accounting Period shall be applied on a non-cumulative basis between the holders for the time being of the Equity Shares. Any such dividend shall be paid in cash and shall be distributed amongst the holders of the Equity Shares pro rata according to the number of such Equity Shares held by each of them respectively, as if they constituted one class of share.
  - 2.4 The dividends referred to in article 2.3 will be paid in cash.
  - 2.5 The Company shall procure that each of its subsidiaries for the time being which has profits available for distribution shall, from time to time and to the extent to which it may lawfully do so, declare and pay to the Company (or its immediate holding company, as the case may be) the dividends necessary to enable the prompt and lawful payment of the dividends referred to in this article 2.
3. **RETURN OF CAPITAL**
- 3.1 On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares or redemption of shares made in accordance with the provisions of these Articles), any surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of Equity Shares pro rata according to the number of such Equity Shares held by each of them respectively, as if they constituted one class of share until each holder of Equity Shares has received an amount equal to the aggregate Issue Price paid for such Equity Shares. Thereafter, the allocation of the remaining surplus assets (the **Remaining Surplus**) shall be as follows:
    - 3.1.1 63.4% of the Remaining Surplus shall be payable to the holders of the A1 Ordinary Shares and the A2 Ordinary Shares (and shall be allocated as between those holders pro rata to their respective holdings of A1 Ordinary Shares and the A2 Ordinary Shares, as if they constituted one class of share); and
    - 3.1.2 36.6% of the Remaining Surplus shall be payable to the holders of the Investor Shares (and shall be allocated pursuant to article 3.2.).
  - 3.2 The surplus assets allocated to the holders of Investor Shares (the **Investor Surplus**) shall be allocated in the following order:
    - 3.2.1 first, to the holders of Ordinary Shares and the B Ordinary Shares (as if they constituted one class and pro rata to their respective holdings of Ordinary Shares and B Ordinary Shares) in payment of an amount equal to the Issue Price;
    - 3.2.2 second, to the holders of the Ordinary Shares (pro rata to their respective holdings of Ordinary Shares) in payment of an amount equal to **X**, calculated using the formula  $X = Y - Z$  where:
      - Y** is the Preferred Return (as defined in article 3.3); and
      - Z** is an amount equal to the aggregate of all interest paid by the Company pursuant to the Investor Loan Note Instrument and all dividends declared and paid by the Company on the Ordinary Shares;
    - 3.2.3 third, to the holders of the B Ordinary Shares (pro rata to their respective holdings of B Ordinary Shares), until they have received an amount equal to 25% of the Preferred Return; and
    - 3.2.4 fourth, in respect of the balance of the Investor Surplus, as to 80% to the holders of the Ordinary Shares (pro rata to their respective holdings of Ordinary

Shares) and 20% to the holders of the B Ordinary Shares (pro rata to their respective holdings of B Ordinary Shares).

- 3.3 In article 3.2, **Preferred Return** means such amount as is equal to an amount equal to interest at an annual rate of 8% (compounded annually on the Adoption Date) on the daily amount of the Issue Price of the Ordinary Shares plus the principal amount of the Investor Loan Notes calculated on the basis of a 365 day year.

#### 4. **VOTING**

- 4.1 If an Event of Default has occurred and continues to subsist unwaived or otherwise unremedied and Connection Capital notifies the Company in writing that such Event of Default has occurred and is subsisting (an **Activation Notice**), then the holders of the Ordinary Shares shall be entitled to vote at any general meeting or on any written resolution (as the case may be) and the number of voting rights attaching to the Ordinary Shares shall be such number as is equal to 95% of the total voting rights attaching to all Shares in issue at the date of any such meeting or the date of circulation of any such written resolution (calculated after the application of this article 4.1).
- 4.2 The voting rights attached to the Ordinary Shares by virtue of article 4.1 shall continue for so long as the relevant Event of Default continues to subsist unwaived or otherwise unremedied.
- 4.3 The B Ordinary Shares do not confer any voting rights on the holders of such Shares.

#### 5. **VARIATION OF CLASS RIGHTS**

- 5.1 Without prejudice to the generality of their rights, the special rights attaching to the Investor Shares shall be deemed to be varied at any time by any of the following occurring without class consent:
- 5.1.1 any variation to the share capital of the Company or any Group Company (other than a wholly owned subsidiary) or the rights attaching to any of the Shares, or the creation, allotment, issue or redemption of any shares or securities (other than the Management Loan Notes, Leaver Loan Notes and/or Investor Loan Notes) or the grant of or agreement to grant any option or right to require the allotment or issue of, or subscribe for, or convert any instrument into any share or securities of the Company or any Group Company or cancelling or accepting the surrender of any such right to subscribe or convert;
  - 5.1.2 any alteration to the constitution (as defined in section 17 of the Act) of any Group Company (other than a wholly owned subsidiary);
  - 5.1.3 instituting any proceedings or taking any steps in relation to or in preparation for the winding up, administration or dissolution of, or the appointment of an administrator, administrative receiver, receiver or manager in respect of, any Group Company or any of the assets or undertaking of any Group Company;
  - 5.1.4 the declaration or payment of any distribution or return of a capital or income nature by a Group Company to any person (other than to another Group Company);
  - 5.1.5 the capitalisation of any undistributed profits (whether or not such profits are available for distribution and including profits standing to the credit of any reserve) or any sums standing to the credit of the share premium account or capital redemption reserve fund of any Group Company;
  - 5.1.6 the convening of a general meeting, or the circulating of a written resolution, to effect or approve any matter which would, by virtue of this article 5.1, constitute a variation of the rights attached to the Investor Shares;
  - 5.1.7 the registration or purported registration of a transfer of any interest in any Shares other than as permitted by these Articles; or
  - 5.1.8 any Group Company incurring or agreeing to incur an obligation to do any of the matters set out above in this article 5.1.
- 5.2 Without prejudice to article 6.8, at any time when the holders of the Investor Shares are

entitled to exercise enhanced voting rights in respect of those shares pursuant to article 4.1 (regardless of whether or not such voting rights have actually been exercised at any general meeting or on any written resolution), the Company may issue Relevant Securities ranking ahead of or pari passu with the A1 Ordinary Shares and/or the A2 Ordinary Shares without the consent of the holders of such A1 Ordinary Shares and/or A2 Ordinary Shares and, for the avoidance of doubt, any such issue shall not require the class consent of the holders of the A1 Ordinary Shares and/or the A2 Ordinary Shares.

## 6. ISSUE OF SHARES

6.1 Subject to article 5 and articles 6.2 to 6.8, the Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to exercise any power of the Company to allot Relevant Securities. The authority granted under this article 6.1 shall:

- 6.1.1 be limited to a maximum amount in nominal value of £109,149.43;
- 6.1.2 only apply in so far as it is not revoked by ordinary resolution of the holders of Equity Shares; and
- 6.1.3 expire on the day immediately preceding the fifth anniversary of the Adoption Date, *provided that the Directors may allot Relevant Securities after the expiry of such period in pursuance of an offer or agreement to do so made by the Company within such period.*

6.2 Subject to article 4.1, article 5.1 and articles 6.2 to 6.8, any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of shall, before they are so allotted, granted or otherwise disposed of, be offered to the Members holding Equity Shares. Such offer shall be made by means of a notice (a **Subscription Notice**) served by the Directors on all Members holding Equity Shares which shall:

- 6.2.1 state the number and class of Relevant Securities offered;
- 6.2.2 state the subscription price per Relevant Security, which shall be the same per Relevant Security and otherwise as determined by the Directors with the consent of the Remuneration Committee;
- 6.2.3 if directed by Connection Capital, include conditions that if the holders of Investor Shares, in addition to subscribing for Relevant Securities pursuant to any Subscription Notice, are also loaning monies (other than by way of subscribing for Relevant Securities) to the Company at the same time (whether by subscription for loan notes or otherwise) (an **Investor Loan**) then the holders of A1 Ordinary Shares and A2 Ordinary Shares shall also be required to make loans to the Company on the same terms and in the same form as the Investor Loan (an **Ordinary Loan**) provided that the amount of a proposed Ordinary Loan for a holder of A1 Ordinary Shares or A2 Ordinary Shares shall be calculated as being in the same proportion of loan to Relevant Security subscription as the proportions proposed to be invested by the holders of Investor Shares pursuant to their respective Investor Loan and corresponding subscription for Relevant Securities;
- 6.2.4 invite the relevant offerees to respond in writing to the Company stating the number of Relevant Securities for which they wish to subscribe; and
- 6.2.5 expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date specified therein, being not less than 10 nor more than 20 Business Days after the date of the Subscription Notice.

6.3 Upon the expiry of the period referred to in the Subscription Notice or, if sooner, upon all Members holding Equity Shares having responded to the Subscription Notice (in either case, the **Subscription Allocation Date**), the Directors shall allocate the Relevant Securities in accordance with the applications received provided that:

- 6.3.1 no Relevant Securities shall be allocated to any Member who, at the Subscription Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name

- (including, for the avoidance of doubt, a Compulsory Transfer Notice);
- 6.3.2 no Relevant Securities shall be allocated to any Member who does not satisfy any conditions set out in the Subscription Notice pursuant to article 6.2.3;
  - 6.3.3 if there are applications for more than the number of Relevant Securities available, the Relevant Securities shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Relevant Securities than he applied for) to the number of Equity Shares held by each of them respectively; and
  - 6.3.4 the allocation of any fractional entitlements to Relevant Securities amongst the Members shall be dealt with by the Directors, with the consent of Connection Capital, in such manner as they see fit.
- 6.4 Within 5 Business Days of the Subscription Allocation Date the Directors shall give notice in writing (a **Subscription Allocation Notice**) to each Member to whom Relevant Securities have been allocated pursuant to article 6.3 (each a **Subscriber**). A Subscription Allocation Notice shall state:
- 6.4.1 the number and class of Relevant Securities allocated to that Subscriber;
  - 6.4.2 the aggregate subscription price payable by the Subscriber in respect of the Relevant Securities allocated to him; and
  - 6.4.3 the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Subscription Allocation Notice) at which completion of the subscription for the Relevant Securities shall take place.
- 6.5 Completion of a subscription for Relevant Securities pursuant to a Subscription Allocation Notice shall take place at the place, date and time specified in the Subscription Allocation Notice when the Subscriber will pay the relevant subscription monies to the Company in cleared funds and the Company will allot or grant the Relevant Securities to that Subscriber and deliver to that Subscriber a duly executed share certificate or certificate of grant (as the case may be) in respect of those Relevant Securities. If a Subscriber shall fail for any reason to pay the relevant subscription monies in respect of any Relevant Securities to the Company in cleared funds by the date specified in the Subscription Allocation Notice he shall:
- 6.5.1 be deemed to have declined the offer made to him in respect of those Relevant Securities which shall immediately be deemed to be released from the provisions of articles 6.2 to 6.4; and
  - 6.5.2 indemnify the Company against all costs, claims and expenses which the Company may suffer or incur as a result of such failure.
- 6.6 Any Relevant Securities which are not accepted pursuant to articles 6.2 to 6.4, and any Relevant Securities released from the provisions of those articles pursuant to article 6.5.1, may be offered by the Directors to a third party approved by Connection Capital with Management Consent (provided that such Management Consent will not be required if and for as long as an Event of Default has occurred and continues to subsist unwaived or otherwise unremedied) and such Relevant Securities shall, subject to the provisions of the Act and article 5.1, be at the disposal of the Directors who may allot, grant or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that:
- 6.6.1 no Share shall be issued at a discount;
  - 6.6.2 no Relevant Securities shall be allotted, granted or otherwise disposed of on terms which are more favourable than those on which they were offered to the Members pursuant to article 6.2; and

- 6.6.3 no Relevant Securities shall be allotted, granted or otherwise disposed of more than 3 months after the date of the relevant Subscription Notice relating to those Relevant Securities (or, in the case of Relevant Securities released from the provisions of articles 6.2 to 6.4 pursuant to article 6.5.1 or by virtue of the agreement by Connection Capital, the date of such release or agreement being given (as the case may be)) unless the procedure in articles 6.2 to 6.4 is repeated in relation to those Relevant Securities.
- 6.7 The provisions of articles 6.2 to 6.4 shall not apply:
- 6.7.1 to the grant of any option pursuant to a Share Option Scheme and the subsequent allotment and issue of any Shares on the exercise of such option; or
- 6.7.2 subject to article 6.8, to an issue of Relevant Securities at any time when the holders of the Investor Shares are entitled to exercise enhanced voting rights in respect of those shares pursuant to article 4.1 (regardless of whether or not such voting rights have actually been exercised at any general meeting or on any written resolution); or
- 6.7.3 to the grant, allotment, issue and/or disposal of Relevant Securities:
- (a) in consideration of the acquisition by the Company of any other company or business; or
  - (b) comprising Reserved Shares for the benefit of current or existing employees or directors of, or consultants to, any Group Company.
- 6.8 If an issue of Relevant Securities has taken place pursuant to this article 6 in circumstances where an Activation Notice has been served by Connection Capital and, in accordance with article 6.7.2, the provisions of articles 6.2 to 6.4 shall not have applied to any such issue (**Emergency Issue**), then within 10 Business Days following such an issue of Relevant Securities, the Company shall give notice (a **Catch-Up Notice**) to each Member not subscribing for such Relevant Securities (provided that a Catch-Up Notice need not be served on any Member who as at the date of the Catch-Up Notice, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name) offering such Members the right to subscribe for such number of A2 Ordinary Shares as would mean that, if fully taken up, they would each have the same proportion of Equity Shares as they had immediately prior to the Emergency Issue, at the same subscription price per Relevant Security within 30 Business Days of the date of service of such Catch-Up Notice provided that such Member shall also be required to subscribe for a pro rata amount of loan notes to any loan notes subscribed for by subscribing shareholders at the same time as the issue of the Relevant Securities that are subject of the Emergency Issue.
- 6.9 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company.
- 6.10 Notwithstanding any other provision of these Articles, unless Connection Capital agree otherwise, no Share shall be allotted to a person who is not already a party to the Investment Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Investment Agreement.
- 6.11 Where any Equity Share is issued to an existing Member holding Equity Shares, such new Equity Share shall, if so required by Connection Capital with Management Consent, (provided that such Management Consent will not be required if and for as long as an Event of Default has occurred and continues to subsist unwaived or otherwise unremedied) on and from the time of registration of the allotment of that share in the register of members of the Company, be immediately and automatically (without resolution of the Members or Directors) redesignated as a Share of the same class as the Equity Shares already held by such Member save that where such member holds A1 Ordinary Shares and A2 Ordinary Shares, any such Shares shall be redesignated as A2 Ordinary Shares.



## **7. TRANSFER OF SHARES - GENERAL**

7.1 Notwithstanding any other provision of these Articles, no Share (or interest in a Share) may be transferred and the Directors shall not register a transfer of any interest in a Share:

7.1.1 if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the reasonable opinion of Connection Capital) is of unsound mind; or

7.1.2 unless:

(a) the transfer is permitted by article 8; or

(b) the transfer is made in accordance with articles 9, 10, 11 or 12,

and in either case (other than in respect of a transfer pursuant to article 11 or 12) the transferee, if not already a party to the Investment Agreement and if such a deed is required under the Investment Agreement, has entered into a deed of adherence to, and in the form required by, the Investment Agreement, unless Connection Capital agree otherwise;

7.1.3 other than in the case of a Share Sale or a transfer pursuant to articles 11 or 12, if (in the reasonable opinion of the Remuneration Committee) it is to a competitor of the business of any Group Company from time to time or to any person who has any direct interest in such competitor.

7.2 The Directors may only refuse to register a transfer of Shares which is either permitted under article 8 or made in accordance with articles 9, 10, 11 or 12 if:

7.2.1 the transfer has not been lodged at the Company's registered office (or such other place as the Directors may nominate for this purpose);

7.2.2 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for a lost, stolen or damaged certificate in such form as is reasonably required by the Directors) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer;

7.2.3 the transfer is in respect of more than one class of Shares;

7.2.4 the transfer is in favour of more than four transferees; or

7.2.5 the transfer has not been properly stamped or certified as being not liable to stamp duty.

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

7.3 For the purposes of ensuring that:

7.3.1 a transfer of any Share is in accordance with these Articles;

7.3.2 no circumstances have arisen whereby a Member is required to give or may be deemed to have given a Transfer Notice in respect of any Share; or

7.3.3 no circumstances have arisen whereby the provisions of article 12 are required to be or ought to have been triggered,

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

7.4 If any information or evidence provided pursuant to article 7.3 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Member may be required to give or be deemed to have given a Transfer Notice the Directors may with the

consent of Connection Capital (and shall, if so requested to do so by Connection Capital) by notice in writing to the relevant Member require that a Transfer Notice be given in respect of the Shares concerned.

- 7.5 In any case where a Member is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Directors to the relevant Member requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days. Notwithstanding any other provision of these Articles, unless Connection Capital notifies the Company otherwise, where the Relevant Member is a Bad Leaver or an Early Leaver, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 7.5 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice which are derived from any Share which is the subject of that Transfer Notice, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise), shall with effect from the date of the relevant deemed Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of such shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Shares.
- 7.6 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any Encumbrance.
- 7.7 Where any Shares are the subject of a Transfer Notice (including a Compulsory Transfer Notice deemed to have been given in accordance with article 10.3), no transfer of any such Shares shall be permitted pursuant to article 8.
- 7.8 Where any Equity Share is transferred to an existing Member holding Equity Shares, such Equity Share shall, on and from the time of registration of the transfer of that share in the register of members of the Company, be immediately and automatically (without resolution of the Members or Directors) redesignated as a Share of the same class as the Equity Shares already held by such Member. Where such Member holds A1 Ordinary Shares and A2 Ordinary Shares, any such Shares shall be redesignated as A2 Ordinary Shares.

## **8. PERMITTED TRANSFERS**

### **8.1 Investor Shares**

Any Investor Share may be transferred at any time to:

- 8.1.1 the investment fund or co-investment plan for whom the Shares are held;
- 8.1.2 another nominee or trustee for, or general partner of, the investment fund or co-investment plan or underlying beneficial owner for whom the Shares are held;
- 8.1.3 another investment fund or co-investment plan which is managed or advised by the same manager or adviser as the transferor or as the investment fund or co-investment plan for whom the Shares are held;
- 8.1.4 any unitholder, shareholder, partner or participant in, or manager or adviser (or a partner, member, officer or employee, past or present, of such manager or adviser) of the investment fund or co-investment plan for whom the Shares are held;
- 8.1.5 another investment vehicle of the person for whom the Shares are held;
- 8.1.6 another member of Connection Capital's investor client network, or that other member's nominated investment vehicle (with the prior consent of Connection Capital provided that, in each case, such other member of Connection Capital's investor client network or other member's nominated investment vehicle (as the case may be) is at the time of transfer of any Investor Share, managed or advised by Connection Capital; or

- 8.1.7 a manager, custodian, nominee or trustee (or other person so authorised) of any person mentioned in articles 8.1.1 to 8.1.6, or by any such manager, custodian, nominee or trustee to any such person.

## 8.2 **Transfer with consent**

Any A1 Ordinary Shares and/or A2 Ordinary Shares may at any time be transferred with the prior consent of Connection Capital.

## 8.3 **Transfer within corporate group**

- 8.3.1 Any Member which is a body corporate may at any time transfer any Shares held by it to a company which is for the time being a subsidiary or holding company of that Member or another subsidiary of such holding company (each a **member of the same group**).
- 8.3.2 Where, following a transfer or series of transfers of Shares pursuant to this article 8.3, the transferee of any Shares ceases at any time for any reason to be a member of the same group as the original transferor of those Shares, such transferee shall forthwith transfer all the Shares held by it to the original transferor (or another member of the same group as that original transferor) for such consideration as they may agree between them and, if they do not agree such consideration or if the transfer is not effected for any other reason within 20 Business Days of the date on which the transferee ceased to be a member of the same group as the original transferor, the Directors may (and shall, if so requested to do by Connection Capital) either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares or require such transferee to serve a Transfer Notice in respect of all the Shares held by it in which case the provisions of article 9 shall apply.

## 8.4 **Transfer to a Family Member**

- 8.4.1 Subject to article 8.4.2 any individual Member may at any time transfer up to 50% in aggregate of the total number of Shares held by him from time to time to one or more of his Family Members.
- 8.4.2 No transfer of Shares shall be permitted pursuant to article 8.4.1 if the registration of that transfer would result in the number of Shares held by the relevant transferor representing less than 50% of the total number of Shares held from time to time by that transferor, his Family Members and/or any Family Trust of his (where such Family Member or Family Trust acquired Shares, directly or indirectly, from that transferor).
- 8.4.3 Where, following a transfer of Shares pursuant to article 8.4.1, the transferee of those Shares ceases for any reason to be a Family Member of the original transferor of those Shares or one of the events specified in articles 10.1.1 to 10.1.7 occurs in relation to the transferee, such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) shall within 20 Business Days of a written request so to do from the Directors or Connection Capital, transfer all the Shares held by them to the original transferor failing which the Directors may (and shall, if so requested to do by Connection Capital) at any time either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) and register the original transferor of those Shares as the holder of such Shares or require such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) to serve a Transfer Notice in respect of all the Shares held by him and the provisions of article 9 shall apply.

8.4.4 A Family Member to whom Shares have been transferred pursuant to this article 8.4 may transfer those Shares back to the original transferor at any time but may not otherwise transfer such Shares pursuant to this article 8.4 or article 8.5.

8.4.5 For the avoidance of doubt, the provisions of article 8.4.3 shall apply in priority to the provisions of article 10 in relation to a transfer of Shares required following the occurrence of one of the events in articles 10.1.1 to 10.1.7 in relation to a transferee.

## **8.5 Transfer to a Family Trust**

8.5.1 Subject to articles 8.5.2 and 8.5.3, any individual Member may at any time transfer up to 50% in aggregate of the total number of Shares held by him from time to time to one or more trustees to be held on a Family Trust.

8.5.2 No transfer of Shares shall be permitted pursuant to article 8.5.1 if the registration of that transfer would result in the number of Shares held by the relevant transferor representing less than 50% of the total number of Shares held from time to time by that transferor, his Family Members and/or any Family Trust of his (where such Family Member or Family Trust acquired Shares, directly or indirectly, from that transferor).

8.5.3 No transfer of Shares shall be permitted pursuant to article 8.5.1 unless Connection Capital is satisfied:

- (a) with the terms of the instrument constituting the Family Trust;
- (b) with the identity of the proposed trustee(s) of the Family Trust;
- (c) that the proposed transfer will not result in more than 30% of the Equity Shares being held by the trustee(s) of the Family Trust and any other trust; and
- (d) that no costs incurred in the setting up or administration of the Family Trust are to be paid by any Group Company.

8.5.4 Where any Shares are held by a trustee(s) on a Family Trust, those Shares may be transferred to:

- (a) any new trustee(s) of the Family Trust appointed on a change in trustee(s);
- (b) the settlor of such Family Trust;
- (c) the trustees of another Family Trust which has the same settlor; or
- (d) any Family Member of the settlor of such Family Trust on their becoming entitled to such Shares under the terms of the Family Trust.

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

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

the trustee(s) shall forthwith, and in any event within 20 Business Days of the date on which the trust ceased to be such a Family Trust or there ceased to be any beneficiaries as above, transfer all the Shares held by them to the original transferor failing which the Directors may (and shall, if so requested to do by Connection Capital) at any time either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares or require such trustee(s) to serve a Transfer Notice in respect of all the Shares held by them and the provisions of article 9 shall apply.

## 8.6 Transfer by Employee Trust

Where any Shares are held by a Nominee Warehouse or trustee(s) of an Employee Trust, those Shares may be transferred to:

- 8.6.1 any new trustee(s) of the Employee Trust appointed on a change in trustee(s);
- 8.6.2 any beneficiary of the Employee Trust provided the transfer is made pursuant to, and in accordance with the rules of, a Share Option Scheme;
- 8.6.3 any employee or director of, or consultant, to any Group Company in accordance with the scheme pursuant to which the Nominee Warehouse was established; or
- 8.6.4 in the event of a Realisation, any holder(s) of A2 Ordinary Shares (being a current employee or officer of, or consultant to, a Group Company but not a Leaver) nominated by the Remuneration Committee prior to such Realisation, unless and for so long as an Event of Default has occurred and is continuing unremedied and/or unwaived, in which case any such transfers will require the consent of Connection Capital.

## 9. PRE-EMPTION ON TRANSFER OF SHARES

### 9.1 Transfer Notice

- 9.1.1 Except as permitted under article 8 (Permitted Transfers) or as provided for in articles 11 (Drag Along) and 12 (Tag Along), any Member (a **Seller**) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a **Transfer Notice**) to the Company of his wish.
- 9.1.2 Subject to article 9.1.3, a Transfer Notice shall:
  - (a) state the number and class of Shares (the **Sale Shares**) which the Seller wishes to transfer;
  - (b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares;
  - (c) state the price per Share (the **Proposed Price**) at which the Seller wishes to transfer the Sale Shares;
  - (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 9 (a **Total Transfer Condition**);
  - (e) relate to only one class of Share; and
  - (f) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 9.
- 9.1.3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with article 10.3):
  - (a) it shall relate to all the Shares registered in the name of the Seller;
  - (b) it shall not contain a Total Transfer Condition;
  - (c) (subject to article 11.9), it shall be irrevocable; and
  - (d) subject to articles 7.5 and 10.6, the Seller may retain any Sale Shares for which Buyers (as defined in article 9.5.2) are not found.

## 9.2 Transfer Price

- 9.2.1 The Sale Shares will be offered for sale in accordance with this article 9 at the following price (the **Transfer Price**), subject to the approval of Connection Capital:
- (a) subject to the consent of the Remuneration Committee, where a Transfer Notice is one which is not deemed to have been given by virtue of any provision of these articles, the Proposed Price; or
  - (b) such price as may be agreed between the Seller and the Directors, with the consent of the Remuneration Committee, within 30 Business Days of the date of service (or deemed service) of the Transfer Notice; or
  - (c) if no price is agreed pursuant to article (a) or article (b) within the period specified in that article, or if the Remuneration Committee directs at any time during that period, the Fair Value.
- 9.2.2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 9.2.1(b) or if the Remuneration Committee directs in accordance with article 9.2.1(c), the Directors shall, within 5 Business Days of expiry of the period referred to in article 9.2.1(b) or, if earlier, the receipt of a direction from the Remuneration Committee under article 9.2.1(c), instruct the Expert to determine and certify the Fair Value of the Sale Shares in accordance with article 26.
- 9.2.3 Where the Fair Value is less than the price proposed by the Remuneration Committee to the Seller by a margin of 10% or more (such price having been so proposed prior to receipt of the Expert's report by the Company) then the Expert's fees shall be borne wholly by the Seller.

## 9.3 Board Invitees

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

- 9.3.1 the trustees of any Employee Trust; and/or
- 9.3.2 a nominee warehouse which holds Shares and/or will hold the Shares in question for the benefit of current and/or future employees or officers of, or consultants to, any Group Company on terms approved by the Remuneration Committee (**Nominee Warehouse**); and/or
- 9.3.3 any person(s) (being a current or future employee or officer of a Group Company) nominated by the Remuneration Committee,

as directed by the Remuneration Committee in the period of three months after the date on which the Transfer Price is agreed or determined in accordance with these Articles or, if no such direction is made by the Remuneration Committee in accordance with this article 9.3 within that period, any person referred to in 9.3.1 to 9.3.3 (inclusive) as selected by Connection Capital within a further period of three months.

## 9.4 Offer Notice

- 9.4.1 Subject to article 9.4.2, the Directors shall serve a notice (an **Offer Notice**) on all Members and any Board Invitees (as the case may be) to whom the Sale Shares are to be offered in accordance with these Articles as soon as reasonably practicable after (and in any event within 20 Business Days of) whichever is the first to occur of:
- (a) the period prescribed in article 9.3 for the selection of Board Invitees having expired; or
  - (b) the identity of all Board Invitees having been determined with the consent of the Remuneration Committee; or
  - (c) the Remuneration Committee determining 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.

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

9.4.3 An Offer Notice shall:

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

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

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

<b>Class of Sale Shares</b>	<b>First offer to:</b>	<b>Second offer to:</b>
A1 Ordinary Shares	Board Invitees	Members holding A1 Ordinary Shares and/or A2 Ordinary Shares (as if one class)
A2 Ordinary Shares	Board Invitees	Members holding A1 Ordinary Shares and/or A2 Ordinary Shares (as if one class)
B Ordinary Shares	Members holding Investor Shares	Members holding A1 Ordinary Shares and/or A2 Ordinary Shares (as if one class)
Ordinary Shares	Members holding Investor Shares	Members holding A1 Ordinary Shares and/or A2 Ordinary Shares (as if one class)

## 9.5 Allocation of Sale Shares

9.5.1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Members holding shares of a class specified in a column in the table in article 9.4.4 having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the **Allocation Date**), the Directors shall allocate the Sale Shares in accordance with the applications received in the priorities and in respect of each class of persons set out in the table in article 9.4.4 provided that:

- (a) if there are applications from any category of offerees for more than the number of Sale Shares available for that category, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as

practicable but without allocating to any applicant more Sale Share than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively;

- (b) the allocation of any fractional entitlements to Sale Shares amongst the members of a particular class of Shares shall be dealt with by the Directors, with the consent of the Remuneration Committee, in such manner as they see fit;
- (c) the allocation of Sale Shares between two or more Board Invitees shall be at the absolute discretion of the Directors, subject to the approval of the Remuneration Committee; and
- (d) no Sale Shares shall be allocated to any Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name.

9.5.2 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Member or Board Invitee to whom Sale Shares have been allocated pursuant to article 9.5.1 (each a **Buyer**). An Allocation Notice shall state:

- (a) the number and class of Sale Shares allocated to that Buyer;
- (b) the name and address of the Buyer;
- (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
- (d) the information (if any) required pursuant to article 9.5.4; and
- (e) subject to article 9.5.4, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.

9.5.3 Subject to article 9.5.4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer or the Company.

9.5.4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 9.5.1 is less than the total number of Sale Shares then:

- (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the **Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;
- (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not less than 5 Business Days nor more than 10 Business Days) specified in the Allocation Notice;
- (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 9.4.4, 9.5.1(a) to 9.5.1(c); and
- (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article 9.5.4 (c), and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 9.5.2 but omitting article 9.5.2(d) of that article.

9.5.5 Subject to article 9.5.6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 9.5.4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer.



9.5.6 If after following the procedure set out in this article 9 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then:

- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 9 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 9; and
- (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.

## 9.6 Default by the Seller

9.6.1 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 9, the Directors may (and will if requested to do so by Connection Capital) authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and (against receipt of the relevant purchase price) deliver that transfer to the relevant Buyer.

9.6.2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 9.6 the validity of the proceedings shall not be questioned by any person.

9.6.3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors with the consent of Connection Capital).

## 9.7 Transfers following exhaustion of pre-emption rights

If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this article 9 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 9.5.6(b), sell any of those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price as a bona fide sale (without any deduction, rebate or allowance to the proposed purchaser) provided that:

9.7.1 no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Member without the prior written consent of Connection Capital;

9.7.2 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without Management Consent (provided that such Management Consent will not be required if and for as long as an Event of Default has occurred and continues to subsist unwaived or otherwise unremedied) and the prior written consent of Connection Capital; and

9.7.3 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 12 until such time as that offer has been made and, if accepted, completed.

10. **COMPULSORY TRANSFERS**

10.1 Subject to article 8.4.5, in this article 10 each of the following shall be a **Transfer Event** in relation to a Member:

- 10.1.1 the death of that Member;
- 10.1.2 an order being made for the bankruptcy of that Member or a petition being presented for such bankruptcy which petition is not withdrawn or dismissed within 10 Business Days of being presented;
- 10.1.3 the Member convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally;
- 10.1.4 the Member being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1986);
- 10.1.5 any step being taken for the appointment of a receiver, manager or administrative receiver over all or any part of the Member's assets, or any other steps being taken to enforce any Encumbrance over all or any part of the Member's assets or any Shares held by that Member;
- 10.1.6 any proceedings or orders equivalent or analogous to any of those described in articles 10.1.2 to 10.1.5 above occurring in respect of the Member under the law of any jurisdiction outside England and Wales;
- 10.1.7 that Member suffering from mental disorder and being admitted to hospital or, by reason of his mental health, being subject to any court order which wholly or partly prevents that Member from personally exercising any powers or rights which that Member would otherwise have;
- 10.1.8 that Member:
  - (a) being a director or employee of, or a consultant to, a Group Company, ceasing to be such a director, employee or consultant (including where such cessation occurs as a result of a Group Company ceasing to be a Group Company) where the Member does not remain, or immediately become, a director or employee of, or a consultant to, another Group Company; or
  - (b) suffering from any long-term sickness resulting in absence from work for more than six months and/or making a successful application under any Group Company's permanent health insurance policy;
- 10.1.9 that Member breaching any of clauses 7, 9 or 10 of the Investment Agreement (to the extent that such Member is a party to, or has adhered to, the Investment Agreement) which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of Connection Capital within 10 Business Days of a notice from Connection Capital to the member requesting such remedy,

and, in any such case, the Remuneration Committee notifying the Company within twelve months of the occurrence of such event (or, if later, within twelve months of the date on which the Directors first became aware of the occurrence of such event) that such event is a Transfer Event in relation to that Member for the purposes of this article 10.

10.2 Notwithstanding any of the provisions of articles 10.1 or 10.3, there shall be no Transfer Event and the Remuneration Committee shall not notify the Company of a Transfer Event in relation to any Member's A1 Ordinary Shares (and A1 Ordinary Shares shall not be included in the definition of Compulsory Transfer Shares and no Compulsory Transfer Notice shall be deemed to have been served in respect of (or to comprise) any A1 Ordinary Shares) unless the Member is: (i) an Early Leaver or (ii) a Bad Leaver, and in each case the Remuneration Committee has notified the Company that there should be a Transfer Event in relation to that Member's A1 Ordinary Shares.

10.3 Upon the Remuneration Committee notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 10.1, that Relevant Member and any other

person holding Compulsory Transfer Shares in respect of that Relevant Member, shall be deemed to have served a Transfer Notice (a **Compulsory Transfer Notice**) in respect of all the Compulsory Transfer Shares held from time to time by each of them respectively (together, the **RM Compulsory Transfer Shares**). A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any RM Compulsory Transfer Shares.

10.4 The RM Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 9 as if the RM Compulsory Transfer Shares were Sale Shares except that where the relevant Transfer Event falls within the provisions of article 10.1.8 or article 10.1.9, subject to article 10.7 the Transfer Price in respect of the RM Compulsory Transfer Shares shall be:

10.4.1 where the Relevant Member is an Early Leaver or a Bad Leaver, whichever is the lower of:

- (a) their Fair Value; and
- (b) their Issue Price,

and the Remuneration Committee shall have discretion to procure to settle such amounts by way of issuing Leaver Loan Notes;

10.4.2 where the Relevant Member is an Intermediate Leaver:

- (a) in respect of the RM Compulsory Transfer Shares which are Vested Shares, whichever is the higher of Issue Price and their Fair Value;
- (b) in respect of the RM Compulsory Transfer Shares which are not Vested Shares, the lower of Issue Price and Fair Value; and

10.4.3 where the Relevant Member is a Good Leaver, whichever is the higher of Issue Price and their Fair Value.

10.5 For the purposes of article 10.1.8 the date of cessation of a Member's employment, directorship or engagement shall be (or be deemed to be) whichever is the first to occur of:

10.5.1 the date of a notice given by a Group Company to the Member terminating (or purporting to terminate) that Member's employment, directorship or engagement with the Group (or, if later, the date specified in any such notice as being the termination date), regardless of whether any such notice constitutes unfair or wrongful dismissal;

10.5.2 the date of a notice given by a Member to a Group Company terminating (or purporting to terminate) that Member's employment, directorship or engagement with the Group (or, if later, the date specified in any such notice as being the termination date), regardless of whether any such notice may lawfully be given by the Member;

10.5.3 the date on which a repudiatory breach of any contract of employment or engagement by either the Member or a Group Company is accepted by the other party to that contract;

10.5.4 the date of any event which results in the termination of the contract of employment or engagement under the doctrine of frustration; or

10.5.5 in any circumstances other than those specified in articles 10.5.1 to 10.5.4, the date on which the Member actually ceases to be employed or engaged by the Group.

10.6 Notwithstanding any other provision of these Articles, unless the Remuneration Committee notifies the Company otherwise, where a Relevant Member is a Bad Leaver or an Early Leaver, all Shares (including any A1 Ordinary Shares and any Vested Shares) held by such Relevant Member and any other person holding Compulsory Transfer Shares shall, with effect from the date of the relevant Compulsory Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer on the holder of those Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as

another person is entered in the register of members of the Company as the holder of those Shares.

- 10.7 If a Member is a Good Leaver or an Intermediate Leaver, but subsequently breaches any of the provisions of clause 6 (Restrictive Covenants) of the Acquisition Agreement or clause 9 of the Investment Agreement then, for the purposes of article 10.4 and unless the Remuneration Committee notify the Company otherwise, such person will repay to the Company (or such other person as the Board may, with the consent of Connection Capital, direct) *the difference between the amount received and the aggregate amount that payable for the Compulsory Transfer Shares had the applicable Member been categorised as a Bad Leaver.*

- 10.8 Articles 27(2)(a) and 28 of the Model Articles shall not apply to the Company.

## 11. **DRAG ALONG**

- 11.1 If holders of the Ordinary Shares (together the **Selling Members**) wish to transfer all their Shares (as a single transaction or through a series of related transactions) to a bona fide arm's length Third Party Purchaser and/or to any of such purchaser's connected persons and/or anybody acting in concert with it (the **Proposed Purchaser**) on arm's length terms (a **Drag Event**), they shall have the option (a **Drag Along Option**) to require all of the other Members (the **Remaining Members**) to transfer all their Shares with full title guarantee to the Proposed Purchaser (or as the Proposed Purchaser shall direct) in accordance with and subject to this article 11. During the period from the Adoption Date until the fifth anniversary of the Adoption Date, the Selling Members shall require Management Consent (provided that such Management Consent will not be required if and for as long as an Event of Default has occurred and continues to subsist unwaived or otherwise unremedied) in order to exercise the Drag Along Option. After the fifth anniversary of the Adoption Date the Selling Members may exercise the Drag Along Option without any requirement for such Management Consent but shall keep the Remaining Members reasonably informed in connection with and throughout the process until completion of the sale of Remaining Shares (as defined below) in accordance with this article 11.

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

- 11.2.1 that the Remaining Members are required to transfer all their Shares (the **Remaining Shares**) pursuant to this article 11;
- 11.2.2 the identity of the Proposed Purchaser;
- 11.2.3 the amount and form of the consideration for which the Remaining Shares are to be transferred in accordance with article 11.4 (the **Drag Along Consideration**);
- 11.2.4 the amount of the Investor Loan Notes, the Management Loan Notes and (as the case may be) of the Leaver Notes to be redeemed and/or acquired and the amount to be paid in respect of such redemption or acquisition (including, in respect of any accrued but unpaid interest) in accordance with article 11.5; and
- 11.2.5 the proposed date of transfer (if known) and the other terms and conditions of sale (if known) together with all sale documents required to be executed by the Remaining Members to give effect to the relevant transfer (if available).

- 11.3 A Drag Along Notice:

- 11.3.1 may be revoked by the Selling Members by notice to the Remaining Members at any time prior to the completion of the sale and purchase of the Remaining Shares; and

- 11.3.2 shall lapse if for any reason the sale of the Selling Members' Shares to the Proposed Purchaser is not completed within 40 Business Days of the date of service of the Drag Along Notice (such lapse being without prejudice to the right of the Selling Members to serve any further Drag Along Notice following such lapse).
- 11.4 Subject to articles 11.5 and 11.6 and unless otherwise agreed by a Selling Member (in respect of its Shares only): the Drag Along Consideration shall be, in respect of each Remaining Share, the same consideration (being the highest price per Share paid, offered, given and/or payable by, and/or due from, the Proposed Purchaser for the Shares held, sold and/or to be sold by the Selling Members) in the same form and due at the same time(s), as that offered, given, paid or payable by, or due from, the Proposed Purchaser in respect of each Share held by the Selling Members together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Members which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held, sold and/or to be sold by them.
- 11.5 To the extent that Investor Loan Notes, Management Loan Notes and/or Leaver Loan Notes are required or are otherwise agreed to be redeemed or acquired upon, or in addition to, or as a consequence of, a Drag Event, the total proceeds (whether paid by the Proposed Purchaser (or at its direction), Bidco, the Company or otherwise) paid or to be paid in addition to the redemption or purchase of the Investor Loan Notes, the Management Loan Notes and the Leaver Loan Notes (including any amounts to be paid in respect of accrued but unpaid interest) and all consideration to be paid for Shares (in aggregate, the **Drag Proceeds**) shall be applied in the following order and priority:
- 11.5.1 first, to the holders of the Investor Loan Notes in respect of all amounts owing to the holders of Investor Loan Notes in their capacity as holders of the Investor Loan Notes only;
- 11.5.2 second, to the holders of Management and (as the case may be) Leaver Loan Notes in respect of all amounts owing to the holders of Management Loan Notes and/or Leaver Loan Notes (as the case may be) in their capacity as holders of Management Loan Notes and/or Leaver Loan Notes (as the case may be) only; and
- 11.5.3 third to the holders of Shares in accordance with article 11.4,
- and it shall be a condition to the sale of the Shares pursuant to the Drag Event that the Drag Proceeds are distributed in accordance with this article 11.5.
- 11.6 Prior to completion of the sale and purchase of the Remaining Shares, Connection Capital may direct by notice in writing to the Company that any Remaining Member who, at the date of the Drag Along Notice, is bound to give or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name (including, for the avoidance of doubt, a Compulsory Transfer Notice) is paid the cash equivalent of any non-cash consideration due to the Selling Members from the Proposed Purchaser in lieu of such non-cash consideration. Such cash consideration in lieu may be paid to a Remaining Member either on completion or at the same time as the relevant non-cash consideration is received by the Selling Members at the absolute discretion of Connection Capital. Any dispute in relation to the amount of any cash consideration in lieu of any non-cash consideration which has not been resolved within 10 Business Days of the date of the Drag Along Notice shall be referred to the Expert for determination in accordance with article 26.
- 11.7 Completion of the sale and purchase of the Remaining Shares shall take place on the same date as completion of the sale and purchase of the Selling Members' Shares or such later date, being not more than 20 Business Days after the date of such completion, as the Selling Members and Remaining Members may direct in writing.
- 11.8 Upon the service of a Drag Along Notice each Remaining Member shall be deemed to have irrevocably appointed each of the Selling Members (severally) as the agent of the Remaining Member to execute, in the name of and on behalf of that Remaining Member, any stock transfer form and covenant for full title guarantee in respect of the Remaining

Shares registered in the name of that Remaining Member and to do such other things as necessary to transfer and complete the sale of the Remaining Shares pursuant to this article 11 provided always that the transfer of such Shares shall not be registered unless and until the relevant Remaining Member (or the Company, as bare trustee for the Remaining Member) has received the consideration for the sale of his Shares.

- 11.9 The provisions of this article 11 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption and other restrictions on transfer of Shares contained in these Articles shall not apply to the transfer of any Shares to a Proposed Purchaser named in a Drag Along Notice (or as that Proposed Purchaser may direct). Any Transfer Notice or Compulsory Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 9 shall automatically be revoked by the service of a Drag Along Notice.
- 11.10 The sale of Remaining Shares pursuant to exercise of a Drag Along Option shall be on no more onerous terms and conditions (including the same or no more onerous representations, warranties, covenants, undertakings, indemnities and requirements relating to contributing to any retention (if any)) for which the Selling Members are selling their Shares.
- 11.11 Where at any time after the service of a Drag Along Notice but before completion of the sale and purchase of the Remaining Shares by the Proposed Purchaser, any person (a **New Member**) becomes a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Member. Upon the deemed service of a Drag Along Notice pursuant to this article 11.11 the New Member shall become bound to sell and transfer to the Proposed Purchaser (or as the Proposed Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 11 shall apply mutatis mutandis to the sale of any such Shares by such New Member provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
  - 11.11.1 the date on which a Drag Along Notice is deemed to have been served on the New Member pursuant to this article 11.11; and
  - 11.11.2 the date of completion of the sale and purchase of the Remaining Shares pursuant to the original Drag Along Notice.

## 12. TAG ALONG

- 12.1 Subject to article 11 in circumstances where a Drag Along Notice has been served (and has not lapsed or been revoked) and save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 8, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Investor Shares (the **Committed Shares**) shall be made, permitted or registered unless the relevant third party transferee (**Tag Buyer**) makes a bona fide offer (a **Tag Along Offer**) by notice in writing (a **Tag Along Notice**) to acquire, in accordance with this article 12, from all the Members other than the Investors the equivalent percentage of their Equity Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration or at the price, (the **Tag Along Consideration**) calculated in accordance with articles 12.4 and 12.5 (a **Tag Event**).
- 12.2 Where the Committed Shares equate to more than 50% of the issued Investors Shares the Tag Buyer shall serve a Tag Along Notice to acquire all of the Shares held by Members other than the Investors and such shares shall be deemed to be Uncommitted Shares for the purposes of this article 12.
- 12.3 A Tag Along Notice shall:
  - 12.3.1 state the Tag Along Consideration (in accordance with article 12.4 and subject to article 12.5);
  - 12.3.2 state the identity of the relevant Tag Buyer;
  - 12.3.3 invite the relevant offerees to respond in writing to the Tag Buyer stating that

- they wish to accept the Tag Along Offer;
- 12.3.4 state the amount of the Investor Loan Notes, Management Loan Notes and (as the case may be) Leaver Loan Notes to be redeemed and/or acquired and the amount to be paid in respect of such redemption or acquisition (including in respect of such any accrued but unpaid interest) in accordance with article 12.7; and
  - 12.3.5 subject to article 12.5.1, expire, and the offer made in that notice shall be deemed to be withdrawn, on the date (being not less than 10 nor more than 20 Business Days after the date of the Tag Along Notice) specified in that notice.
- 12.4 For the purposes of this article 12 and subject to article 12.7, the Tag Along Consideration shall be the same consideration per Uncommitted Share (being the highest price per Committed Share sold, held and/or to be sold, to be paid, payable, due, given and/or offered by the Tag Buyer) in the same form and due at the same time(s) (save in the event of any Listing where consideration shares issued to Members holding A1 Ordinary Shares and/or A2 Ordinary Shares might be subject to lock-in provisions which might not apply to consideration shares issued to the Investors) as that offered, given, paid or payable by, or due from, the Tag Buyer in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.
- 12.5 If the Tag Along Consideration cannot be agreed between the Tag Buyer and the holders of not less than 75% of the Uncommitted Shares within 10 Business Days of the date of the Tag Along Notice, such matter shall be referred for determination to the Expert on the basis set out in article 12.4 (in accordance with article 26) and, pending their determination:
- 12.5.1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Expert's determination of the Tag Along Consideration is served on the Tag Buyer and the Members holding Uncommitted Shares; and
  - 12.5.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.
- 12.6 Completion of the sale and purchase of the Uncommitted Shares shall take place on the same date as completion of the sale and purchase of the Committed Shares.
- 12.7 To the extent that Investor Loan Notes, Management Loan Notes and/or Leaver Loan Notes are required or are otherwise agreed to be redeemed or acquired upon, or in addition to, or as a consequence of, a Tag Event, the total proceeds (whether paid by the Tag Buyer (or at its direction), Bidco, the Company or otherwise) paid or to be paid in addition to the redemption or purchase of the Investor Loan Notes, the Management Loan Notes and the Leaver Loan Notes (including any amounts to be paid in respect of accrued but unpaid interest) and all consideration to be paid for Shares (in aggregate, the **Tag Proceeds**) shall be applied in the following order and priority:
- 12.7.1 first, to the holders of the Investor Loan Notes in respect of all amounts owing to the holders of Investor Loan Notes in their capacity as holders of the Investor Loan Notes only;
  - 12.7.2 second, to the holders of Management Loan Notes and (as the case may be) Leaver Loan Notes in respect of all amounts owing to the holders of Management Loan Notes and/or Leaver Loan Notes (as the case may be) in their capacity as holders of Management Loan Notes and/or Leaver Loan Notes (as the case may be) only; and
  - 12.7.3 third, to the holders of Shares in accordance with article 12.4,
- and it shall be a condition to the sale of the Shares pursuant to the Tag Event that the Tag Proceeds are distributed in accordance with this article 12.7.

**13. GENERAL MEETINGS**

13.1 Without prejudice to the provisions of sections 302 and 288(3) of the Act, any Investor Director acting alone may:

13.1.1 call a general meeting of the Company; or

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

13.2 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two Members, of whom at least one shall be a holder of Investor Shares and one shall be a holder of A1 Ordinary Shares, present either in person, by proxy or by a duly appointed corporate representative shall be a quorum unless the holders of the Ordinary Shares are entitled to be enhanced voting rights in accordance with article 4.1, in which case a holder of A1 Ordinary Shares shall not be required for a general meeting to be quorate.

13.3 Article 40(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of Connection Capital (such consent not to be unreasonably withheld or delayed);".

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

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

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

13.7 Article 45(1) of the Model Articles shall be amended as follows:

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

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

13.8 The Company shall not be required to give notice of a general meeting to a Member:

13.8.1 whose registered address is outside the United Kingdom unless he has provided an address for service within the United Kingdom; or

13.8.2 for whom the Company no longer has a valid United Kingdom address.

**14. APPOINTMENT AND REMOVAL OF DIRECTORS**

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

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

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

14.2.2 that Director failing to take part in any directors' decisions for a period of more



than 6 consecutive months and the Directors, with Management Consent (provided that such Management Consent will not be required if and for as long as an Event of Default has occurred and continues to subsist unwaived or otherwise unremedied) and the consent of Connection Capital, resolving that his appointment as a Director should terminate (and the director in question shall not be an "Eligible Director" for the purposes of such resolution of the Directors); or

- 14.2.3 all the other Directors requesting his resignation by notice in writing. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more persons) must be left at or sent by post to the registered office of the Company (or another address nominated by the Directors, with the consent of Connection Capital, for this purpose) and the resignation shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

Article 18 of the Model Articles shall be extended accordingly.

- 14.3 The holders of the majority of the A1 Ordinary Shares for the time being shall be entitled to appoint up to three people as directors of the Company (each being a **Management Director**) and shall be entitled at any time to remove or substitute any director(s) so appointed. A Management Director cannot be removed or substituted, or have his or her office terminated by any person or entity other than the holders of the majority of the A1 Ordinary Shares, save for in the event that a valid Activation Notice has been served by Connection Capital in accordance with article 4.1 following and in respect of the occurrence of an Event of Default, which continues to subsist unwaived or otherwise unremedied, in which case Connection Capital shall have the right to remove any Management Director. For the avoidance of doubt, on the relevant Event of Default being waived or remedied, such Management Director shall not automatically be reappointed as a director.

## 15. **INVESTOR DIRECTORS, CHAIRMAN AND OBSERVER**

- 15.1 Connection Capital may, from time to time and on more than one occasion:

15.1.1 appoint up to two people to be non-executive directors of the Company (each being an **Investor Director**) and, from time to time and on more than one occasion, remove any such person appointed by them;

15.1.2 subject to obtaining Management Consent, such consent not to be unreasonably withheld and provided that such consent will not be required if and for as long as an Event of Default has occurred and continues to subsist unwaived or otherwise unremedied:

(a) appoint any person to be the chairman of the Directors; and

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

15.1.3 appoint any person to attend, observe or speak at meetings of the Directors and from time to time and on more than one occasion, remove any such person appointed by them.

- 15.2 Any appointment or removal pursuant to article 15.1 shall be made by notice in writing to the Company. Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.

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

- 15.4 Upon written request from Connection Capital, the Company shall procure that any Investor Director or the chairman (subject to article 15.1.2 in respect of the chairman), is forthwith

appointed as a director of any other Group Company indicated in such request.

- 15.5 If at any time there is no Investor Director serving, or the serving Investor Directors decline to give a decision on any matter, then any matter in these Articles requiring the consent or approval of the Investor Director(s) may be consented to or approved by Connection Capital and any notice, information, document or other matter or thing required to be given or delivered to the Investor Director(s) shall be given or delivered to Connection Capital.
- 15.6 Subject to regulatory, legal, professional and/or client conduct rules, obligations and restrictions and confidentiality applicable to the business of any Group Company and/or applicable to any Group Company's respective directors, employees and/or consultants: each Investor Director (and any alternate Director appointed by him from time to time) shall be entitled to make such disclosure to the holders of the Investor Shares in relation to the business and affairs of the Group as he may, in his absolute discretion, see fit.
- 15.7 Article 12(1) to 12 (3) of the Model Articles shall not apply to the Company.
- 15.8 In the event that Jacqueline Bowie, Matthew Waterman, Ivan Harkins, Ian MacFarlane or any other Management Director has been removed as a Director pursuant to article 18.7.3, such person shall, whilst and for so long as he remains employed by the Company, be entitled to attend, observe or speak at meetings of the Directors.
16. **ALTERNATE DIRECTORS**
- 16.1 Subject to article 16.2, any Director (in this article 16, an **appointor**) may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:
- 16.1.1 exercise that director's powers; and
- 16.1.2 *carry out that director's responsibilities,*
- in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.
- 16.2 The appointment by an Investor Director of an alternate director shall not be subject to approval by resolution of the Directors.
- 16.3 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors with the consent of Connection Capital.
- 16.4 The notice must:
- 16.4.1 identify the proposed alternate; and
- 16.4.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 16.5 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.
- 16.6 Save as provided otherwise in these Articles, alternate Directors:
- 16.6.1 are deemed for all purposes to be Directors;
- 16.6.2 are liable for their own acts and omissions;
- 16.6.3 are subject to the same restrictions as their appointors; and
- 16.6.4 are not deemed to be agents of or for their appointors,
- and, in particular, each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.
- 16.7 A person who is an alternate Director but not a Director:
- 16.7.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- 16.7.2 may participate in a unanimous decision of the Directors (but only if his

appointor is an Eligible Director in relation to that decision and does not himself participate); and

- 16.7.3 shall not be counted as more than one Director for the purposes of articles 16.7.1 and 16.7.2.
- 16.8 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.
- 16.9 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.
- 16.10 The appointment of an alternate Director terminates:
- 16.10.1 when the alternate's appointor revokes the appointment by notice in writing to the Company specifying when it is to terminate;
  - 16.10.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
  - 16.10.3 on the death of the alternate's appointor;
  - 16.10.4 when the appointment of the alternate's appointor as a Director terminates; or
  - 16.10.5 *when written notice from the alternate, resigning his office, is received by the Company.*

## 17. REMUNERATION AND AUDIT COMMITTEES

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

## 18. PROCEEDINGS OF DIRECTORS

- 18.1 Decisions of the directors may be taken either:
- 18.1.1 by a majority at a board meeting; or
  - 18.1.2 by a Directors' written resolution made in accordance with articles 18.2 and 18.3.

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

- 18.2 Any Director may propose a Directors' written resolution. A Directors' written resolution is proposed by notice in writing of the proposed Directors' written resolution being given to each Director indicating the proposed resolution and the time by which it is proposed that the Directors should adopt it. Any decision which a person giving notice of a Directors' proposed written resolution takes regarding the process of adopting that resolution must be taken reasonably in good faith.
- 18.3 A proposed Directors' written resolution is adopted when all the Eligible Directors in relation to the resolution(s) contained in the proposed Directors' written resolution have signed one or more copies of it, provided that those Eligible Directors would have formed a quorum at a meeting of the Directors to consider such resolution(s). It is immaterial whether a Director signs the resolution before or after the time by which the notice proposed that it should be adopted.
- 18.4 Two Eligible Directors present either in person or by a duly appointed alternate, shall be a quorum. For the purpose of any meeting held to authorise a director's conflict of interest under article 20 if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting shall be one Eligible Director. For the purpose of

any meeting held to consider a decision referred to in article 18.9, the quorum for such a meeting shall be any Investor Director (if one is appointed as at that time). Article 11(2) of the Model Articles shall not apply to the Company.

- 18.5 If an Investor Director has been appointed, but is not present at a Directors' meeting, and an observer appointed in accordance with article 15.1.3, who is either a member or an employee of Connection Capital, is present at such meeting, the observer shall be deemed to be the duly appointed alternate of that Investor Director at such Directors' meeting.
- 18.6 If the number of votes for and against a proposal at a Directors' meeting are equal the chairman shall have a casting vote, except for those matters which require Management Consent or the consent of either Connection Capital or the Remuneration Committee pursuant to these Articles or the Investment Agreement. Article 13 of the Model Articles shall not apply to the Company.
- 18.7 If, and for so long as, the holders of the Investor Shares are entitled to enhanced voting rights in respect of those Shares in accordance with article 4.1 (regardless of whether or not such voting rights have actually been exercised at any general meeting or on any written resolution):
  - 18.7.1 notwithstanding article 18.4, the quorum for directors' meetings shall be one director who shall be an Investor Director;
  - 18.7.2 an Investor Director shall be entitled to exercise such number of votes at any meeting of the Directors, or any committee of the Directors of which he is a member, which is equal to one vote more than half the total number of votes exercisable at any such meeting; and
  - 18.7.3 Connection Capital may, by notice to the Company, appoint any person as a Director and/or remove any person as a Director notwithstanding how or when he was appointed or any other provision of these Articles. Any Director removed pursuant to this article 18.7.3 may not be reappointed to any office or appointment with a Group Company without the prior approval of Connection Capital. Any appointment or removal pursuant to this article 18.7.3 shall be made by notice in writing to the Company. Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.
- 18.8 Not less than 5 Business Days' notice of a Directors' meeting must be given to each Director in writing provided that the requirements of this article may be waived or varied, with the prior approval of all Eligible Directors (provided this includes an Investor Director). Article 9(3) of the Model Articles shall not apply to the Company.
- 18.9 Where any decision is to be made by the Company or any Group Company in relation to:
  - 18.9.1 the exercise, enforcement or waiver of any of its rights under, or the giving of any consent under:
    - (a) the Investment Agreement;
    - (b) the Investor Loan Note Instrument;
    - (c) the Facility Documents; or
    - (d) the Acquisition Documents; or
  - 18.9.2 the exercise, enforcement or waiver of any rights against a Member holding A1 Ordinary Shares and/or A2 Ordinary Shares or any such Member in its capacity as a Director,

then, notwithstanding any other provision of these Articles, if an Investor Director is appointed for the time being: (i) then no meeting of the Directors at which any such decision will be considered shall be quorate unless an Investor Director is present in person and at such meeting only the Investor Director(s) shall be entitled to vote; and (ii) any Investor Director shall have exclusive conduct of any proceedings of any nature arising in connection

with any such rights and no other Director shall have power to take any decision or settle or compromise any claim in relation to such matters.

- 18.10 Article 5 of the Model Articles shall be modified so that the Directors may only delegate any of their powers to a person or committee with the prior consent of Connection Capital.
- 18.11 Article 6(2) of the Model Articles shall be amended by the insertion of the following words before the word "may": "with the consent of Connection Capital".
- 18.12 Article 16 of the Model Articles shall be amended by the insertion of the following words after the word "may": "with the consent of Connection Capital".
- 18.13 Article 51 of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of Connection Capital,".
- 18.14 Article 4(1) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of Connection Capital,".

## 19. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

- 19.1 Subject to sections 177 and 182 of the Act and, save in the case of an Investor Director, subject to the consent of Connection Capital, and provided (in any case) he has declared 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:

- 19.1.1 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;
- 19.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such contract or proposed contract in which he is interested;
- 19.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such contract or proposed contract in which he is interested;
- 19.1.4 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;
- 19.1.5 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
- 19.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

- 19.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.

## 20. **DIRECTORS' CONFLICTS OF INTEREST**

- 20.1 Subject to the consent of Connection Capital (other than in relation to an Investor Director), the Directors may, in accordance with the requirements set out in this article 20, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a **Conflict**).

- 20.2 Any authorisation under this article will be effective only if:

- 20.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter

- may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors, with the consent of Connection Capital may determine;
- 20.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
- 20.2.3 the matter was agreed to without the Director in question voting or would have been agreed to if his vote had not been counted.
- 20.3 Any authorisation of a Conflict under this article 20 shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently:
- 20.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
- 20.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
- 20.3.3 be terminated or varied by the Directors at any time.
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.*
- 20.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:
- 20.4.1 *disclose such information to the Directors or to any Director or other officer or employee of the Company; or*
- 20.4.2 *use or apply any such information in performing his duties as a Director,*  
where to do so would amount to a breach of that confidence.
- 20.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, and they will so provide if directed to do so by Connection Capital, in either case without limitation, that the Director:
- 20.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
- 20.5.2 is not given any documents or other information relating to the Conflict; and
- 20.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.
- 20.6 Where the Directors authorise a Conflict:
- 20.6.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
- 20.6.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.
- 20.7 An Investor Director or the chairman may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in:
- 20.7.1 any Group Company;
- 20.7.2 a holder of Investor Shares;
- 20.7.3 any company which is for the time being a subsidiary or holding company of a holder of Investor Shares or another subsidiary of such holding company; or

- 20.7.4 any investment fund or co-investment plan for whom Investor Shares are held; or
- 20.7.5 a manager, custodian, nominee or trustee for, or general partner of, any investment fund or co-investment plan for whom Investor Shares are held,
- and no authorisation under article 20.1 shall be necessary in respect of such interest.
- 20.8 A Director other than an Investor Director or the chairman may, notwithstanding his office, be a Member, shareholder, director or other officer of, or be employed by or otherwise engaged with or otherwise interested in any Group Company and no authorisation under article 20.1 shall be necessary in respect of such interest.
- 20.9 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 21. DIRECTORS' BENEFITS**
- 21.1 Article 19(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of Connection Capital,".
- 21.2 Article 19(3) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of Connection Capital and".
- 22. SECRETARY**
- Subject to the consent of Connection Capital, the Directors may appoint any person who is willing to act as the Secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person.*
- 23. SERVICE OF DOCUMENTS**
- 23.1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient:
- 23.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- 23.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, 5 Business Days after posting provided that delivery in at least 5 Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
- 23.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 23.1.4 if properly addressed and sent or supplied by electronic means (as defined in the Act), one hour after the document or information was sent or supplied; and
- 23.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- For the purposes of this article 23.1, no account shall be taken of any part of a day that is not a working day.
- 23.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

## 24. INDEMNITY

24.1 Subject to article 24.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

- (a) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (b) in relation to the activities of the Company (or any Group Company) as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

24.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 24.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

24.2 This article 24 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

24.3 In this article 24 and in article 25 a **relevant officer** means any director or other officer or former director or other officer of the Company or any Group Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Company (or any Group Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

24.4 Article 52 of the Model Articles shall not apply to the Company.

## 25. INSURANCE

25.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any loss or liability which has been or may be incurred by that relevant officer in connection with his duties or powers in relation to the Company, any Group Company or any pension fund or employees' share scheme of the Company or Group Company.

25.2 Article 53 of the Model Articles shall not apply to the Company.

## 26. EXPERT

26.1 Where these Articles provide for any matter or dispute to be determined by the Expert:

26.1.1 for the purposes of determining Fair Value for a Bad Leaver or an Early Leaver the Expert shall be deemed to be the Remuneration Committee and any decision of the Remuneration Committee shall be final provided that it acts in good faith;

26.1.2 for the purposes of determining Fair Value in all other cases such matter or dispute shall be referred, at the request of any Member, to the Independent Expert.

26.2 The Independent Expert shall be engaged on terms agreed between the relevant Expert and the Remuneration Committee. For the purposes of agreeing the terms of the Independent Expert's engagement pursuant to this article 26.2, the Directors shall act as agent for the Company and each relevant Member.



- 26.3 The Independent Expert shall be instructed to prepare a written decision and give notice of that decision to the Company within a maximum of 2 months of the matter being referred to the Independent Expert.
- 26.4 The Company and any relevant Members shall supply the Independent Expert with any information which he may reasonably request in connection with his determination. The Company and any relevant Members shall be entitled to make written submissions to the Independent Expert provided that a copy of any such written submissions is also simultaneously delivered to the other relevant parties. The Independent Expert shall give due weight to any such written submission which is received by the Independent Expert within such time limit as he may determine and have notified to the relevant parties.
- 26.5 The decision of the Independent Expert (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Members.
- 26.6 The cost of any reference to the Independent Expert shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Independent Expert (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Expert, equally by the parties concerned.

**27. CHANGE OF NAME**

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

**28. PURCHASE OF OWN SHARES OUT OF CASH**

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

**29. RELATIONSHIP WITH INTERCREDITOR AGREEMENT**

The making, declaration or payment of any dividend or other distribution on any class of shares shall be made subject to and in accordance with the terms of the Intercreditor Agreement. If the making, declaration or payment of all or any part of such dividend or other distribution is prohibited by the Intercreditor Agreement, it shall be declared, paid or made upon all necessary consents being obtained or the prohibitions ceasing to apply. This article shall not restrict or prevent the accrual of interest at a specified rate on any scheduled dividend payments or on any scheduled repayments which are not paid by the Company by virtue of the provisions of the Intercreditor Agreement.

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