

Company No: 12034421

SPECIAL RESOLUTIONS

of

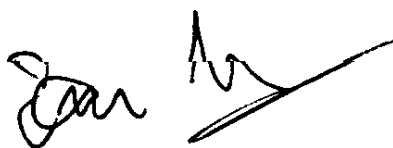
LOCHDALE MEDIA LIMITED ("Company")

The following resolution was passed by way of written resolution under Chapter 2 of Part 13 of the Companies Act 2006 on 12nd July 2019 as a special resolution.

SPECIAL RESOLUTION

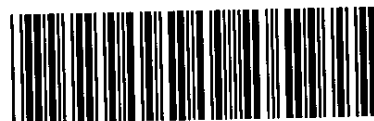
1. THAT, the draft regulations attached to this Resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

Signed:



Director

FRIDAY



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COMPANIES HOUSE

Company No: 12034421

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION
OF

LOCHDALE MEDIA LIMITED

Circulation Date: 12nd July 2019

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a special resolution (the "**Resolution**").

SPECIAL RESOLUTION

1. THAT the draft articles of association produced to the meeting and, for the purposes of identification, attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

Agreement

Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, being the person entitled to vote on the above Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Director
Lochdale Media Limited
Date: 12nd July 2019

NOTES:

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using the following method:
 - **By Hand:** delivering the signed copy to any director of the Company or to The Directors, 83 Raikes Road, Skipton, United Kingdom, BD23 1LS
 - **Post: returning** the signed copy by post to The Directors, 83 Raikes Road, Skipton, United Kingdom, BD23 1LS
 - **E-mail:** by attaching a scanned copy of the signed document to an e-mail and **sending** it to fredericrimbault@yahoo.fr. Please enter "Lochdale - Written Resolution 2019" in the e-mail subject box.

If you do not agree to the Resolution, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
3. Unless, by 28 days from the Circulation Date, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

LOCHDALE MEDIA LIMITED ("Company")
(Company Number 12034421)

Minutes of a meeting of the board of directors held at 83 Raikes Road, Skipton, United Kingdom, BD23 1LS on the 12 day of July 2019 at 11 am.

Present: Simon Burrell (Chairman)
Mark Dixon
Frederic Rimbault (phone)

In Attendance: 3

1 QUORUM

There being a quorum present the Chairman declared the meeting open.

2 DECLARATION OF DIRECTORS' INTERESTS

- 2.1 The directors confirmed that they had no interest in the matter to be discussed at the meeting which they were required by statute, the Company's articles of association or otherwise to disclose.
- 2.2 The Chairman noted that, among their other duties, directors are required by statute to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard, among other things, to the matters listed in section 172(1) of the Companies Act 2006.

3 PURPOSE OF THE MEETING

- 3.1 The Chairman noted that the meeting had been convened to approve:
- (a) the adoption of new articles of association ("**New Articles**"); and
 - (b) a written resolution for the purpose of adopting the New Articles ("**Written Resolution**").

4 WRITTEN RESOLUTION FOR NEW ARTICLES OF ASSOCIATION

- 4.1 It was reported that the New Articles were presented to the meeting.
- 4.2 **IT WAS RESOLVED** that the Written Resolution be approved and distributed to the sole member of the Company entitled to vote at general meetings for approval. The meeting was adjourned for this purpose.

4.3 Upon its resumption it was reported that the Written Resolution had been duly distributed and approved and signed by the sole member of the Company entitled to vote at general meetings.

4.4 The Chairman was authorised and requested to file the Written Resolution at Companies House together with a print of the new Articles of Association.

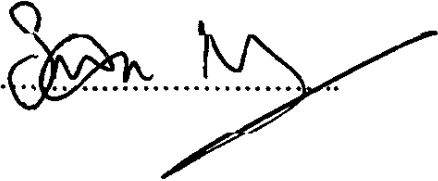
5 CLOSE OF MEETING

There being no further business the meeting closed.

These minutes were then read and signed.

Simon Burrell

.....
Chairman

A handwritten signature in black ink, appearing to be 'Simon Burrell', is written over a dotted line. A long, diagonal stroke is drawn across the signature and extends to the right.

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

LOCHDALE MEDIA LIMITED

(Adopted by special resolution passed on 12th July 2019)

INTRODUCTION

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles:

Act: the Companies Act 2006.

acting in concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

Adoption Date: the date of adoption of these Articles.

Articles: the Company's articles of association for the time being in force.

Bad Leaver: a Shareholder who (a) commits fraud, any acts of dishonesty, or (b) any material breach of contract, gross misconduct or gross negligence which results or is likely to result in a material detriment to the Company or a member of its Group, or (c) being convicted of a material criminal offence which the Board reasonably considers to compromise the Leaver's position as, where appropriate, an Employee or Director of the Company or the reputation of the Company;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Chairman: has the meaning given to it in *article 5.4*;

Company: means LOCHDALE MEDIA Limited.

Company's Lien: has the meaning given to it in *article 22.1*.

connected: has the meaning given in section 252 of the Act.

Controlling Interest: an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

Departing Employee: an Employee who ceases to be a director or employee of, or consultant to, any Group Company and who does not continue as, or become, a director or employee of, or consultant to, any Group Company.

Directors: the directors of the Company from time to time.

EBIT: in relation to the Company, means the Company's earnings before interest and taxes.

Eligible Director: means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter).

Employee: an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, any Group Company.

Fair Value: has the meaning given in *article 14.2*.

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

Financial Year: an accounting reference period (as defined in section 391 of the Act) of the Company.

Founders: means each of Mark Dixon and Simon Burrell

Founder shall mean any of them.

Good Leaver: a Shareholder who becomes a Departing Employee and who is not a Bad Leaver.

Group: the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding

company of the Company from time to time and **Group Company** shall be construed accordingly.

holding company: has the meaning given in article 1.11.

Independent Expert: the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within five Business Days of the expiry of the ten Business Day period referred to in *article 14.1*, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).

Issue Price: in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.

Lien Enforcement Notice: means a notice in writing which complies with the requirements of *article 23.2*.

Member of the Same Group: as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the Adoption Date.

Ordinary Approval: approval when given by Shareholders holding greater than 50% of the issued share capital in the Company, whether given by an ordinary resolution or otherwise in writing.

Ordinary Shares: the ordinary shares of £1 each in the capital of the Company.

Original Shareholder: has the meaning given in *article 12.1*.

Permitted Transfer: a transfer of Shares made in accordance with *article 12*.

Permitted Transferee: in relation to:

(a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust;

(b) a Shareholder which is a company, a Member of the Same Group as that company.

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

Relevant Securities: any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than:

(a) the grant of any options under a Share Option Plan (and the issue of Shares on the exercise of any such options); and

(b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles.

Relevant Shares: in relation to an Employee means all Shares held by:

(a) the Employee in question; and

(b) any Permitted Transferee of that Employee, and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice.

Restricted Shares: has the meaning given in *article 15.7*.

Sale Shares: has the meaning given in *article 13.2(a)*.

Seller: has the meaning given in *article 13.2*.

Shareholder: a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury.

Share Option Scheme: any share option scheme of the Company.

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

Special Approval: approval when given by Shareholders holding greater than 60% of the issued share capital in the Company, whether given by a special resolution or otherwise in writing.

Subsidiary: has the meaning given in *article 1.11*.

Termination Date: (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;

(c) where an Employee dies, the date of his death;

(d) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated; or

(e) in any other case, the date on which the employment or holding of office is terminated.

Transfer Notice: has the meaning given in *article 13.2*.

Transfer Price: has the meaning given in *article 14*.

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save

that, in relation to a Transfer Notice (or Deemed Transfer Notice), "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
 - (a) An **Article** is a reference to the relevant numbered article of these Articles; and
 - (b) A **model article** is a reference to the relevant article,unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as it is in force on the Adoption Date. A reference to a statute or statutory provision shall include all subordinate legislation made as at the Adoption Date under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.10 A reference in these Articles to a holder, or the holder(s), of Shares, Ordinary Shares or any class of Shares as the case may be shall, in each case, be deemed to exclude any member holding Shares in treasury.
- 1.11 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and

for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

- (a) another person (or its nominee), by way of security or in connection with the taking of security; or
- (b) its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 *The Model Articles (together with those provisions of Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) referred to in article 22) shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.*
- 2.2 Model articles 7, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 17, 22, 38, 39, 49, and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".
- 2.4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

3. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two and shall not be subject to any maximum.

4. PROCEEDINGS OF DIRECTORS

- 4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 4.2* (subject to *article 4.3* and *article 4.4*). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with *article 4.2* may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with *article 4.2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 4.6* and *article 4.7*.
- 4.5 Meetings of the Directors shall take place at least 4 times in each year, with a period of not more than 3 months between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 15 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent in writing (which may include email) of a majority of Directors, when meetings of the Directors may take place less frequently or on shorter notice).
- 4.6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed with the directors present.

- 4.7 For the purposes of any meeting (or part of a meeting) held pursuant to *article 7* to authorise a Conflict (as defined in *article 7.1*), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 4.8 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
- (a) appoint further Directors; or
 - (b) call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote unless, in respect of a particular meeting (or part of a meeting), in accordance with the Articles, the Chairman (or other chairman of the meeting) is not an Eligible Director for the purposes of that meeting (or part of a meeting).
- 4.10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.
- 4.11 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

5. APPOINTMENT AND REMOVAL OF DIRECTORS

- 5.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—
- (a) by ordinary resolution, or
 - (b) by a decision of the directors.
- 5.2 For as long as each Founder holds Shares equating to at least ten per cent. (10%) of the issued share capital of the Company, each Founder shall be entitled to appoint himself (and to remove himself from office) as a director of the Company.
- 5.3 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director;

- (b) a majority of the other Directors resolve that he cease to be a Director; and
- (c) in the case of an executive Director only, he shall cease to be an Employee of the Company or other Group Company (as appropriate) and does not continue as an Employee of any other Group Company.

5.4 The Directors may appoint any person as chairman of the board of Directors (**Chairman**) and may remove and replace any such Chairman.

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall

the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7. DIRECTORS' CONFLICTS

7.1 The Directors may, in accordance with the requirements set out in this *article 7*, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this *article 7* will be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

7.3 Any authorisation of a Conflict under this *article 7* may (whether at the time of giving the authorisation or subsequently):

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the

Company's affairs where to do so would amount to a breach of that confidence; and

- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

7.4 Where the Directors authorise a Conflict, the Interested Director will be *obliged to conduct himself in accordance with any terms and conditions* imposed by the Directors in relation to the Conflict.

7.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.

7.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under *article 7.1* shall be necessary in respect of any such interest.

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

8. SECRETARY

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

SHARES AND DISTRIBUTIONS

9. ISSUE OF NEW SHARES

9.1 The Company shall not issue any new Ordinary Shares without first obtaining Special Approval.

10. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

10.1 Subject to *article 9* and the remaining provisions of this *article 10*, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

- (a) offer or allot;
- (b) grant rights to subscribe for or to convert any security into; and
- (c) otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

10.2 The authority referred to in *article 10.1* may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

10.3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

10.4 Subject to Article 10.9, unless otherwise agreed by special resolution if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Ordinary Shares (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

10.5 An offer made under *article 10.4* shall:

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- (b) remain open for a period of at least 14 Business Days from the date of service of the offer; and
- (c) stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *article 10.4* shall, in his acceptance, state the number of

excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.

- 10.6 If, on the expiry of an offer made in accordance with *article 10.4*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 10.7 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *article 10.4* shall be used to satisfy any requests for Excess Securities made pursuant to *article 10.5(c)*. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to *article 10.8*, be offered to any other person(s) as the Directors may determine, at the same price and on the same
- 10.8 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 10.9 Articles 10.4 to 10.7 (inclusive) shall not apply to any allotment of Relevant Securities by the Company up to a maximum nominal amount of £25.00 pursuant to any convertible loan note instrument issued by the Company.

11. TRANSFERS OF SHARES: GENERAL

- 11.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 11.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to *article 11.5*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 11.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.

- 11.4 Any transfer of a Share by way of sale which is required to be made under *article 15*, *article 16* or *article 17* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 11.5 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of the any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this *article 11.5*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 11.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- (a) any holder (or the legal representatives of a deceased holder); or
 - (b) any person named as a transferee in a transfer lodged for registration; or
 - (c) such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 11.7 If any such information or evidence referred to in *article 11.6* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within 15 Business Days of receipt of such written notice, then:
- (a) the relevant Shares shall cease to confer on the holder of them any rights:
 - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
 - (ii) to receive dividends or other distributions; or
 - (iii) to participate in any future issue of Shares issued in respect of those Shares; and

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

The Directors may reinstate the rights referred to in *article 11.7(a)* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 11.7(b)* on completion of such transfer.

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

- (a) it does not contain a Minimum Transfer Condition; and
- (b) the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

- 11.9 Any Transfer Notice (but not an Offer Notice (as defined in *article 16*) or a Drag Along Notice (as defined in *article 17*)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

12. PERMITTED TRANSFERS OF SHARES

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

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

- (a) the Original Shareholder;
- (b) any Privileged Relation(s) of the Original Shareholder;
- (c) subject to *article 12.3*, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
- (d) subject to *article 12.3*, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

- 12.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the board of directors is satisfied:

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

12.4 A transfer of Shares may be made in accordance with the procedure set out in any shareholders agreement to which the holders (or their Permitted Transferees) of at least 60% of the issued Ordinary Shares in the Company are parties.

12.5 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:

- (a) the Original Shareholder; or
- (b) a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this *article 12.5*, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 12.5*.

12.6 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 15 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with *article 13*,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 12.6*. This *article 12.6* shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares.

- 12.7 Notwithstanding any other provision of this *article 12*, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

13. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 13.1 Except where the provisions of *article 12*, *article 16* or *article 17* apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *article 13*.

- 13.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:

- (a) subject to *article 11.8(b)*, the number of Shares he wishes to transfer (**Sale Shares**);
- (b) the name of the proposed transferee, if any;
- (c) subject to *article 15.5*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**); and
- (d) subject to *article 11.8(a)*, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a **Minimum Transfer Condition**).

- 13.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within five Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may only be withdrawn with the consent of the board.

- 13.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

- 13.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- (b) the determination of the Transfer Price,

the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 13.3*) offer the Sale Shares for sale in the manner set out in the remaining provisions of this *article 13* at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.

13.6 The Directors shall offer the Sale Shares to the Shareholders (other than the Seller), inviting them to apply in writing within the period from the date of the offer to the date ten Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

13.7 If:

- (a) at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Directors shall allocate the Sale Shares to each Shareholder who has applied for Sale Shares (the **First Offer Shareholders**) in the proportion which his existing holding of Shares bears to the total number of Shares of the class being offered held by all Shareholders (other than the Seller). Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
- (b) not all Sale Shares are allocated following allocations in accordance with *article 13.7(a)*, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *article 13.7(a)*. The procedure set out in this *article 13.7(b)* shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
- (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the First Offer Shareholders in accordance with their applications. The balance (the **Surplus Shares**) shall be dealt with in accordance with *article 13.12*.

13.8 Where the Transfer Notice contains a Minimum Transfer Condition:

- (a) any allocation made under *article 13.6* to *article 13.7* (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition; and
- (b) if the total number of Sale Shares applied for under *article 13.6* to *article 13.7* (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

13.9 Where either:

- (a) the Transfer Notice does not contain a Minimum Transfer Condition; or
- (b) allocations have been made in respect of all the Sale Shares,

the Directors shall, when no further offers or allocations are required to be made under *article 13.6* to *article 13.7* (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least five Business Days, but not more than fifteen Business Days, after the date of the Allocation Notice).

13.10 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice. The Applicant shall be granted a period of time not exceeding seven days to transfer payment for the relevant Sale Shares to the Seller. The Applicant and Seller may agree between them who payment for the Sale Shares is to be made included, but not limited to, lump sum, instalments and deferred payment, conditional always upon any applicable stamp duty being paid before the Sale Shares are registered in the name of the Applicant in the Company's register of members.

13.11 If the Seller fails to comply with *article 13.10*:

- (a) the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
 - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other

evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

- 13.12 Where a Transfer Notice lapses pursuant to *article 13.8(b)* or an Allocation Notice does not relate to all the Sale Shares, then, the Company may purchase such remaining Sale Shares (following the lapse of a Transfer Notice) or Surplus Shares (in the case of an Allocation Notice which does not relate to all the Sale Shares), subject always to the Act, at any time within the period of twenty Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be. If the Company is to purchase any Sale Shares or Surplus Shares under this article then the Company shall specify by notice to the Seller a time and place for completion of the sale and purchase of the Sale Shares or Surplus Shares, being not later than the last day of the twenty Business Day period referred to in this *article 13.12*. Completion of that sale and purchase shall take place at the time and place specified in the Company's notice, when:
- (a) the Company shall pay the Seller in cash the purchase price for the Sale Shares or Surplus Shares bought by the Company; and
 - (b) the Seller shall deliver to the Company a transfer in respect of the Sale Shares or Surplus Shares bought by it, duly executed in the Company's favour by the Seller, together with the certificate(s) for the Sale Shares or Surplus Shares or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors.
- 13.13 As security for the performance by the Seller of its obligations under *article 13.12(b)*, the Seller shall be deemed, on being given the Company's notice pursuant to *article 13.12*, to appoint any director as its duly authorised agent to complete, execute and deliver a transfer of the Sale Shares or Surplus Shares pursuant to *article 13.12(b)* and to give a good discharge for the purchase money. That money shall be held on trust by the Company for the Seller (without any obligation to account for interest on it) until the share certificate(s) or indemnity referred to in *article 13.12(b)* is delivered to the Company.
- 13.14 Where a Transfer Notice lapses pursuant to *article 13.8(b)* or an Allocation Notice does not relate to all the Sale Shares and where the Company has not purchased any Sale Shares or Surplus Shares pursuant to *article 13.12*, subject to *article 13.15*, the Seller may, at any time during the twenty Business Days following the twenty Business Day period referred to in *article 13.12*, transfer the Sale Shares or Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares or Surplus Shares (as the case may be) in accordance with this *article 13.14* shall continue to be subject to any Minimum Transfer Condition.

13.15 The Seller's right to transfer Shares under *article 13.14* does not apply if the Directors reasonably consider that:

- (a) the transferee is a person (or a nominee for a person) whom the board determines to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in *article 13.15(b)*.

14. VALUATION

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

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

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
- (b) the Group is valued on an earnings basis at a pre-agreed valuation of 12 x EBIT based on the last available accounts for the financial year;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account.

For the avoidance of doubt, any future potential of the Company shall not be taken into account in the valuation which is to be based on an EBIT multiple as set out above.

For the purposes of the above calculation, EBIT shall mean "earnings before interest and taxation" as shown in the profit and loss sheet of the Group in the last available accounts for the financial years See also

question on whether it is current financial year or last finished financial year above and calculated in accordance with the Company's accounting policies current as at the relevant date of calculation.

- 14.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 14.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 14.5 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the external Company's Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 14.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 14.7 The Independent Expert shall be requested to determine the Fair Value within fifteen Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.
- 14.8 The cost of obtaining the Independent Expert/s certificate shall be borne by the Company or in such other proportions as the Independent Expert directs unless:
 - (a) the Seller withdraws the relevant Transfer Notice in accordance with *article 13.3*; or
 - (b) in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

15. COMPULSORY TRANSFERS

- 15.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.

- 15.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.
- 15.3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice.
- 15.4 If an Employee becomes a Departing Employee a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within twenty Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse. The Transfer Notice shall be deemed to apply both to any Relevant Shares held by the Employee at the time of the Transfer Notice being triggered and also any Relevant Shares of that Employee in the future.
- 15.5 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Departing Employee is:
- (a) a Bad Leaver, be restricted to a maximum of the lower of the (i) aggregate Issue Price of such Sale Shares and (ii) the aggregate nominal value of such Sale Shares and (iii) the Fair Value of such Sale Shares; and
 - (b) a Good Leaver, be the aggregate Fair Value of such Sale Shares.
- 15.6 Notwithstanding the provisions of *article 15.5*, the Directors may direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to *article 15.5*.
- 15.7 Forthwith upon a Transfer Notice being deemed to be served under *article 15* the Relevant Shares (**Restricted Shares**) shall cease to confer on the holder of them any rights:

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

The Directors may reinstate the rights referred to in *article 15.7* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 16* on completion of such transfer.

16. MANDATORY OFFER ON CHANGE OF CONTROL

- 16.1 In the event that a proposed transfer of Shares (other than a transfer of Shares made pursuant to *article 12*, *article 15* or *article 21.2*, but after the operation of the pre-emption procedure set out in *article 13*), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring 60% or more by nominal value of the Ordinary Shares in issue for the time being, the remaining provisions of this *article 16* shall apply.
- 16.2 The Seller and the Company shall procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder and, in respect of all Ordinary Shares held in treasury, the Company (each an **Offeree**) on the date of the Offer, to buy all of the Ordinary Shares held by such Offerees on the date of the Offer for a consideration in cash per Ordinary Share (the **Offer Price**) which is equal to the highest price per Ordinary Share offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Ordinary Shares in connection with the Proposed Transfer or any transaction in the six calendar months preceding the date of completion of the Proposed Transfer.
- 16.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least fifteen Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall specify:
- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer);
 - (b) the Offer Price and any other terms and conditions of the Offer;
 - (c) the Sale Date; and

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

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

- (a) the making of an Offer in accordance with this *article 16*; and
- (b) the completion of the transfer of any Ordinary Shares by any Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this *article 16.4*.

16.5 The Proposed Transfer is, but the purchase of Shares from Accepting Offerees pursuant to an Offer made under this *article 16* shall not be, subject to the pre-emption provisions of *article 13*.

17. DRAG ALONG

17.1 If the holders of 60% by nominal value of the Ordinary Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Ordinary Shares (**Sellers' Shares**) to a bona fide purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Ordinary Shares on the date of the request, including the Company in respect of Ordinary Shares held in treasury, if any (**Called Shareholders**) to sell and transfer all their interest in Ordinary Shares with full title guarantee (or the equivalent if a law other than English law applies to the sale) to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this *article 17*.

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

- (a) that the Called Shareholders are required to transfer all their Ordinary Shares (**Called Shares**) pursuant to this *article 17*;
- (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer);
- (c) the consideration payable for the Called Shares calculated in accordance with *article 17.4*;
- (d) the proposed date of completion of transfer of the Called Shares.

- 17.3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Sellers' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within twenty Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 17.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares pro rata to the Ordinary Shares held.
- 17.5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *article 17*.
- 17.6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or
 - (b) that date is less than ten Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place ten Business Days after the date of service of the Drag Along Notice.
- 17.7 Within ten Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Ordinary Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Ordinary Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that ten Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to *article 17.4* to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to *article 17.4* shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *article 17.4* in trust for the Called Shareholders without any obligation to pay interest.
- 17.8 To the extent that the Proposed Buyer has not, on the expiration of the ten Business Day period, put the Company in funds to pay the amounts due pursuant to *article 17.4*, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Ordinary Shares and the Called Shareholders

shall have no further rights or obligations under this *article 17* in respect of their Ordinary Shares.

- 17.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this *article 17*.
- 17.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Ordinary Shares, whether or not pursuant to a Share Option Scheme (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Ordinary Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this *article 17* shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Ordinary Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares. References in this *article 17.10* to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Ordinary Shares.
- 17.11 A transfer of Called Shares to a Proposed Buyer (or as the Proposed Buyer may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of *article 13*.
- 17.12 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

18. SHAREHOLDER APPROVAL

- 18.1 Any matter for which the Company must first obtain Shareholder approval under these Articles or any shareholder agreement may be given by Ordinary Approval or Special Approval as specified.
- 18.2 Ordinary Approval and Special Approval may not be used where the Companies Act 2006 specifically requires an ordinary or special resolution, as appropriate, in order to effect a particular matter.
- 18.3 Consent on behalf of any Shareholder for the purposes of an Ordinary Approval and Special Approval may be given by a Director of the Company *who has been authorised by any such Shareholder(s) for the purposes of giving Ordinary Approval and/or Special Approval generally or for a specific purpose including by way of a positive vote by such Director at a Board meeting.*

DECISION-MAKING BY SHAREHOLDERS

19. GENERAL MEETINGS

- 19.1 A quorum for a general meeting shall be a minimum of 2 Shareholders representing at least 60% of the Company's issued share capital from time to time.
- 19.2 A general meeting of the Company shall be held at least once a year.
- 19.3 No business other than, subject to *article 19.4*, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 19.4 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.
- 19.5 Where there is an equality of votes cast at a general meeting, the Chairman shall have a casting vote.

20. VOTING

- 20.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 20.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 20.3 Model article 44(3) shall be amended by the insertion of the words "*A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made*" as a new paragraph at the end of that model article.
- 20.4 Model article 45(1) shall be amended by:
- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
 - (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

21. PURCHASE OF OWN SHARES

- 21.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:
- (a) £15,000; and
 - (b) the value of 5% of the Company's share capital.
- 21.2 Subject to the remaining provisions of this *article 21*, on a purchase or redemption of Shares under Part 18 of the Act, the Company may:
- (a) hold the Shares (or any of them) in treasury;
 - (b) deal with any of the Shares, at any time, in accordance with section 727; or
 - (c) cancel any of the Shares, at any time, in accordance with section 729 of the Act.

21.3 The provisions of *articles 10.413.4* to 10.9 (inclusive) shall apply to a sale or transfer of Shares held in treasury save that, for the purposes of this *article 21.3*:

- (a) reference in article 10 to an allotment shall include the sale or *transfer of Shares held in treasury*; and
- (b) reference in the definition of "Relevant Securities" to Shares "issued after the Adoption Date" shall include Shares held in treasury to be sold or transferred by the Company,

that immediately before the sale or transfer were, in each case, held by the Company as treasury shares.

22. COMPANY'S LIEN OVER SHARES

22.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

22.2 The Company's Lien over a share:

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

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

23. ENFORCEMENT OF THE COMPANY'S LIEN

23.1 Subject to the provisions of this *article 23*, if:

- (a) a Lien Enforcement Notice has been given in respect of a Share; and
- (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide.

23.2 A Lien Enforcement Notice:

- (a) may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed;

- (b) must specify the Share concerned;
- (c) must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

23.3 Where Shares are sold under this *article 23*:

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

23.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

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

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

ADMINISTRATIVE ARRANGEMENTS

24. MEANS OF COMMUNICATION TO BE USED

24.1 Subject to article 24.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
- (b) if sent by fax, at the time of transmission; or
- (c) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
- (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt; or
- (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
- (g) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website; and
- (h) if deemed receipt under the previous paragraphs of this article 24.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

24.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail the envelope containing the notice was properly addressed, paid for and posted; or
- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

24.3 A Transfer Notice (or Deemed Transfer Notice) may not be served or delivered in electronic form (other than by fax), or by means of a website.

- 24.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

25. INDEMNITY AND INSURANCE

- 25.1 Subject to *article 25.2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer:
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation thereto ; and
 - (ii) in relation to the Company's (or other Group Company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

- (b) 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 25.1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

- 25.2 This *article 25* does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

- 25.3 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.

- 25.4 In this *article 25*:

- (a) **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 (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and

- (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company (including any company with 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 a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

26. DATA PROTECTION

- 26.1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a **Recipient**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.
- 26.2 The personal data that may be processed for such purposes under this *article 26* shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:
 - (a) a Member of the Same Group as the Recipient (each a **Recipient Group Company**);
 - (b) employees, directors and professional advisers of that Recipient or any Recipient Group Company; and
 - (c) funds managed by any of the Recipient Group Companies.
- 26.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.