

Company No: 11728627

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS

of

PROJECT STEEL BIDCO LIMITED

(the "Company")


Passed the 8th day of January 2020

By a written resolution agreed to in accordance with Chapter 2 of Part 13 of the Companies Act 2006 by or on behalf of the required number of the members of the Company who, at the date of circulating the resolution, were entitled to vote on the resolution the following resolutions of the Company were duly passed:

RESOLUTIONS


As special resolutions

1. THAT any actual or possible conflicts of interest of the directors of the Company or any subsidiary of it in approving or giving effect to a growth share scheme to be implemented on or around the date hereof be and are hereby authorised and any action by any of them which would or otherwise might have been an infringement of a director's duty under section 175 of the Companies Act 2006 by virtue of the nature of each actual or possible conflict of interest be and are hereby authorised and each such director shall be authorised to count and vote in the quorum of any board meeting of the Company or any subsidiary of it in connection with the growth share scheme.
2. THAT, the Articles of Association set out in the document attached to this resolution and signed by the Chairman for the purposes of identification be and are hereby approved as the Articles of Association of the Company in substitution for and to the exclusion of all Articles of Association of the Company.

Signed 
Director

Dated 8/1/2020





8 January 2020

Company No 11728627

THE COMPANIES ACT 2006

**PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
PROJECT STEEL BIDCO LIMITED**

Incorporated 14 December 2018

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

PROJECT STEEL BIDCO LIMITED (the "Company")

Incorporated 14 December 2018

(Adopted by special resolution on 8 January 2020)

1. PRELIMINARY

1.1 In these Articles:

"Acquisition Agreement"	has the meaning given to it in the Shareholders' Agreement
"Act"	means the Companies Act 2006
"Actual Additional Consideration"	the Additional Consideration finally agreed or determined as paid (or payable) to the Seller Managers under the Acquisition Agreement in respect of Year One and Year Two (aggregated)
"Additional Consideration"	has the meaning given to it in the Acquisition Agreement
"Affiliates"	in respect of any person, means any other person who, directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, such person, and a reference to a person as "unaffiliated" to another person shall mean that such person is not an Affiliate of such other person
"A Ordinary Share"	means an A ordinary share of £0.01 each in the capital of the Company
"Associated Company"	means a company which is a subsidiary or holding company of the other company or is a subsidiary of the same body corporate as the other company
"Auditors"	means the auditors of the Company from time to time
"Bad Leaver"	has the meaning given to such term in the Acquisition Agreement
"Board"	means the board of directors of the Company (or any duly authorised committee thereof) from time to time
"B Ordinary Share"	means a B ordinary share of £0.01 each in the capital of the Company

"Business Day"	means any day (other than a Saturday) on which clearing banks in the City of London are open for the transaction of usual sterling banking business
"Capitalisation Value"	has the meaning given to such term in Article 20.2.1
"Chairman of the Board"	means the person appointed as such under Article 16.1
"Companies Acts"	<i>means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the Company</i>
"Company EBITDA"	has the meaning given to such term in Article 20.2.3
"Conflict Situation"	means any matter which (unless authorised in accordance with these Articles) might result in a director infringing his duties under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest
"Connected Person"	has the meaning attributed by sections 1122 and 1123 CTA 2010 but, for the avoidance of doubt, shall not (unless it is a Connected Person for any other reason) be construed for the purposes of Articles 13.2 and 20 to include any entity created in order to effect a purchase of Shares in which directors or employees of any Group Company shall have an interest that confers less than 50% of the votes held by all shareholders or members of such entity
"consent"	means, in relation to a right attaching to a Share, the approval of a special resolution passed at a separate class meeting of the holders of the issued Shares of that class, or with the approval in writing of the holders of three quarters or more of the issued Shares of that class
"Control"	has the meaning attributed by section 1124 CTA 2010 and "Controlled" shall be construed accordingly
"Company Exit Repurchase Notice"	has the meaning given to such term in Article 20.4
"C Ordinary Share"	means a C ordinary share of £0.01 each in the capital of the Company
"CTA 2010"	means the Corporation Tax Act 2010
"D Ordinary Share"	means a D ordinary share of £0.01 each in the capital of the Company
"Deed of Adherence"	has the meaning given to it in the Shareholders Agreement
"Deferred Share"	means a deferred share of £0.01 each in the capital of the Company
"Early Exit Event"	has the meaning given to such term in Article 21.1
"Early Testing Date"	has the meaning given to such term in Article 21.1.6
"Earn-Out Bonus Trigger"	where, as at the Vesting Determination Date, Additional Consideration has either been paid or has become due and payable to one or more of the Seller Managers under the Acquisition Agreement

"EBITDA"	has the meaning given to such term in Article 20.2.3
"Employee"	means a person who from time to time is a director and/or an employee of any Group Company or whose services are made available to any Group Company under the terms of an agreement with any Group Company from time to time (and "employment" shall be construed accordingly to include such an agreement)
"Employee Trust"	means a trust established with the consent in writing of the Majority Holders and whose beneficiaries are the bona fide employees of any Group Company
"EO Metric"	has the meaning given in the Acquisition Agreement
"Equity Multiplier"	has the meaning given to such term in Article 20.2.4
"Equity Shares"	means the A Ordinary Shares and the B Ordinary Shares
"Exit Purchase Value"	has the meaning given in Article 20.2.5
"Exit Transaction"	has the meaning given in Article 20.2.6
"Extra Shares"	has the meaning given in Article 11.4.5
"Finance Documents"	means, any facility or other loan agreement or intercreditor deed entered into from time to time (as the same may be amended, restated, supplemented or varied), and all those documents (including security documents) to be entered into pursuant to any of the same
"financial year"	an accounting reference period (as defined by the Act) of the Company
"Group"	means the Company, its parent undertakings from time to time (including the ultimate holding company of the Company) and any subsidiary undertakings of the Company or of its parent undertakings from time to time and "member of the Group" and "Group Company" shall be construed accordingly
"Investor Consent"	means the consent, in writing of the Investors
"Investors"	means the holders of a majority in nominal value of the then issued A ordinary shares of £0.01 each in Project Steel Topco Limited (CRN: 11726410) being the Company's ultimate parent
"Issue Price"	means, in relation to a Share, the price at which such Share is issued, being the aggregate of the amount paid up or credited as paid up in respect of the nominal value of such Share and any share premium thereon
"Leaver"	means any MIP Participant who ceases to be a Manager in circumstances where he does not or (as the case may be) will not continue immediately thereafter (ignoring any notice period) to be a Manager in any other capacity
"Leaving Date"	means, the date on which the Leaver concerned becomes a Leaver which for the purposes of these Articles shall be the date of termination of the relevant MIP Participant's employment with any member of the Group or, as the context may require, of his consultancy with or directorship with any member of the Group,

however any such employment, consultancy or directorship may cease, and (for the avoidance of doubt) shall be:

- (a) where a contract is terminated by the Company or relevant member of the Group by giving notice to the MIP Participant, the later of the date of that notice and the date on which such termination occurs pursuant to such notice;
- (b) where a contract is terminated by the MIP Participant by giving notice to the Company or relevant member of the Group of the termination of the employment or consultancy or directorship, the date of that notice;
- (c) save as provided in paragraph (a) of this definition, where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance;
- (d) where a contract is terminated under the doctrine of frustration, the date of the frustrating event; and
- (e) where a contract is terminated for any reason other than in the circumstances set out in paragraphs (a) to (d) (inclusive) of this definition, the date on which the action or event giving rise to the termination occurs

"Loan Stock Letter"	means the letter dated 22 December 2018 entered into between the Seller Managers, the Company, Midco 1 and Midco 2
"Majority Holders"	means the persons who together at the relevant time hold more than 50% in number of the A Ordinary Shares in issue at that time
"Manager"	means an Employee or director of any Group Company or a consultant to any Group Company who in each case holds B Ordinary Shares and/or C Ordinary Shares and/or D Ordinary Shares
"Managers' Exit Repurchase Notice"	has the meaning given to such term in Article 20.5
"Market Capitalisation"	has the meaning given to such term in Article 20.2.7
"Maximum Additional Consideration"	means the sum of £5,000,000
"Midco 1"	means Project Steel Midco 1 Limited, a company incorporated in England and Wales with registered number 11726678
"Midco 1 Loan Stock"	means the £1,059,511 unsecured loan stock of Midco 1 which was constituted by an instrument dated 22 December 2018 and entered into by Midco 1
"Midco 2"	means Project Steel Midco 2 Limited, a company incorporated in England and Wales with registered number 11727784

"MIP Hurdle"	means £26,000,000 or such other amount as may be notified by the Company (following a resolution of the Board) to the MIP Participants in writing from time to time, provided always that the Company, acting by its Board (with Investor Consent), shall only be entitled to make and notify any such adjustment where it is made on a just and reasonable basis and the primary intention of such adjustment is not to either benefit or prejudice the rights attaching to the D Ordinary Shares
"MIP Letter"	means any letter entered into by a MIP Participant and the Company, on or around the date of the issue of such D Ordinary Shares
"MIP Participant"	means any member who holds D Ordinary Shares
"Model Articles"	means the Model Articles for Private Companies Limited by Shares in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229)
"Mr Longley"	Mr Longley, one of the Seller Managers
"Net Sale Price"	has the meaning given to such term in Article 20.2.10
"Offeree"	means a person to whom Sale Shares are allocated pursuant to Article 11
"Offer Notice"	has the meaning given in Article 11.4.1
"Pre-Authorised Situations"	means the following Conflict Situations: <ul style="list-style-type: none"> (a) holding any office, employment or engagement with any Group Company; (b) participating in any scheme, transaction or arrangement for the benefit of the employees or former employees of any Group Company (including any pension fund or retirement, death or disability scheme or any bonus or employee benefit scheme); or (c) holding, or otherwise being interested, directly or indirectly, actually or potentially, in any shares or debentures or loan notes or other securities or interests or debt instruments (or any rights to acquire or options over or any other rights in respect of any shares or debentures) in any Group Company
"Qualified Public Offering"	has the meaning given to such term in Article 20.2.6(b)
"Relevant Company"	has the meaning given to such term in Article 20.2.11
"Relevant Conversion Number"	such number of C Ordinary Shares to be converted into Deferred Shares with effect from the Vesting Determination Date or (as the case may be) the Early Testing Date, in order to give full effect to the provisions of Articles 21.1.5 or 21.1.6 (as applicable)

"Relevant Loss"	means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company
"Relevant MIP Percentage"	means 2 per cent.
"Relevant Officer"	means any director or other officer or former director or other officer of the Company or an associated company (including any such 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 associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor
"Relevant Shareholder"	has the meaning given in Article 11.4.1
"Sale Price"	has the meaning given in Article 12.1
"Sale Shares"	has the meaning given in Article 11.1
"Seller"	has the meaning given in Article 11.1
"Seller Managers"	Mr Longley, Sally Martin and Richard Thorpe (and "Seller Manager" shall be construed accordingly)
"Share"	means any share in the capital of the Company from time to time (and "Shares" shall be construed accordingly)
"Shareholder"	means a holder of any Share (and "Shareholders" shall be construed accordingly
"Shareholders' Agreement"	means the shareholders' agreement dated 22 December 2018 made between (1) the Company; (2) Midco 2; (3) Midco 1 (4) Project Steel Topco Limited and (4) the Seller Managers
"Share Sale"	means the completion of any sale of any interest in any Shares (whether in one transaction or in a series of related transactions) resulting in the transferee (either alone or together with its Connected Persons) securing Control of the Company
"Start Date"	has the meaning given in Article 11.3
"Relevant Securities"	any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company
"Transfer Notice"	has the meaning given in Article 11.1
"Vested" or "Vest"	in relation to any C Ordinary Share means such C Ordinary Share not having been (or otherwise having become liable to be) converted into a Deferred Share under Article 21.1
"Vesting Determination Date"	the date on which the Year Two EO Metric (and accordingly the Additional Consideration, if any, payable in respect of Year 2) is agreed or otherwise finally determined under the Acquisition Agreement
"Year One"	has the meaning given in the Acquisition Agreement

"Year Two" has the meaning given in the Acquisition Agreement

"Year Two EO Metric" has the meaning given in the Acquisition Agreement

- 1.2 In these Articles, a reference to a **"group undertaking"** or a **"subsidiary undertaking"** is to be construed in accordance with sections 1161 and 1162 respectively of the Act and a reference to a **"subsidiary"** or **"holding company"** is to be construed in accordance with section 1159 of the Act.
- 1.3 A reference in these Articles to a statute, statutory provision or sub-ordinate legislation (other than in Article 1.7 or the definition of "Model Articles") is a reference to it as it is in force from time to time, taking account of:
- 1.3.1 any subordinate legislation from time to time made under it; and
- 1.3.2 any amendment or re-amendment and includes any statute, statutory provision or sub-ordinate legislation which it amends or re-enacts.
- 1.4 In these Articles, a reference to any other document is a reference to that other document as amended, varied, novated or supplemented (other than in breach of the provisions of the relevant other document) from time to time.
- 1.5 The regulations contained in or incorporated in the Model Articles shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded, varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.
- 1.6 Regulations 2, 8, 9(2) to 9(4) (inclusive), 10, 14, 17, 18, 21, 26(1), 26(5), 30(5) to 30(7) (inclusive), 38, 48(1), 48(2), 52 and 53 of the Model Articles shall not apply to the Company.
- 1.7 Unless the context otherwise requires (for example, where otherwise defined herein), words or expressions defined in or having a meaning provided by the Act (as in force at the date these Articles became binding on the Company) shall have the same meaning when used in these Articles.
- 1.8 Where an ordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- 1.9 The headings in these Articles are for convenience only and shall not affect their meaning.
- 1.10 A reference in these Articles to an Article is a reference to the relevant Article of these Articles unless expressly provided otherwise.
- 1.11 In construing these Articles, general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. **LIMITATION OF LIABILITY**

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

3. **SHARE CAPITAL**

- 3.1 The share capital of the Company is divided into A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary Shares.
- 3.2 Regulation 36 of the Model Articles shall be modified as follows:

- 3.2.1 by inserting the words "or in or towards paying up, on their behalf, the amounts, if any, for the time being unpaid on any Shares held by each person entitled respectively" at the end of regulation 36(3); and
- 3.2.2 by inserting the words "(credited up as fully paid)" after the word "debentures" in regulation 36(5)(c).
- 3.3 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 3.4 Regulation 24(2)(c) of the Model Articles shall be modified by the deletion of the words "that the shares are fully paid" and the substitution in there of the following words: "the amount or respective amounts paid up on the shares".

4. **SHARE RIGHTS**

- 4.1 Except as expressly provided otherwise in these Articles, the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares shall rank *pari passu* in all respects.

Income

- 4.2 The income rights attaching to each class of Shares shall be as set out in this Article 4.2:
 - 4.2.1 subject to (i) the Board recommending payment of the same and (ii) any restrictions contained in the Finance Documents, any profits of the Company available for distribution which the Company may determine to distribute in respect of any financial year shall be distributed amongst holders of the A Ordinary Shares, the B Ordinary Shares and the C Ordinary Shares according to the number of Shares held *pari passu* as if the same constituted one class of Share (save that no distribution shall be capable of being made to the holders of C Ordinary Shares in respect of those Shares until such time as (and only where and to the extent that) such C Ordinary Shares have Vested (in accordance with the provisions of Article 21).
 - 4.2.2 the Company shall procure (so far as it is able) that each of its subsidiaries and each of its subsidiary undertakings which has profits available for distribution shall from time to time declare and pay to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company or parent undertaking) such dividends as are necessary to permit lawful payment by the Company of any dividend.
 - 4.2.3 the D Ordinary Shares shall have no rights to income or dividends of the Company.

Capital

- 4.3 Save for on an Exit Transaction where the provisions of Article 20 shall apply, on a return of assets on liquidation, reduction of capital or otherwise of the Company, the surplus assets of the Company remaining after payment of its debts and liabilities (the "**Surplus Assets**") shall be applied in accordance with the following provisions of this Article 4:
 - 4.3.1 where the Surplus Assets are equal to or less than the MIP Hurdle, such Surplus Assets shall be applied and be distributed (to the extent that the Company is lawfully permitted to do so) amongst the holders of the A Ordinary Shares, the B Ordinary Shares and (subject to the provisions of Article 21) the C Ordinary Shares *pari passu* as if the same constituted one class of share pro rata to the number of A Ordinary Shares, B Ordinary Shares and (subject to the Vesting provisions of Article 21) the C Ordinary Shares respectively held; and

4.3.2 where the Surplus Assets exceed the MIP Hurdle (the amount by which such Surplus Assets exceed the MIP Hurdle being the "**Relevant Excess**" for the purposes of this Article 4), such Surplus Assets shall be applied and be distributed (to the extent that the Company is lawfully permitted to do so) as follows:

- (a) firstly, in respect of Surplus Assets up to the MIP Hurdle, amongst the holders of the A Ordinary Shares, the B Ordinary Shares and (subject to the provisions of Article 21) the C Ordinary Shares *pari passu* as if the same constituted one class of share pro rata to the number of A Ordinary Shares, B Ordinary Shares and (subject to the Vesting provisions of Article 21) the C Ordinary Shares respectively held;
- (b) secondly, in paying to the MIP Participants, for each D Ordinary Share held by the relevant individual MIP Participant, the following amount:

$$\frac{\text{the Relevant MIP Percentage} \times \text{Relevant Excess}}{2,000}$$

- (c) thirdly, in paying to each holder of Deferred Shares, £0.01 in aggregate for all of the Deferred Shares held by such holder of Deferred Shares, at the relevant time; and
- (d) fourthly, the balance of the Surplus Assets, amongst the holders of the A Ordinary Shares, the B Ordinary Shares and (subject to the provisions of Article 21) the C Ordinary Shares *pari passu* as if the same constituted one class of share pro rata to the number of A Ordinary Shares, B Ordinary Shares and (subject to the Vesting provisions of Article 21) the C Ordinary Shares respectively held,

provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the members shall take any action required by the Majority Holders (including actions that may be necessary to put the Company into voluntary liquidation) to achieve a distribution in the manner and order of priority set out in this Article 4.3.

Voting

4.4 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, on a show of hands every Shareholder holding Equity Shares who:

4.4.1 (being an individual) is present in person or by proxy; or

4.4.2 (being a corporation) is present by a representative not being himself a Shareholder or by a proxy,

shall have one vote, and on a poll every Shareholder who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Equity Share of which he is the holder.

The holders of the D Ordinary Shares shall not be entitled to receive notice of or attend, speak or vote at any general meetings of the Company in respect of such D Ordinary Shares.

Deferred Shares

4.5 The Deferred Shares shall have the following rights and be subject to the following restrictions:

4.5.1 The Deferred Shares may be redeemed by the Company at any time at its option for the Issue Price for each of the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders and pending the transfer and/or purchase, retain the certificates (if any) in respect of them.

- 4.5.2 The creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after that creation or issue to appoint any person to execute or give on behalf of the holder of those shares a transfer of them to such person or persons as the Company may determine provided always that the purchase price shall be at least the Issue Price deemed paid for such Deferred Shares.
- 4.5.3 The Deferred Shares shall have no rights to income or dividends of the Company.
- 4.5.4 The holders of the Deferred Shares shall not be entitled to receive notice of or attend, speak or vote at any general meetings of the Company in respect of such Deferred Shares.
- 4.5.5 Other than as specifically provided for in this Article 4, the holders of the Deferred Shares shall have no rights whatsoever in respect of such Deferred Shares under these Articles.

D Ordinary Shares

- 4.6 Other than as specifically provided for in this Article 4, the holders of the D Ordinary Shares shall have no rights whatsoever in respect of such D Ordinary Shares under the Articles.

5. CLASS RIGHTS

- 5.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated with the consent of the holders of not less than 75 per cent of the class of Shares or concerned to be effective.
- 5.2 For the avoidance of doubt the variation modification abrogation or cancellation of this Article 5 or of any provision of these Articles which contains or affects any class rights shall (save as expressly provided herein) require the consent aforesaid of the holders of not less than 75 per cent of the class of Shares concerned to be effective.

6. LIEN

- 6.1 The Company shall have a first and paramount lien on every Share (not being a fully paid Share) registered in the name of any person indebted or under liability to the Company or other Group Company whether he be the sole registered holder thereof or one of several joint holders and shall be for all monies (whether presenting payable or not) payable or otherwise owing by such a person to the Company or other Group Company. The directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.
- 6.2 The Company may sell in such manner as the directors determine any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.
- 6.3 To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the Shares shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 6.4 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed before the sale) be paid to the person entitled to the Shares at the date of the sale.

7. CALLS ON SHARES AND FORFEITURE

- 7.1 Subject to the terms of allotment, the directors may make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each Shareholder shall (subject to receiving at least fourteen clear days' notice specifying when and

the method by which payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or part. *A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.*

- 7.2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 7.3 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 7.4 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
- 7.5 An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call, and if it is not paid when due all the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
- 7.6 Subject to the terms of allotment, the directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.
- 7.7 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment. The notice shall state the method by which payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.
- 7.8 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.
- 7.9 Subject to the provisions of the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the Share to that person.
- 7.10 A person any of whose Shares have been forfeited shall cease to be a Shareholder in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 7.11 A statutory declaration by a director or the secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the Share.

8. ISSUES OF SHARES

8.1 Subject to these Articles, the Board may, by majority decision, allot, grant options over or dispose of or deal with any new Shares and rights to subscribe for, or convert any security into Shares in the Company, to such persons at such times and generally on such terms and in such manner as they consider proper provided that the authority referred to in this Article:

8.1.1 shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution; and

8.1.2 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Board may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the Board may allot Shares in pursuance of an offer or agreement as if such authority has not expired).

8.2 In exercising their authority under this Article 8 the Board shall not be required to have regard to section 561 or (insofar as the exclusion of the application of such sub sections is permitted by the Act) section 562 of the Act which sections shall be excluded from applying to the Company (in accordance with section 567 of the Act).

9. PROVISIONS APPLYING ON EVERY TRANSFER OF SHARES

9.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.

9.2 If the directors refuse to register the transfer of a Share, they shall within one month after the date on which the transfer was lodged with the Company, send the notice of refusal to the transferee together with (unless the directors suspect that the proposed transfer may be fraudulent) the instrument of transfer.

9.3 The directors may refuse to register the transfer of a Share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a Share on which the Company has a lien. They may also refuse to register a transfer unless:

9.3.1 it is lodged at the registered office or at such other place as the directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

9.3.2 It is in respect of only one class of shares; and

9.3.3 It is in favour of not more than four transferees.

9.4 The Board shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles or the Shareholders' Agreement but, subject to Article 9.3, shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles and the Shareholders' Agreement, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question. Any transfer of Shares made or purported to be made in contravention of the provisions of these Articles or the Shareholders' Agreement shall be of no effect.

9.5 No Shares may be transferred by any Shareholder unless the proposed transferee has entered into an agreement to be bound by the Shareholders' Agreement in the form required by the Shareholders' Agreement.

9.6 A reference in these Articles to a transfer of Shares shall include:

9.6.1 a transfer of any interest in Shares (whether legal, beneficial or otherwise) including without limitation to any transferee (and regulations 27 and 28 of the Model Articles shall be subject to this Article 8.1 and to Articles 10 to 13 inclusive); and

9.6.2 any charge, mortgage, option or other encumbrance granted over Shares (including any direction by way of renunciation or otherwise by a Shareholder entitled to an allotment or issue of any Share that such Share be allotted or issued to some other person),

and these Articles shall take effect accordingly.

9.7 In the event of an Exit Transaction where either a Company Exit Repurchase Notice or a Managers' Exit Repurchase Notice has been served pursuant to Article 20, the provisions of Article 20 shall apply.

10. TRANSFERS OF SHARES

10.1 Transfers of Shares without Restriction

Shares which are not held by a Manager shall be freely transferable free of any restrictions as to price or otherwise, subject only to the proposed transferee having adhered to the terms of the Shareholders' Agreement; provided that, where applicable, the transferor complies with Article 13.1.

10.2 Restriction on Transfers of Shares held by Manager

No Shares held by a Manager or any interest therein shall be transferred and the directors shall not register any transfer of such Shares in the Company unless the transfer (a) is permitted or required by these Articles (including Articles 10, 11 and 12) or (b) has the prior written approval of the Majority Holders, and the proposed transferee has, where applicable, executed a Deed of Adherence.

10.3 C Ordinary Shares

No C Ordinary Shares shall be transferred and the directors shall not register any transfer of such Shares in the Company until the Relevant Testing Date and then, only if any such C Ordinary Share becomes Vested in accordance with the provisions of Article 21 and otherwise subject to the other provisions of this Article 10.

10.4 D Ordinary Shares

No D Ordinary Shares shall be transferred and the directors shall not register any transfer of such Shares in the Company other than in accordance with the remaining provisions of this Article 10.

10.5 Permitted Transfers

10.5.1 Transfers from an Employee Trust

The trustee or trustees of an Employee Trust may, with the consent in writing of the Majority Holders, at any time transfer all or any Shares held by it to an Employee (and subject to any conditions or restrictions including as to price in such consent) at a price not less than the price paid per Share by the Employee Trust.

10.5.2 Transfers to the Company

Any holder of Shares may at any time with the consent of the Majority Holders (subject to any conditions or restrictions including as to price in such consent and subject to the satisfaction of any conditions in such consent), transfer Shares to the Company in accordance with the Act and these Articles.

10.5.3 Transfers pursuant to Exit Transaction

A Manager holding B Ordinary Shares and C Ordinary Shares or any MIP Participant may, in the event of an Exit Transaction where either a Company Exit Repurchase Notice or a Managers' Exit Repurchase Notice has been served, transfer Shares as permitted or required pursuant to these Articles, the Shareholders' Agreement or the MIP Letter (as applicable).

10.5.4 Intra-group Transfers

Shares held by a person that is not a Manager may be transferred to a parent undertaking of that transferor or to a subsidiary undertaking or a parent undertaking of that transferor or to any subsidiary undertaking of any such parent undertaking, provided always that the transferee adheres to the Shareholders' Agreement.

10.6 Leaver Provisions

In respect of any MIP Participant who becomes a Leaver, where the Company is notified in writing by the Board (to the extent that the Company (or any holding company of the Company) has a remuneration committee, acting after consultation with that remuneration committee) at any time within four months immediately following the Leaving Date of such MIP Participant that such event is a conversion event (a "**Leaver Conversion Notice**"), all of the D Ordinary Shares held by that MIP Participant Leaver shall automatically convert to Deferred Shares upon the date of such Leaver Conversion Notice being served on the Company.

11. PRE-EMPTION RIGHTS

11.1 Transfer Notice

Except in the case of a transfer pursuant to, or that gives rise to the rights granted to any Shareholder under (i) Articles 10 or 13 or (ii) a transfer of Shares pursuant to an Exit Transaction, a Shareholder who wishes to transfer any Shares (other than D Ordinary Shares) (the "**Seller**") shall give written notice to the Company copied to the holders of the A Ordinary Shares (a "**Transfer Notice**"). Each Transfer Notice shall:

- 11.1.1 relate to one class of Shares only;
- 11.1.2 specify the number and class of Shares which the Seller wishes to transfer pursuant to that Transfer Notice (the "**Sale Shares**");
- 11.1.3 specify the identity of any person to whom the Seller wishes to transfer the Sale Shares, if any;
- 11.1.4 specify the Sale Price at which the Seller wishes to transfer the Sale Shares;
- 11.1.5 be deemed to constitute the Company as the Seller's agent for the sale of the Sale Shares at the Sale Price in the manner prescribed by these Articles; and
- 11.1.6 not be varied or cancelled without the consent in writing of the Majority Holders.

11.2 Total Transfer Condition

The Seller may provide in the Transfer Notice that, unless buyers are found for all of the Sale Shares (and all of the Sale Shares referred to in any other Transfer Notice(s) served by the Seller on the same date), he shall not be bound to transfer any of such Shares ("**Total Transfer Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of this Article, if the Transfer Notice contains a Total Transfer Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers for all such Shares.

11.3 Allocation by Direction in Writing from the Majority Holders

The Majority Holders may within 15 Business Days after the later of: (i) service or deemed service of a Transfer Notice; or (ii) agreement or determination of the Sale Price in accordance with Article 12.1 (the "**Start Date**"), direct the Company in writing to offer at the Sale Price such number of Sale Shares to such person or persons (including a holder of A Ordinary Shares), as may be specified in the direction (including, for the avoidance of doubt, the Company and/or any Employee Trust). If any such offeree of the Sale Shares applies for any of them within 15 Business Days after the Start Date, the Company shall (with the consent in writing of the Majority Holders) within 5 Business Days after such application allocate to each such offeree the number of Sale Shares applied for. If all of the Sale Shares are so allocated, the provisions of Article 11.4 shall not apply. If none or some only of the Sale Shares are so allocated, the provisions of Article 11.4 shall have effect as if references to Sale Shares shall mean those Sale Shares not allocated in accordance with this Article 11.3.

11.4 Offer Notice

- 11.4.1 Subject to Article 11.4.2, the Company shall on a Business Day which is no less than 15 Business Days and no more than 20 Business Days after the Start Date give notice in writing to each of the Shareholders of the relevant class, being for such purposes each Shareholder registered as such on the date of service or deemed service of the Transfer Notice (other than the Seller and any Shareholder who has served or is deemed to have served a Transfer Notice which is still outstanding) (a "**Relevant Shareholder**") offering for sale the Sale Shares at the Sale Price (an "**Offer Notice**").
- 11.4.2 If the Board considers that the provisions of this Article could mean that the offer of the Sale Shares under Article 11.4.1 would require a prospectus in accordance with Directive 71/2003/EC or any regulations or rules made thereunder, the Board shall (with the consent in writing of the Majority Holders) be entitled to devise such other method of offering such Sale Shares which does not require a prospectus (including, but without limitation, offering the Sale Shares to a limited number of Relevant Shareholders selected by such method as the Board shall (with the consent in writing of the Majority Holders) determine).
- 11.4.3 The Offer Notice shall include the details set out in the Transfer Notice and specify the basis on which the Sale Shares will be allocated and that each Relevant Shareholder shall have a period of 15 Business Days from the date of the Offer Notice within which to apply for some or all of the Sale Shares (the "**Expiry Date**").
- 11.4.4 It shall be a term of the offer pursuant to a Transfer Notice that if the Relevant Shareholders of more than one class apply for some or all of the Sale Shares, the Sale Shares shall be treated as having been offered, first, to all Relevant Shareholders holding A Ordinary Shares in priority to any other class of Shareholder and thereafter, to the extent that all of the Sale Shares have not been applied for by such class of Relevant Shareholder (after the application of Articles 11.4.5 and 11.4.6), the Sale Shares shall be treated as having been offered to all Shareholders *pari passu* as if holding the same class of Shares in proportion to the number of Shares held by them respectively.
- 11.4.5 It shall be a further term of the offer that, if there are applications from any class of Relevant Shareholder for more than the total number of Sale Shares available to that class of Relevant Shareholder such Sale Shares shall be treated as being offered among such class of Relevant Shareholder in proportion (as nearly as may be) to their existing holdings of Shares of the class to which the offer is treated as having been made (the "**Proportionate Allocation**") (subject to the maximum number of Sale Shares applied for by each Relevant Shareholder). However, in his application for Sale Shares a Relevant Shareholder may, if he so desires, indicate that he would be willing to purchase a particular number of Sale Shares in excess of his Proportionate Allocation ("**Extra Shares**").
- 11.4.6 In respect of each class of Relevant Shareholder to whom the Sale Shares are offered, the Company shall allocate the Sale Shares as follows:

- (a) if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares, each such Relevant Shareholder shall be allocated the number applied for in accordance with his application; or
 - (b) if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each such Relevant Shareholder shall be allocated his Proportionate Allocation or such lesser number of Sale Shares for which he has applied and any if there are then any unallocated Sale Shares, such Sale Shares shall be allocated to each Relevant Shareholder who has applied for Extra Shares (subject to the maximum number of Extra Shares applied for) provided that if there are insufficient unallocated Sale Shares to meet such applications, among those Relevant Shareholders applying for Extra Shares in such proportions as equal (as nearly as may be) the relative proportions of all the Shares of the relevant class held by such Relevant Shareholder.
- 11.4.7 Allocations of Sale Shares made by the Company in accordance with this Article 11 shall constitute the acceptance by the Relevant Shareholders to whom they are allocated of the offer to purchase such Sale Shares on the terms offered to them.
- 11.4.8 If all the Sale Shares are not sold under the pre-emption provisions contained in this Article 11, the Company shall (forthwith upon the exhaustion of such provisions) so notify the Seller and the Seller shall not, without the prior sanction of the Board (with the consent in writing of the Majority Holders), be entitled to sell any of the Sale Shares for which no buyer has been found (unless required or entitled to sell in accordance with Article 13).

12. **TRANSFER ARRANGEMENTS**

12.1 **Sale Price**

- 12.1.1 Save as otherwise provided in these Articles or on an Exit Transaction, the price per Share (or price per Share of each different class held) applicable on a transfer of Shares (the "**Sale Price**") shall be in the case of any transfer pursuant to Article 11.1, the price stated to be the Sale Price in such Transfer Notice.

12.2 **Completion Notice**

- 12.2.1 Where a Transfer Notice has been served or deemed to have been served then within 5 Business Days of either the allocation of all the Sale Shares pursuant to Article 11 or (where not all Sale Shares are so allocated) the Expiry Date, the Company shall give written notice to each Offeree and the Selling Shareholder setting out the number of Sale Shares (of each class) allocated to the Offeree, the aggregate price payable therefor, the Sale Price and the name and address of the Offeree (each a "**Completion Notice**").
- 12.2.2 Completion of the sale and purchase of the Sale Shares shall take place within 5 Business Days of the date of service of the Completion Notice whereupon the Seller shall, subject (save where the Offeree is the Company) to payment by each Offeree to the Company on behalf of the Seller of the price due in respect thereof, transfer the Sale Shares to the Offeree as specified in the Completion Notice and deliver the relevant share certificate(s) to the Company. Provided it has received the relevant share certificate(s) and duly executed stock transfer form(s), the Company shall thereupon release and pay to the Seller the purchase monies for the Sale Shares.
- 12.2.3 If the Seller defaults in transferring any Sale Shares pursuant to Article 12.2.2 to any Offeree or Offerees, the Company may hold the relevant purchase money received from the Offeree(s) and may nominate some person to execute a stock transfer form or forms in respect of such Sale Shares in the name of and on behalf of the Seller. On receipt of the relevant Seller's share certificate (or an indemnity in a form reasonably satisfactory to the Company) the Company shall release and pay to the Seller the purchase monies for such Sale Shares. As security for its obligations under this Article 12.2.3 and the other Articles, each Shareholder hereby irrevocably appoints the Company as its agent to execute and deliver any document and to take any action in its own name and on its

own behalf which it is required to execute or take under these Articles together with any other documents or actions necessary or desirable in connection with such obligations.

- 12.2.4 Provided that any stock transfer form(s) executed by the Seller or on its behalf in accordance with Articles 12.2.2 or 12.2.3 has or have been duly stamped, the directors shall register the transfer(s). The Company's receipt for any purchase monies received under Articles 12.2.2 shall be a good discharge to the Offeree(s) and the Company shall hold any such purchase monies on trust for the Seller and the Company shall not pay any interest to the Seller or Offeree nor be under any obligation to pay any such interest (which shall be for the benefit of the Company). After the name of an Offeree has been so entered in the register of members, the transfer shall be validly registered.

13. TAG ALONG AND DRAG ALONG RIGHTS

13.1 Tag Along

- 13.1.1 If at any time one or more Shareholders (the "**Proposed Sellers**") propose to sell or transfer in one or a series of related transactions other than pursuant to Article 10.3 (other than 10.5.3) either: (a) 50% or more in nominal value of the Equity Shares (the "**Majority Holding**"); or (b) such Equity Shares which if completed would reduce their shareholding below 50% of the Equity Shares, then in either case the Proposed Sellers may only sell the Majority Holding or such Shares as the case may be if they comply with the provisions of this Article.
- 13.1.2 The Proposed Sellers shall give written notice (the "**Proposed Sale Notice**") to the other holders of Equity Shares of such intended sale at least 15 Business Days prior to the intended date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (the "**Proposed Buyer**"), the purchase price and other terms and conditions of sale and payment, the proposed date of sale (the "**Proposed Sale Date**") and the number of Shares proposed to be purchased by the Proposed Buyer (the "**Proposed Sale Shares**").
- 13.1.3 Before the Proposed Sellers are permitted to enter into any contract for the sale or transfer of any interest in any Equity Share they shall procure that the Proposed Buyer makes an offer in writing ("the **Offer**") to the other holders of Shares in issue for the time being to purchase all of the Shares held by them (in the case of any C Ordinary Share, only to the extent that such Shares are Vested) for a consideration in cash per Share that is at least equal to the price per Proposed Sale Share offered by the Proposed Buyer to the Proposed Sellers and as specified in the Proposed Sale Notice (the "**Specified Price**"). In the event of disagreement as to the calculation of the Specified Price for the purposes of this Article, any such disagreement shall be referred to an expert (acting as an expert and not as an arbitrator) nominated by the parties concerned (or in the event of disagreement by the President for the time being of the Institute of Chartered Accountants in England and Wales on application by either party) whose decision shall be final and binding (in the absence of fraud or manifest error) and the costs of such expert shall be borne as he shall direct, or in default of such direction, equally by the parties to the dispute or disagreement.
- 13.1.4 If the Proposed Buyer fails to make the Offer in accordance with this Article, the Proposed Sellers shall not complete the sale of any interest in any of the Proposed Sale Shares and the Company shall not register any transfer of any Proposed Sale Share.
- 13.1.5 If the Offer is accepted by any Shareholder holding Shares in writing on or before the Proposed Sale Date or, if later, no more than three days prior to the actual sale date (if the Proposed Sale Date changes for any reason), the completion of the sale of any Share by any Proposed Seller shall be conditional on the completion of the purchase of all of the Shares in respect of which the acceptance of the Offer was made, including settlement of the consideration.
- 13.1.6 The purchase of Shares pursuant to the Offer shall not be subject to rights of pre-emption arising under these Articles or the Shareholders' Agreement.

13.1.7 The consideration payable for the Shares under this Article 13 shall be calculated and paid to the Shareholders in accordance with and in the same order of priority as a return of capital pursuant to Article 4.3 and for the avoidance of doubt:

- (a) Article 21 shall, in the case of the C Ordinary Shares determine what proportion of those C Ordinary Shares shall be Vested;
- (b) Article 4.5 shall apply in respect of the price of any Deferred Share(s).

13.2 Drag Along

13.2.1 In these Articles a **"Qualifying Offer"** shall mean a bona fide offer in writing by or on behalf of any person who is not a Connected Person of the Majority Holders (the **"Offeror"**) for the entire equity share capital in the Company not already owned by the Offeror or persons connected with the Offeror (but for the avoidance of doubt a Qualifying Offer shall not include a transfer pursuant to Article 10.5.4 (intra-group transfers) or an offer in relation to which either a Company Exit Repurchase Notice or a Managers' Exit Repurchase Notice has been served).

13.2.2 If the Majority Holders (the **"Accepting Shareholders"**) have indicated in writing to the Company they wish to accept the Qualifying Offer, then the provisions of this Article 13.2 shall apply.

13.2.3 The Accepting Shareholders shall give written notice (a **"Drag Along Notice"**) to the remaining holders of Shares (the **"Other Shareholders"**) of their wish to accept the Qualifying Offer and shall thereupon become entitled to transfer their Shares to the Offeror (or his nominee) and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer their Shares (the **"Called Shares"**) to the Offeror (or his nominee(s)) with full title guarantee on the date specified by the Accepting Shareholders. The price at which the Called Shares are to be transferred shall be a price per Share equal to the price payable in respect of each of the Accepting Shareholders' Shares but subject always to the aggregate proceeds of sale being distributed in accordance with the provisions of Article 13.1.7.

13.2.4 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Called Shares pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Called Shares (**"a New Member"**), a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall be deemed to have been served upon the New Member who shall thereupon be bound to sell and transfer all such Called Shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article 13.2.4 shall apply mutatis mutandis to the New Member save that completion of the sale of such Called Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member or, if later, upon the date of completion under the previous Drag Along Notice.

13.2.5 If any Other Shareholder shall not, within 5 Business Days of being required to do so, execute and deliver such documents and take such other action necessary or desirable in connection with the transfer (including executing and delivering stock transfer form(s) in respect of the Shares held by him and delivering the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof)), then any Accepting Shareholder shall be entitled (as such other Shareholder's agent) to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute any such documents and take any such other action on such Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such stock transfer form(s) and certificate(s) or indemnities (or any such other documents) to the Offeror (or his nominee(s)) and the directors shall register such Offeror (or his nominee(s)) as the holder thereof and, after such registration, any such transfer shall be validly registered. The Company shall not pay nor be under any obligation to pay any interest to any Other Shareholder (or Offeror) on any such consideration held on trust by the Company for any Other Shareholder (and any such interest shall be for the benefit of the Company). The Company shall pay to the Other Shareholder any such consideration held by the Company following receipt of the relevant share certificates or indemnities.

14. GENERAL MEETINGS

14.1 Calling Meetings

- 14.1.1 The directors may call general meetings and may be required to call a meeting by the Shareholders pursuant to the provisions of the Act.
- 14.1.2 General meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if is so agreed by a majority in number of the Shareholders having a right to attend and vote being a majority together holding not less than 90% in nominal value of the Shares giving that right.
- 14.1.3 The notice shall specify the time and date and place of the meeting and the general nature of the business to be transacted and shall include a statement of rights in accordance with section 325 of the Act.
- 14.1.4 Subject to the provisions of the Articles and to any restrictions imposed on any Shares, the notice shall be given to all the Shareholders, to directors and the Auditors and (provided the Company has been notified of their entitlement) to all persons entitled to a Share in consequence of the death or bankruptcy of a Shareholder.
- 14.1.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

14.2 Quorum

No business other than the appointment of a chairman of the meeting is to be transacted unless a quorum is present. The quorum shall be such number of Shareholders (whether attending in person, by proxy or by a duly authorised representative) who represent in excess of 50% in nominal value of the Shares in issue, provided that where the Company has a single Shareholder, the quorum shall be one person entitled to vote at the meeting (being a Shareholder, a proxy or duly authorised representative).

14.3 Poll Votes

The following sub-paragraph (e) shall be added to the end of regulation 44(2) of the Model Articles:

"(e) a person or persons representing Shares conferring a right to vote on the resolution, being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the Shares conferring that right."

14.4 Proxies

- 14.4.1 A proxy notice (and any evidence of the authority of the person executing it on the appointor's behalf) may:
 - (a) in the case of a proxy notice (and any evidence) in hard copy form, be deposited at the registered office or the address specified in the notice of meeting or in any instrument of proxy relating to the meeting sent out by the Company, at any time before the holding of the meeting (or adjourned meeting); or
 - (b) in the case of a proxy notice (and any evidence) sent by electronic means, be received at any address provided for the purpose of receiving communications sent by electronic means and specified in the notice of meeting, in any instrument of proxy relating to the meeting sent out by the Company or in any communication by electronic means sent out by the Company inviting the appointor to appoint a proxy relating to the meeting, at any time before the holding of the meeting (or adjourned meeting).

- 14.4.2 Termination of the authority of a person to act as proxy must be notified to the Company in writing.

14.5 Votes of Shareholders

- 14.5.1 In the case of joint holders of Shares only the vote of the senior holder who votes (and any proxies appointed by him) may be counted by the Company and seniority shall be determined by the order in which the names of the joint holders appear in the register of members. A Shareholder in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy.
- 14.5.2 No Shareholder shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that share have been paid.

14.6 Chairing General Meetings

Regulation 39 of the Model Articles shall be modified by the substitution of the words "Chairman of the Board" in place of the word "chairman" each time it appears in regulation 39(1) and the first line of regulation 39(2).

15. DIRECTORS

15.1 Number of Directors

The number of directors shall not be less than two in number.

15.2 Appointment and removal of Directors

- 15.2.1 The directors may with the consent in writing of the Majority Holders appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- 15.2.2 The Majority Holders may by notice in writing to the Company appoint any person or persons who is or are willing to act as a director or directors either to fill a vacancy or vacancies or to act as an additional director or directors and remove any person or persons so appointed.
- 15.2.3 No director shall be required to vacate his office as a director, nor shall any person be ineligible for appointment as a director, by reason of his having attained any particular age.
- 15.2.4 The office of a director shall be vacated if:
- (a) he ceases to be a director by virtue of any provision of the Act or these Articles (including Article 15.2.5) or he becomes prohibited by law from being a director of a company; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

- (ii) by reasons of his mental health, a court makes an order which wholly or partly prevents that director from personally exercising any powers or rights he would otherwise have; or
 - (d) he resigns his office by notice in writing to the Company; or
 - (e) he is convicted of a criminal offence (other than a motoring offence or series of motoring offences not resulting in disqualification) and the directors resolve that he be removed from office; or
 - (f) in the case of a person who is also an employee of the Company or another Group Company, he ceases to be such an employee without so remaining an employee of any other member of the Group; or
 - (g) he shall for more than three consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that he be removed from office; or
 - (h) all the other directors unanimously resolve that he be removed from office.
- 15.2.5 In addition and without prejudice to the provisions of section 168 of the Act, the Company may by ordinary resolution (whether at a general meeting or in writing and without special notice) remove any director before the expiration of his period of office and may by ordinary resolution (whether at a general meeting or in writing and without any special notice) appoint another director in his place.
- 15.2.6 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the person entitled to the Share(s) of the last shareholder to have died or to have a bankruptcy order made against him has the right, by notice in writing, to appoint a natural person who is willing to act and is permitted to do so, to be a director.
- 15.2.7 Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

15.3 Alternate Directors

- 15.3.1 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- 15.3.2 An 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, to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. A director who is also an alternate shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 15.3.3 An alternate director shall cease to be an alternate director if:
- (a) his appointor ceases to be a director; but, if a director retires but is reappointed at the meeting at which he retires, any appointment of an alternate director

made by him which was in force immediately prior to his retirement shall continue after his reappointment; or

- (b) if any matter occurs in relation to the alternate which if it occurred in relation to his appointor would result in the termination of the appointor's appointment as a director.

15.3.4 Any appointment or removal of an alternate director shall be by notice in writing to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.

15.3.5 Save as otherwise provided in the Articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

15.4 **Proceedings of Directors**

15.4.1 Notice of every meeting of the directors shall be given to each director:

- (a) at any address in the United Kingdom supplied by him to the Company for that purpose whether or not he is present in the United Kingdom; or
- (b) at any address for sending communications by electronic means supplied by him to the Company for that purpose

provided that any director may waive notice of any meeting either prospectively or retrospectively by notice to the Company and if he does so it shall be no objection to the validity of the meeting (or any business conducted at it) that notice of the meeting was not given to him. Not less than 5 Business Days prior notice of a Board meeting shall be given (subject to regulation 48(3) of the Model Articles) unless the requirement for notice is waived by the directors or otherwise agreed by the Majority Holders.

15.4.2 Notices of meetings of the directors shall be given in writing.

15.4.3 Regulation 11 of the Model Articles (as modified) shall be subject to Articles 15.4.4, 15.5 and 15.6 and shall be modified by the substitution of the following words in place of the words in regulation 11(2):

"The quorum for directors' meetings is one and a person who holds office only as an alternate shall be counted in the quorum unless his appointor is present."

15.4.4 Any director including an alternate director may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Act, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the director chairing the meeting then is or where the directors decide.

15.4.5 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as it if had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. Regulation 7 of the Model Articles shall be modified by the substitution in regulation 7(1) of the words "Article 15.4.5" in place of "article 8".

- 15.4.6 Minutes of meetings of the Board shall be prepared and circulated as soon as practicable and circulated to each director not more than 5 Business Days after the meeting and regulation 15 of the Model Articles shall be modified accordingly.

15.5 Transactional Conflicts

- 15.5.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
- (b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- (e) shall, subject to Articles 15.5.2 and 15.6.3, and the terms of any authorisation under Article 15 be entitled to vote and be counted in the quorum on any resolution concerning a matter in which he has direct or indirectly an interest or duty.

- 15.5.2 For the purposes of Article 15.5.1:

- (a) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his; and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

15.6 Authorisation of Situational Conflicts

- 15.6.1 To the fullest extent possible by law and subject to the other provisions of the Articles, for the purposes of section 180(4)(a) of the Act, any director shall be authorised in respect of the Pre-Authorised Situations.
- 15.6.2 To the fullest extent permitted by law and subject to the other provisions of these Articles, the directors (for the purposes of section 175(4)(b) of the Act) and the Company by ordinary resolution (for the purposes of section 180(4)(a) of the Act) may authorise any Conflict Situation.

- 15.6.3 Notwithstanding Article 15.4.3 (and without prejudice to Article 15.6.4(a)), at any meeting of the directors where the authorisation of a Conflict Situation pursuant to Article 15.6.2 is being considered any resolution of the directors authorising the Conflict Situation can only be passed where any directors to whom that Conflict Situation relates do not vote or would have been passed without counting the votes of any such interested director who votes.
- 15.6.4 Subject to authorisation of a Conflict Situation in accordance with these Articles (including under Article 15.6.1) and any terms or conditions applying to such authorisation, a director:
- (a) may count in the quorum for and vote at any meeting (or part of a meeting) of the Board at which the authorised Conflict Situation is considered (and may receive notices of and documents and information relating to such meetings/parts of meetings);
 - (b) shall not be required to disclose to the Company any confidential information obtained as a result of the authorised Conflict Situation (save where also lawfully obtained as a result of his position as a director of the Company) where do so would result in the director breaching a duty of confidentiality owed as a result of or in relation to the authorised Conflict Situation; and
 - (c) shall not be accountable to the Company for any benefit he (or a person connected with him) derives from any matter relating to the authorised Conflict Situation and any contract or arrangement relating to the Conflict Situation shall not be liable to be avoided on the ground of any such benefit.
- 15.6.5 Where proposals concerning the authorisation by the directors of Conflict Situations of two or more directors under Article 15.6.2 are under consideration, such directors' interests may be divided and considered separately for each director and each such director may form part of the quorum and vote in relation to each resolution except any resolution(s) concerning his own Conflict Situation(s) (provided he is not otherwise precluded from voting or forming part of the quorum).
- 15.6.6 Each director shall comply with any obligations imposed on him pursuant to any such authorisation.
- 15.6.7 For the purposes of this Article 15.6:
- (a) any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties;
 - (b) an interest of a person connected with a director for the purposes of the Act shall be treated as an interest of the director; and
 - (c) an interest of the appointor of an alternate director shall be treated as an interest of the alternate director (together with any interest which the alternative director has otherwise).

16. CHAIRMAN OF THE BOARD, SECRETARY AND OBSERVER

- 16.1 The Majority Holders shall have the right at any time and from time to time by notice in writing to the Board to instruct the Board to appoint one of the directors of the Company or any other person as Chairman of the Board (and any such other person shall be appointed a director of the Company for the duration of such appointment) and shall have the right to instruct the Board to remove from the office of Chairman of the Board any person appointed by it pursuant to this Article and to appoint another director or any other person as Chairman of the Board in his place (such appointment or removal to have effect as otherwise set out in such notice).
- 16.2 The Board shall have the right at any time and from time to time to appoint one of the directors of the Company or any other person as secretary of the Company and shall have the right to remove from the office of secretary of the Company any person appointed by it pursuant to this

Article and to appoint another director or other person in his place (such appointment or removal to have effect as otherwise set out in such notice).

- 16.3 The Majority Holders may at any time and from time to time by notice in writing to the Company appoint one or more persons to be a director or directors of the Company and may remove any director or directors from office (whether or not appointed pursuant to this Article 16).

- 16.4 Where any decision is to be made by any member of the Group in relation to the exercise, enforcement or waiver of its rights under the Acquisition Agreement or the Shareholders Agreement or against any holder of B Ordinary Shares or C Ordinary Shares or any director or person connected with any such holder or director, any such decision shall be within the exclusive power of the Majority Holders (or the directors appointed on behalf of the Majority Holders) who shall have (without limitation) exclusive authority in relation to the conduct of any proceedings of whatever nature arising in connection with any such rights and no other director (other than a director appointed on behalf of the Majority Holders) shall have power to settle or compromise any such claim.

17. DIVIDENDS

- 17.1 Regulations 30(1) to 30(4) (inclusive) of the Model Articles shall be subject to Article 17.2 (and regulations 30(5) to 30(7) shall be disapplied).

- 17.2 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

18. MEANS OF COMMUNICATION TO BE USED

- 18.1 Any notice to be given to or by any person pursuant to the Articles shall be in writing to an address for the time being notified for that purpose to the person giving the notice.

- 18.2 The Company may give any notice to a Shareholder either by hand or by sending it by post in a prepaid envelope addressed to the Shareholder at his registered address or by leaving it at that address or by sending by electronic means to an address for the time being notified by the Shareholder to the Company for the purpose of sending communications by electronic means. In the case of joint holders of a Share, all notices shall be given to the joint holder whose name appears first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders.

- 18.3 A Shareholder present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

- 18.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted in accordance with the Articles shall be conclusive evidence that the notice was given. Proof that a notice given by electronic means was properly addressed in accordance with the Articles shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice given by electronic means, at the expiration of 12 hours after the time it was sent. For the purposes of this Article no account shall be taken of any day or any part of a day that is not a Business Day.

19. DIRECTORS INDEMNITIES AND INSURANCE

- 19.1 Subject to Article 19.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- 19.1.1 each relevant officer may be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the

actual or purported execution and/or discharge of his duties, or in relation to them 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 Company's (or any Associated Company's) affairs; and

- 19.1.2 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 19.1.1 and otherwise may take any action to enable any such Relevant Officer to avoid incurred such expenditure.
- 19.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 19.3 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 Relevant Loss.

20. **EXIT TRANSACTION**

- 20.1 The Company shall carry out the following calculations immediately prior to an Exit Transaction (but after the application of Article 21), and upon the giving of a Company Exit Repurchase Notice or Managers' Exit Repurchase Notice (as the case may be).

- 20.1.1 First, the Company shall calculate the Exit Purchase Value and the Capitalisation Value in accordance with the provisions of this Article 20.

Next:

- 20.1.2 Where the Capitalisation Value is equal to or less than the MIP Hurdle:

- (a) all of the D Ordinary Shares shall automatically and irrevocably convert into Deferred Shares; and
- (b) the Company shall notionally allocate:
 - (i) first, an amount equal to the Exit Purchase Value to the B Ordinary Shares and to such of the C Ordinary Shares as are treated as Vested under Article 21 (pari passu as if they constituted one class of Share);
 - (ii) second, an amount equal to £0.01 in aggregate for all of the Deferred Shares held by each holder of Deferred Shares; and
 - (iii) third, the balance of the Capitalisation Value to the A Ordinary Shares.

- 20.1.3 Where the Capitalisation Value is greater than the MIP Hurdle (the amount by which the Capitalisation Value exceeds the MIP Hurdle being the "**Relevant Excess**" for the purposes of this Article 20) the Company shall notionally allocate:

- (a) first, in relation to amounts of the Capitalisation Value up to the MIP Hurdle:
 - (i) an amount equal to the Exit Purchase Value to the B Ordinary Shares and to such of the C Ordinary Shares as are treated as Vested under Article 21 (pari passu as if they constituted one class of Share); and
 - (ii) the balance of the Capitalisation Value (if any) up to the MIP Hurdle to the A Ordinary Shares;
- (b) second, in relation to the Relevant Excess:

(i) to the extent that the same is not satisfied in full under Article 20.1.3(a) above, an amount equal to the balance of the Exit Purchase Value to the B Ordinary Shares and to such of the C Ordinary Shares as are treated as Vested under Article 21 (pari passu as if they constituted one class of Share);

(ii) the following amount:

$$\frac{\text{the Relevant MIP Percentage} \times \text{Relevant Excess}}{2,000}$$

to the MIP Participants, in respect of each D Ordinary Share which is held by them;

(iii) an amount equal to £0.01 in aggregate for all of the Deferred Shares held by each holder of Deferred Shares; and

(iv) the balance of the Capitalisation Value to the A Ordinary Shares.

20.1.4 The calculations referred to above (save where expressly stated otherwise) assume that any return on or amount allocated to a particular class of Share will be made amongst their holders pro rata as nearly as possible to their respective holders of Shares of that class.

20.1.5 In the event that the Board (acting with Investor Consent) is unable to agree the Exit Purchase Value and/or the Capitalisation Value within 20 Business Days of being requested to do so, then the dispute as to the amount of the Exit Purchase Value and/or the Capitalisation Value shall be referred to the Expert and the provisions of Article 23 shall apply.

20.2 For the purposes of these Articles, the following words shall have the following meanings:

20.2.1 **"Capitalisation Value"** means the value of the entire issued equity share capital of the Company or of the business and assets of the Company to be sold as part of the Exit Transaction as offered by the Exit Transaction Buyer, taking into account any proforma adjustments forming the basis of the valuation of the Company and its subsidiaries, agreed with the Exit Transaction Buyer, and determined on a debt free basis;

20.2.2 **"Company EBITDA"** means the EBITDA of the Company and its subsidiaries calculated:

(a) after taking account of any exceptional items;

(b) after intra-group management charges (where such management charges are made on an arm's length and transparent basis),

in each case, as derived from the Company's management accounts for the full 12 month period most recently ended prior to service of the Company Exit Repurchase Notice or Managers' Exit Repurchase Notice; and

(c) after the allocation of all Group costs amongst the members of the Group (to the extent that such allocated costs are not already included in the Company's management accounts, referred to above); and

(d) after taking into account, and reflecting, any proforma adjustments forming the basis of the Capitalisation Valuation of the Company,

and in any event **provided that** in calculating Company EBITDA no account shall be taken of any reduction in Company EBITDA as a result of an event, fact or circumstance in relation to which, and only to the extent that, the Buyer has actually recovered the loss that resulted in such reduction in Company EBITDA under an Indemnity or Warranty (as such terms are defined in the Acquisition Agreement);

- 20.2.3 **"EBITDA"** means (in respect of any person) the consolidated earnings before interest, tax, depreciation and amortization of such person as derived from its management accounts for the period referred to calculated after taking into account:
- (a) any exceptional items; and
 - (b) where relevant, any proforma adjustments forming the basis of the valuation of the relevant person and its subsidiaries, agreed with the Exit Transaction Buyer save that, for the avoidance of doubt, the sum of proforma adjustments applied to all instances of Company EBITDA, whether under the Articles in relation to the Company or under the articles of association for any other members of the Group having a similar mechanism, will not exceed the proforma EBITDA applied to the EBITDA for the Group;
- 20.2.4 **"Equity Multiplier"** means (i) in the case of a Qualified Public Offering, the Market Capitalisation of the Relevant Company divided by the EBITDA of the Relevant Company for the full 12 month period most recently ended prior to service of the Company Exit Repurchase Notice or the Managers' Exit Repurchase Notice or (ii) in all other cases, the Net Sale Price of the Relevant Company in such Exit Transaction divided by the EBITDA of the Relevant Company for the full 12 month period most recently ended prior to service of the Company Exit Repurchase Notice or the Managers' Exit Repurchase Notice;
- 20.2.5 **"Exit Purchase Value"** means an amount equal to D, where:
- $$D = (A \times B)$$
- and where:
- A = Company EBITDA x Equity Multiplier
- B = the proportion of the issued share capital of the Company that is represented by B Ordinary Shares and such number of the C Ordinary Shares as are Vested
- 20.2.6 **"Exit Transaction"** means:
- (a) (i) an acquisition in one transaction or a series of related transactions by any person who is not a Connected Person of the Majority Holders (**"Exit Transaction Buyer"**), immediately after which such person, either alone or together with its Affiliates, holds more than fifty per cent (50%) of the combined voting power or economic rights of any person that Controls, directly or indirectly, the Company (or any Permitted Transferee) (and 'Permitted Transferee' for the purposes of this definition shall have the meaning given to such term in clause 1.1 of the Shareholders' Agreement) (any such person, a **"Holding Company"**), or (ii) a sale, lease or other disposition of all or substantially all of the assets of any such Holding Company to an Exit Transaction Buyer; or
 - (b) any initial public offering of at least twenty per cent (20%) of the ownership interests in any Holding Company, pursuant to which such ownership interests are listed on a securities exchange (including without limitation the Alternative Investment Market of the London Stock Exchange, the Official List of the UK Listing Authority, the Hong Kong Stock Exchange, the New York Stock Exchange, NASDAQ and the Shanghai Stock Exchange) (a **"Qualified Public Offering"**);
- 20.2.7 **"Expert"** means the Auditors or the independent firm of valuers appointed under Article 23;
- 20.2.8 **"Group Unsecured Preferred Interests"** means all loan notes issued by any member of the Group and any preferred unsecured non-common equity securities issued by any member of the Group;

- 20.2.9 **"Market Capitalisation"** means (i) (x) the final offer price per share (or other unit of the ownership interests) of the Relevant Company that are offered in a Qualified Public Offering, multiplied by (y) the total number of such Shares or other ownership interests outstanding immediately at completion of such Qualified Public Offering less the number of such ownership interests newly issued and sold in exchange for new capital in such Qualified Public Offering, minus (ii) the aggregate value of all costs and expenses to be paid by or on behalf of the Relevant Company and its holders of Shares or other ownership interests in connection with such Qualified Public Offering;
- 20.2.10 **"Net Sale Price"** means the aggregate consideration paid in respect of the equity interests and/or assets of the Relevant Company and its subsidiaries transferred pursuant to an Exit Transaction, after the deemed repayment of all indebtedness of the Relevant Company and its subsidiaries (including, for the avoidance of doubt, all preferred non-equity securities and loan notes issued by other Group Companies) or, where relevant in the case of a partial sale, the same proportion of such indebtedness as is equal to the proportion of equity interests and/or assets being transferred, and less the aggregate value of costs and expenses to be paid by or on behalf of the selling person(s) in respect of such Exit Transaction; and
- 20.2.11 **"Relevant Company"** means the entity that is the subject of the Qualified Public Offering or the entity whose shares are being sold in the Exit Transaction.
- 20.3 In the event of an Exit Transaction:
- 20.3.1 the Company (or the Relevant Company or other Permitted Transferee) shall have the right (the **"Company Exit Repurchase Right"**) to purchase, or cause any of its Affiliates to purchase, all of the B Ordinary Shares, C Ordinary Shares and D Ordinary Shares in the Company subject, in the case of the C Ordinary Shares, to those shares having become Vested (whether prior to or at the date of the Exit Transaction) (**"Vested C Shares"**) and to purchase (or cause any of its Affiliates to purchase), or procure that Midco 1 redeems, all of the Midco 1 Loan Stock held by any Shareholder holding B Ordinary Shares, C Ordinary Shares and/or D Ordinary Shares in the Company, on the terms and subject to the provisions of this Article 20; and
- 20.3.2 the holders of the B Ordinary Shares, C Ordinary Shares and the D Ordinary Shares (the **"Shareholder Managers"**) shall have the right (the **"Managers' Exit Repurchase Right"**) to require the Company (or any Relevant Company or Affiliate) to purchase, all of the Shares in the Company that are held by them (being in the case of the C Ordinary Shares, Vested C Shares), and to purchase (or cause any of its Affiliates to purchase), or procure that Midco 1 redeems, all of the Midco 1 Loan Stock held by any such Shareholder Manager, on the terms and subject to the provisions of this Article 20.
- 20.4 The Company shall notify the Shareholder Managers in writing at least five (5) Business Days prior to the proposed completion date of any Exit Transaction. If the Company wishes to exercise the Exit Repurchase Right, such notice shall specify that fact and shall identify the anticipated closing date of the Exit Transaction and shall set out the full details of its terms (and in which case such notice shall be the **"Company Exit Repurchase Notice"**).
- 20.5 If the notice required to be given by the Company pursuant to Article 20.4 specifies that the Company does not wish to exercise the Company Exit Repurchase Right, then each of the Shareholder Managers shall, within five (5) Business Days of receipt of such notice, be entitled to notify the Company in writing that they wish to exercise the Managers' Exit Repurchase Right (such notice being the **"Managers' Exit Repurchase Notice"**).
- 20.6 In the event of an Exit Transaction in respect of which a Company Exit Repurchase Notice or a Managers' Exit Repurchase Notice has been served, the consideration payable to the Shareholder Managers by the Company (or its Affiliates, as the case may be) for the Shares to be transferred to the Company (or its Affiliates, as the case may be) and the Midco 1 Loan Stock to be transferred to Midco 1 (or its Affiliates, as the case may be) or redeemed by Midco 1 (as the case may be) shall be equal to:
- 20.6.1 in respect of the Midco 1 Loan Stock held by the Seller Managers on the date of completion of the Exit Transaction (and subject to the terms of any intercreditor deed

and the Loan Stock Letter) the amount of the outstanding principal amount of the Midco 1 Loan Stock as at the date of Completion of the Exit Transaction (the "**Managers' Priority Amount**") (subject to adjustment in accordance with Article 20.7 below); plus

- 20.6.2 in respect of any B Ordinary Shares, Vested C Shares and/or D Ordinary Shares held by the Shareholder Managers on the date of completion of the Exit Transaction, such amounts as are determined under and in accordance with the provisions of Article 20.1.
- 20.7 Should the aggregate of the Group Unsecured Preferred Interests not be repaid in full upon such Exit Transaction (or should the price paid for all Group Unsecured Preferred Interests be less than the total principal of and accrued but unpaid interest thereon) (any such proportionate payment being hereinafter referred to as the "**Proportionate Payment Percentage**") then the amount payable in respect of the Manager's Priority Amount shall be equal to the Proportionate Payment Percentage of the Managers' Priority Amount.
- 20.8 For the avoidance of doubt, the Exit Purchase Value in respect of a Qualified Public Offering may, at the sole option of the Company (or any Relevant Company, as the case may be), be satisfied in the form of the shares and/or other ownership interests in the Relevant Company that are issued and listed pursuant to such Qualified Public Offering having a value, based upon the offering price of such ownership interests in such Qualified Public Offering, equal to the Exit Purchase Value, provided that the Shareholder Managers shall not be required to take a greater proportion of the consideration to which they are entitled pursuant to Article 20.1 in the form of shares and/or other ownership interests in the Relevant Company than the proportion taken by the Majority Holders.
- 20.9 If necessary, payment of the Shareholder Managers' consideration for their Shares (as determined pursuant to Article 20.1) shall be subject to holdback, escrow or similar arrangements in respect of an Exit Transaction, to the same extent, on a proportionate basis, as all other Affiliates of the Group are so subject, but the amount of the consideration shall not be discounted by any purported control premium.
- 20.10 Upon receiving a Company Exit Repurchase Notice or serving a Managers' Exit Repurchase Notice, the Shareholder Managers shall be obliged to:
- 20.10.1 sell all Shares held by them, free of all liens and Encumbrances; and
- 20.10.2 otherwise take all necessary action to cause the consummation of the Exit Transaction, including, without limitation, promptly executing all documents reasonably requested by the Company or any member of the Group.
- 20.11 If any Shareholder Manager shall not, within 5 Business Days of being required to do so, execute and deliver such documents and take such other action necessary or desirable in connection with the transfer (including executing and delivering stock transfer form(s) in respect of the Shares held by him and delivering the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof)), then any director of the Company (or some other person duly nominated by a resolution of the Board for that purpose) shall forthwith be deemed to be the duly appointed agent or attorney on behalf of that Shareholder Manager with full power to give, execute, complete and deliver in the name and on behalf of the Shareholder Manager all transfers of Shares (and other action necessary or desirable in connection with the transfer) held by him but only in accordance with the provisions of this Article 20.
- 20.12 In the event that the Exit Transaction is not completed within 270 days of the date of service of a Company Exit Repurchase Notice or a Managers' Exit Repurchase Notice (as the case may be), then the right or obligation to purchase the Shares (and Midco 1 Loan Stock) from the Shareholder Managers pursuant to an Company Exit Repurchase Right or a Managers' Exit Repurchase Right (as the case may be) shall terminate with respect to such Exit Transaction. Notwithstanding anything contained in this Article 20 or in the Shareholders Agreement, there shall be no liability on the part of the Company or any other member of the Group to the Shareholder Managers or any other person nor on the part of the Shareholder Managers to the Company or any member of the Group if the Exit Transaction is not completed other than as a result of a breach of these Articles or the Shareholders Agreement.

21. **VESTING OR CONVERSION OF C ORDINARY SHARES**

21.1 As at the Vesting EO Determination Date or, where earlier:

21.1.1 immediately prior to an Exit Transaction; or

21.1.2 immediately prior to a return of capital under Article 4.3 or a tag along or drag along pursuant to Article 13,

(each of the events in Articles 21.1.1 and 21.1.2 being an “**Early Exit Event**”), then:

21.1.3 where at the Vesting EO Determination Date, the Maximum Additional Consideration is payable (or has been paid) to the Seller Managers under the Acquisition Agreement, then all of the issued C Ordinary Shares shall be treated as Vested (and not liable to be converted into Deferred Shares); or

21.1.4 where at the Vesting EO Determination Date, no Additional Consideration is payable (or has been paid) to the Seller Managers under the Acquisition Agreement, none of the C Ordinary Shares shall be treated as Vested and all of the issued C Ordinary Shares shall be forthwith converted into Deferred Shares; or

21.1.5 where at the Vesting EO Determination Date, an amount of Additional Consideration is payable (or has been paid) to the Seller Managers under the Acquisition Agreement but this amount is less than the Maximum Additional Consideration, then the Relevant Conversion Number of C Ordinary Shares shall be equal to the number of C Ordinary Shares representing the proportion (expressed as a percentage) by which Actual Total Additional Consideration is less than the Maximum Additional Consideration, and the Relevant Conversion Number of C Ordinary Shares (any fraction of a percentage being rounded up to the nearest whole number) shall be forthwith automatically converted into Deferred Shares (and if there is more than one holder of C Ordinary Shares at the time of conversion then such conversions shall take place pro rata as nearly as may be to the holding of each such Shareholder). The balance of the C Ordinary Shares not converted under this Article 21.1.5 shall be treated as Vested (and shall not be further liable to be converted into Deferred Shares).

Worked Example (indicative numbers only):

- Actual Total Additional Consideration = £4,000,000
- No. of C Ordinary Shares in issue at the Vesting EO Determination Date = 10,000
- 80% of the Maximum Additional Consideration is payable under the Acquisition Agreement
- The Relevant Conversion Number = 2,000 C Ordinary Shares (being 20% of the C Ordinary Shares in issue). 8,000 C Ordinary Shares shall be Vested; or

21.1.6 on the occurrence of, but immediately prior to, any Early Exit Event (a “**Early Testing Date**”), a calculation shall be carried out in accordance with the provisions of Article 21.2 below to determine the Relevant Conversion Number of C Ordinary Shares, and the Relevant Conversion Number so determined (any fraction of a percentage being rounded up to the nearest whole number) shall be forthwith converted into Deferred Shares (and if there is more than one holder of C Ordinary Shares at the time of conversion then such conversions shall take place pro rata as nearly as may be to the holding of each such Shareholder). The balance of the C Ordinary Shares not converted under this Article 21.1.6 shall be treated as Vested (and shall not be further liable to be converted into Deferred Shares).

21.2 For the purposes of Article 21.1.6, the Relevant Conversion Number of C Ordinary Shares shall be determined on the basis of the following calculation (and the table set out below):

Relevant Conversion Number = Z x (1 (one) minus the Percentage EO Payable)

Where:

Z = the number of C Ordinary Shares in issue as at the Early Testing Date

Percentage EO Payable = $(B - A) / (C - A)$ (such figure to be expressed as a percentage), where:

A = £5,091,000

B = the EO Metric for the 12 month period up to the end of the last month preceding the relevant Early Exit Event for which management accounts for the Group have been prepared

C = the EO Target for the relevant Early Exit Event set out alongside the Relevant Month End in the table below

The above calculation cannot equal greater than 100% or less than 0. For the avoidance of doubt:

- (a) where the calculation is greater than 100%, the Relevant Conversion Number is 0; and
- (b) where the calculation is less than 0, the Relevant Conversion Number is equal to all of the issued C Ordinary Shares.

EO Metric = has the meaning given in the Acquisition Agreement and shall be calculated in accordance with the provisions set out in Schedule 10 of the Acquisition Agreement

EO Target = has the meaning set out in column (2) of the table below

Relevant Month End = means the month end prior to the relevant Early Testing Date, as set out in column (1) of the table below

(1)	(2)
Month end prior to the Early Testing Date	"EO Target"
(each a "Relevant Month End")	(£)
31 December 2018	5,091,000
January 2019	5,180,975
February 2019	5,270,949
March 2019	5,360,924
April 2019	5,450,898
May 2019	5,540,873
June 2019	5,630,847
July 2019	5,720,822
August 2019	5,810,796
September 2019	5,900,771
October 2019	5,990,745
November 2019	6,080,720
December 2019	6,170,694

(1)	(2)
Month end prior to the Early Testing Date	"EO Target"
(each a "Relevant Month End")	(£)
January 2020	6,228,038
February 2020	6,285,382
March 2020	6,342,726
April 2020	6,400,070
May 2020	6,457,414
June 2020	6,514,758
July 2020	6,572,102
August 2020	6,629,446
September 2020	6,686,790
October 2020	6,744,134
November 2020	6,801,477
December 2020	6,858,821

21.3 Notwithstanding the foregoing provisions of this Article 21, in the event that Mr Longley becomes a Bad Leaver prior to the Vesting EO Determination Date and/or the Early Testing Date, then:

21.3.1 where he becomes a Bad Leaver on or prior to the end of Year One, all of his C Ordinary Shares shall be forthwith automatically converted into Deferred Shares;

21.3.2 where he becomes a Bad Leaver during Year Two, then the Relevant Conversion Number for those C Ordinary Shares held by Mr Longley (but not for the avoidance of doubt, any other holder of C Ordinary Shares) shall be determined in accordance with the calculation set out in Article 21.2 as if there was an Early Exit Event save that:

(a) the Relevant Month End shall be December 2019; and

(b) the EO Target shall be £6,290,660,

and the Relevant Conversion Number so determined (any fraction of a percentage being rounded up to the nearest whole number) shall be forthwith converted into Deferred Shares. The balance of the C Ordinary Shares not converted under this Article 21.3.2 shall be treated as Vested (and shall not be further liable to be converted into Deferred Shares).

22. SHARE TRANSFER VETO

22.1 Notwithstanding anything contained in these articles, the directors shall not decline to register any transfer of shares, nor may they suspend registration of it where the transfer:

22.1.1 is to any bank or institution acting as a senior lender to which such shares have been charged by way of security, or to any nominee of such a bank or institution (a "**Secured Institution**"); or

22.1.2 is delivered to the company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or

- 22.1.3 is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security

and furthermore, notwithstanding anything to the contrary contained in these Articles, no transferor of any Shares in the Company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to offer the Shares which are or are to be the subject of any transfer aforesaid to the Shareholders for the time being of the Company or any of them, and no such Shareholder shall have any right under the Articles or otherwise howsoever to require such Shares to be transferred to them whether for consideration or not. Furthermore, notwithstanding anything contained in these Articles, the Company and the directors shall not be entitled to exercise any lien which the Company has in respect of its Shares in relation to any transfer referred to in this Article.

23. EXPERT DETERMINATION

- 23.1 As soon as practicable following the time it becomes apparent that a valuation pursuant to Article 20 is required, the Company shall engage and instruct either:

23.1.1 the Auditors; or

23.1.2 a partner at an independent firm of valuers, having experience of valuing companies,

(the “**Expert**”) to provide its written opinion of the Exit Purchase Value and/or the Capitalisation Value pursuant to this Article 23, for the purposes of the Exit Transaction. The identity of the Expert shall be agreed upon and appointed by the Board (with Investor Consent). If the Board and the Investors do not agree upon the selection of the Expert, meaning that the Company does not appoint an Expert after a further 10 days, then a partner at an independent firm of chartered accountants will be selected on the application of either the Board or the Investors by the President or other senior officer for the time being of the Institute of Chartered Accountants in England and Wales.

- 23.2 In the event that an Expert declines to accept an instruction to provide a valuation pursuant to this Article 23 (or following his appointment, subsequently dies or becomes unwilling or incapable of acting) then the Board or the Investors may by written notice request the other to agree to the selection and appointment of a replacement Expert. If within 10 days of service of such second request the Board and the Investors have not selected and appointed a replacement Expert then a replacement Expert will, on the written request of either party, be selected by the President or other senior officer for the time being of the Institute of Chartered Accountants in England and Wales.
- 23.3 The Company will use its reasonable endeavours to procure that the Expert delivers its written opinion of the Exit Purchase Value and/or the Capitalisation Value to the Board within 14 days of being requested to do so and that in making such determination, it shall take account of the provisions of Article 20.
- 23.4 In the event that the calculation of the Exit Purchase Value and/or the Capitalisation Value is referred to the Expert for determination then the Expert shall act as an expert and not as an arbitrator or arbiter and its decision shall be final and binding on the Company and all the holders of Shares (in the absence of fraud or manifest error).
- 23.5 The Expert’s fees for reporting on their opinion of the Exit Purchase Value and/or the Capitalisation Value (as the case may be) pursuant to these Articles shall be borne as the Expert shall specify in its valuation (having regard to the conduct of the parties and the merit of their agreements in respect of the matters in dispute) or otherwise (in the absence of any specification) by the Company.