

DATED

25 FEBRUARY 2021

VERTICALLY URBAN LIMITED
(company number 12197956)

ARTICLES OF ASSOCIATION
adopted on 25 February 2021

CONTENTS

1.	DEFINITIONS AND INTERPRETATION.....	1
2.	RIGHTS ATTACHING TO SHARES	6
3.	VARIATION OF CLASS RIGHTS.....	6
4.	ISSUE OF SHARES	7
5.	TRANSFER OF SHARES - GENERAL.....	7
6.	PERMITTED TRANSFERS	8
7.	PRE-EMPTION ON TRANSFER OF SHARES.....	10
8.	COMPULSORY TRANSFERS	14
9.	DRAG ALONG.....	15
10.	TAG ALONG.....	16
11.	GENERAL MEETINGS.....	17
12.	APPOINTMENT AND REMOVAL OF DIRECTORS.....	18
13.	APPOINTMENT OF CHAIRMAN	18
14.	ALTERNATE DIRECTORS	19
15.	PROCEEDINGS OF DIRECTORS.....	20
16.	TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY	21
17.	DIRECTORS' CONFLICTS OF INTEREST	22
18.	DIRECTORS' BENEFITS.....	23
19.	SECRETARY	23
20.	SERVICE OF DOCUMENTS	23
21.	INDEMNITY	24
22.	INSURANCE	25
23.	DISPUTES.....	25
24.	CHANGE OF NAME.....	25
25.	PURCHASE OF OWN SHARES OUT OF CASH	25
26.	MISCELLANEOUS.....	25

Company number: 12197956

**PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF
VERTICALLY URBAN LIMITED**

1. DEFINITIONS AND INTERPRETATION

1.1 In these Articles the following definitions will apply:

Act

the Companies Act 2006;

acting in concert

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

A Director

a Director appointed by the holder for the time being of the A Shares in accordance with article 12.3;

Adoption Date

the date of the adoption of these Articles by the Company;

Agreed Proportions

the proportions that the nominal value of the issued A Shares and B Shares respectively (at the time of determination of the Agreed Proportions) bear to the aggregate nominal value of the issued Shares;

A Share

an A ordinary share of £0.0001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

A Shareholder

a Shareholder that holds any A Shares;

Auditors

the auditors of the Company for the time being or if, in relation to any reference made to such auditors in accordance with these Articles, the auditors of the Company are unable or unwilling to act in connection with that reference, a chartered accountant nominated by, and engaged on terms approved by the Directors in their absolute discretion, with the consent of a Majority and acting as agent for the Company and each relevant Shareholder;

B Director

a Director appointed in accordance with article 12.4;

B Share

a B ordinary share of £0.0001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;

Business Day

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

Bad Leaver

an A Shareholder who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in the definition of Event of Default (h) as a result of:

- (a) the voluntary resignation of that A Shareholder (other than for a reason set out in the definition of Good Leaver); or
- (b) any other circumstances in which he is not a Good Leaver; or
- (c) where an A Shareholder materially breaches the terms of his service agreement or agreement for services with any Group Company.

Compulsory Transfer Shares

in relation to a Defaulting Shareholder, any Shares:

- (a) held by the Defaulting Shareholder at the time of the relevant Event of Default;
- (b) held at the time of the relevant Event of Default by any Family Member or Family Trust of the Defaulting Shareholder (which Shares were acquired by that Family Member or Family Trust directly or indirectly from the Defaulting Shareholder); and
- (c) acquired by the Defaulting Shareholder, his Family Members, Family Trusts and/or personal representatives after the occurrence of the Event of Default pursuant to any share option agreement or any other scheme or arrangement entered into prior to the Event of Default,

together with, in any case, any further Shares received by any person referred to above at any time after the relevant Event of Default by way of rights or on a capitalisation in respect of any of the Shares referred to above;

Defaulting Shareholder

has the meaning given in the definition of Event of Default;

Director

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

Eligible Director

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

Encumbrance

a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, right of set-off, third-party right or interest, assignment by way of security, other encumbrance or security interest of any kind or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect howsoever arising (but excluding any such rights or arrangements arising under these Articles or the Shareholders' Agreement);

Event of Default

the occurrence of any of the following events in relation to a Shareholder (a **Defaulting Shareholder**):

- (a) a petition being presented for the bankruptcy of the Defaulting Shareholder, or an application being made for an adjudication that the Defaulting Shareholder be made bankrupt or an order being made by the court or the adjudicator for the bankruptcy of the Defaulting Shareholder;
- (b) the Defaulting Shareholder convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally;
- (c) the Defaulting Shareholder being unable to pay his debts as they fall due within the meaning of section 268 Insolvency Act 1986;

- (d) any step being taken for the appointment of a receiver, manager or administrative receiver over all or any material part of the Defaulting Shareholder's assets or an administrator is appointed in respect of the Defaulting Shareholder, or any other steps being taken to enforce any Encumbrance over all or any material part of the Defaulting Shareholder's assets or any Shares held by the Defaulting Shareholder;
- (e) any proceedings or orders equivalent or analogous to any of those described in paragraphs (a) to (d) above occurring in respect of the Defaulting Shareholder under the law of any jurisdiction outside England and Wales;
- (f) the Defaulting Shareholder suffering from mental disorder and being admitted to hospital or, by reason of his mental health, being subject to any court order which wholly or partly prevents the Defaulting Shareholder from personally exercising any powers or rights which he would otherwise have;
- (g) the Defaulting Shareholder or any Director appointed by that Shareholder in accordance with article 12.3 to 12.4 breaching any provision of these Articles or the Shareholders' Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of the Remaining Shareholders within 10 Business Days of a notice from the Remaining Shareholders to the Defaulting Shareholder in breach requesting such remedy;
- (h) the Defaulting Shareholder, being a director or employee of, or a consultant to, a Group Company, ceasing to be such a director, employee or consultant (including where such cessation occurs as a result of a Group Company ceasing to be a Group Company) where the Defaulting Shareholder does not remain, or immediately become, a director or employee of, or a consultant to, another Group Company; or
- (i) the death of the Defaulting Shareholder;

Fair Value

the price which the Auditors state in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that:

- (a) the fair value is the sum which a willing buyer would agree with a willing seller on an arm's length sale to be the purchase price for the Shares concerned on a sale of the entire share capital of the Company;
- (b) no account shall be taken of the size of the holding which the relevant Shares comprise or whether those Shares represent a majority or minority interest;
- (c) no account shall be taken of the fact that the transferability of the relevant Shares is restricted under these Articles;
- (d) if the Company is then carrying on business as a going concern, it will continue to do so; and
- (e) any difficulty in applying any of the bases set out above shall be resolved by the Auditors as they, in their absolute discretion, think fit;

Family Member

in relation to any Shareholder, the spouse or civil partner of that Shareholder and their children (including step and adopted children) for the time being;

Family Trust

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

- (a) the settlor (being a Member); and/or
- (b) the Family Members of that settlor; and;

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

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

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

Good Leaver

an A Shareholder who ceases to be an employee or director of, or a consultant to, a Group Company in the circumstances set out in the definition of Event of Default (h) as a result of:

- (a) the death of that A Shareholder;
- (b) disability or incapacity through ill health (other than where such ill health arises from the abuse of alcohol or drugs) where the Majority considers such ill health is preventing, or is likely to prevent, the A Shareholder from performing his normal duties;
- (c) the sale or disposal of the Group Company (or the business of the Group Company) by which he is engaged or employed; or
- (d) the termination of that A Shareholder's employment by a Group Company in circumstances that are determined by a decision of an Employment Tribunal or Court, which decision is final and no longer appealable, to be or amount to wrongful dismissal where that A Shareholder has commenced proceedings in respect of such claim within three months of the date of cessation of the A Shareholder's employment; or
- (e) the termination of that A Shareholder's employment by a Group Company in circumstances that are determined by a decision of an Employment Tribunal, which decision is final and no longer appealable, to be or amount to unfair dismissal (other than where the determination of unfair dismissal arises for reasons of a procedural nature only) where that A Shareholder has commenced proceedings in respect of such claim within three months of the date of cessation of that A Shareholder's employment;
- (f) that A Shareholder being made redundant by a Group Company; or
- (g) that A Shareholder ceasing to be an employee or director of, or a consultant to, a Group Company after the third anniversary of the Adoption Date; or
- (h) the Majority (excluding that A Shareholder) determines that that A Shareholder shall be treated as a Good Leaver notwithstanding that that A Shareholder does not fall within any of the categories set out in paragraphs (a) to (g) inclusive above.

Issue Price

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

Majority

the holder(s) for the time being of not less than 50% of the A Shares together with the holder(s) for the time being of not less than 50% of the B Shares;

Model Articles

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

Relevant Shareholder

has the meaning given in article 8.1;

Relevant Securities

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

Remaining Shareholders

following the occurrence of an Event of Default, the Shareholders other than the Relevant Shareholders, who together hold not less than 75% of the Shares not then held by the Relevant Shareholders;

Sale Shares

has the meaning given in article 7.1.3(a);

Share

any share of any class in the capital of the Company for the time being;

Shareholder

a registered holder for the time being of an issued Share, as recorded in the register of members of the Company;

Shareholders' Agreement

the agreement dated on the Adoption Date and made between the Company and the Shareholders on that date;

Third Party Purchaser

any person who is not a party to the Shareholders' Agreement for the time being or a person connected with such a Shareholder; and

Transfer Notice

a notice in accordance with article 7 that a Shareholder wishes to transfer his Shares.

1.2 These Articles and the provisions of the Model Articles (subject to any modifications set out in these Articles) shall constitute all the articles of association of the Company.

1.3 In these Articles a reference to:

1.3.1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date;

1.3.2 a "subsidiary" shall include a reference to a "subsidiary" and a "subsidiary undertaking" (each as defined in the Act) and a reference to a "holding company" shall include a reference to a "holding company" and a "parent undertaking" (each as defined in the Act);

1.3.3 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);

1.3.4 writing includes any mode of reproducing words in a legible and non-transitory form other than email and fax;

1.3.5 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated in them), and a reference to an article is to an article

of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act; and

- 1.3.6 any agreement or document is to that agreement or document as in force for the time being and as amended from time to time in accordance with the terms of that agreement or document or with the agreement of all the relevant parties.
- 1.4 The contents table and headings in these Articles are for convenience only and do not affect the interpretation or construction of these Articles.
- 1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.6 The words “other”, “include”, “including” and “in particular” do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.
- 1.7 Any question as to whether a person is connected with another shall be determined in accordance with section 1122 Corporation Tax Act 2010 (except that in construing section 1122 “control” has the meaning given by section 1124 or section 450 of that Act so that there is control whenever section 1124 or 450 requires) which shall apply in relation to these Articles as it applies in relation to that Act.
- 1.8 These Articles shall be binding on and shall survive for the benefit of the personal representatives and successors-in-title of each party.
- 2. **RIGHTS ATTACHING TO SHARES**
 - 2.1 The shares of each class of Share shall entitle the holders thereof to the respective rights and obligations set out in these Articles. Save as provided otherwise in these Articles, the A Shares and the B Shares shall confer the same rights upon the holders thereof.
 - 2.2 The rights attaching to the Shares are as follows:
 - 2.2.1 **Income**

Any profits available for distribution and resolved to be distributed in respect of any accounting period of the Company shall be distributed amongst the Shareholders pro rata according to the number of Shares held by each of them respectively, as if such Shares constituted one class of share.
 - 2.2.2 **Capital**

On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares), any surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the Shareholders pro rata according to the number of Shares held by each of them respectively, as if such Shares constituted one class of share.
 - 2.2.3 **Voting**

Subject to articles 8.4.2 and **Error! Reference source not found.**, and the provisions of the Act, at a general meeting of the Company on a show of hands every Shareholder who (being an individual) is present in person or by proxy, or (being a corporation) is present by a representative duly authorised under section 323 of the Act, shall have one vote and on a poll every Shareholder present in person, by representative or by proxy shall have one vote for every Share of which it is the holder. On a written resolution every Shareholder shall have one vote for each Share of which it is the holder.
- 3. **VARIATION OF CLASS RIGHTS**
 - 3.1 No variation of the rights attaching to any class of Shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of Shares or with the consent in writing from the holders of at least three-quarters in nominal value of the issued Shares of that class. Where a special resolution to vary the rights attaching to a class of Shares is proposed at a separate general meeting of that class of Share, all the provisions of these Articles as to general meetings of the Company shall apply (mutatis mutandis) except

that the necessary quorum for such a meeting shall be one holder of the relevant class, present either in person, by proxy or by duly appointed corporate representative (and for this purpose one such person may constitute a meeting).

3.2 Without prejudice to the generality of their rights, the special rights attaching to each class of Shares shall be deemed to be varied at any time by any of the following occurring without class consent:

3.2.1 any variation to the share capital of the Company or the rights attaching to any of the Shares, or the creation, allotment, issue or redemption of any shares or securities or the grant of, or agreement to grant, any option or right to require the allotment or issue of, or subscribe for, or convert any instrument into any share or securities of the Company or cancelling or accepting the surrender of any such right to subscribe or convert;

3.2.2 any alteration to the constitution (as defined in section 17 of the Act) of the Company; and

3.2.3 instituting any proceedings or taking any steps in relation to or in preparation for the winding up, administration or dissolution of, or the appointment of an administrator, administrative receiver, receiver or manager (or any comparable proceedings) in respect of, the Company or any of the assets or undertaking of the Company.

4. **ISSUE OF SHARES**

4.1 The issued share capital of the Company at the date of adoption of these Articles is £105.74 divided into 6,993 A Shares and 3,581 B Shares.

4.2 No Relevant Securities shall be allotted by the Company unless within 20 Business Days prior to the allotment of such Relevant Securities a Majority has consented in writing to such allotment and to the identity of the proposed allottee.

4.3 Shares shall only be allotted as follows:

4.3.1 on the occasion of each allotment, Shares of each class shall be allotted at the same price (not being a discount) and on the same terms as to date for payment, ranking for dividend and in all other respects as apply to the Shares of each other class; and

4.3.2 no Shares of a class shall, without the prior written consent of the holders of a Majority, be issued to Shareholders holding Shares of the other class.

4.4 Subject to articles 3 and 4.3, the Directors may allot, grant or otherwise dispose of Relevant Securities to such persons at such times and generally on such terms and conditions as they think fit in their absolute discretion, provided that no Share shall be issued at a discount.

4.5 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company.

4.6 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the Shareholders' Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Shareholders' Agreement.

4.7 Where any Share is issued to an existing Shareholder holding Shares, such new Share shall, unless a Majority agrees otherwise, on and from the time of registration of the allotment of that Share in the register of members of the Company, be immediately and automatically (without resolution of the Shareholders or Directors) redesignated as a Share of the same class as the Shares already held by such Shareholder.

5. **TRANSFER OF SHARES - GENERAL**

5.1 Subject to articles 5.2 and 5.3, the Directors shall forthwith register any duly stamped transfer made in accordance with, or permitted by, these Articles and the Directors shall not register any transfer of Shares which is not so made or permitted. Article 26(5) of the Model Articles shall not apply to the Company.

- 5.2 No transfer, other than one made under article 9 or 10, shall be registered unless the relevant transferee, if not already a party to the Shareholders' Agreement, has entered into a deed of adherence to, and in the form required by, the Shareholders' Agreement.
- 5.3 For the purposes of ensuring that:
- 5.3.1 a transfer of any Share is in accordance with these Articles; or
 - 5.3.2 no circumstances have arisen whereby a Shareholder is required to give or may be deemed to have given a Transfer Notice in respect of any Share; or
 - 5.3.3 no circumstances have arisen whereby the provisions of article 10 are required to be or ought to have been triggered,
- the Directors may from time to time and shall, if so requested to do by a Majority, require any Shareholder to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors or a Majority reasonably believe to have information relevant to such purpose provides, such information and evidence as the Directors or a Majority may reasonably require for such purpose. Pending such information or evidence being provided, the Directors are entitled to and shall, if so requested to do by a Majority, refuse to register any relevant transfer of Shares.
- 5.4 If any information or evidence provided pursuant to article 5.3 discloses to the reasonable satisfaction of the Directors or a Majority that circumstances have arisen whereby a Shareholder may be required to give or be deemed to have given a Transfer Notice, the Directors may, with the consent of a Majority (and shall, if so requested to do by a Majority) by notice in writing to the relevant Shareholder, require that a Transfer Notice be given in respect of the Shares concerned.
- 5.5 In any case where a Shareholder is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Directors to the relevant Shareholder requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days. Notwithstanding any other provision of these Articles, unless a Majority resolves otherwise, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 5.5 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice by way of rights or on a capitalisation in respect of the Shares which are the subject of that Transfer Notice) shall with effect from the date of the relevant deemed Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder thereof any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Shares.
- 5.6 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from all Encumbrances.
- 5.7 Notwithstanding any other provision of these Articles, no transfer of any Share which is the subject of a Transfer Notice shall be permitted pursuant to article 6.
- 5.8 Where any Share is transferred to an existing Shareholder, such Share shall, unless a Majority agrees otherwise on and from the time of registration of the transfer of that share in the register of members of the Company, be immediately and automatically (without resolution of the Shareholders or Directors) redesignated as a Share of the same class as the Shares already held by such Shareholder.
- 6. PERMITTED TRANSFERS**
- 6.1 Transfer with consent**
- Any Shares may be transferred at any time with the prior written consent of all the Shareholders.

6.2 **Transfer to a Family Member**

- 6.2.1 Subject to articles 6.2.2 and 6.2.3, any Shareholder may at any time transfer any of the Shares held by him to one or more of his Family Members.
- 6.2.2 No transfer of Shares shall be permitted pursuant to article 6.2.1 if the registration of that transfer would result in the number of Shares held by the relevant transferor representing less than 50% of the total number of Shares held from time to time by that transferor, his Family Members and/or any Family Trust of his (where such Family Member or Family Trust acquired Shares, directly or indirectly, from that transferor).
- 6.2.3 Where any Shareholder (in this article 6.2.3 the **transferor**) transfers Shares to a Family Member (in this article 6.2.3 the **transferee**) the transferor shall procure, before the transfer is presented for registration, that he is appointed, on terms reasonably satisfactory to the Directors, as the attorney of the transferee to exercise, in the name of and on behalf of the transferee, all or any of the rights in relation to the Shares transferred to him and with full (unconditional and irrevocable) authority to sell those Shares on behalf of the transferee. For this purpose the transferee authorises the Company to send any written resolutions, notices or other communications in respect of the Shares registered in the name of the transferee to the transferor.
- 6.2.4 Where, following a transfer of Shares pursuant to article 6.2.1, the transferee of those Shares ceases for any reason to be a Family Member of the original transferor of those Shares, or one of the events specified in paragraphs (a) to (f) in the definition of Event of Default occurs in relation to the transferee, such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) shall within 20 Business Days of a written request to do so from the Directors or a Majority, transfer all the Shares held by him (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) to the original transferor failing which the Directors may (and shall, if so requested to do by a Majority) either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) and register the original transferor of those Shares as the holder of such Shares or require such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) to serve a Transfer Notice in respect of all the Shares held by him in which case the provisions of article 7 shall apply.
- 6.2.5 A Family Member to whom Shares have been transferred pursuant to this article 6.2 may transfer those Shares back to the original transferor at any time but may not otherwise transfer such Shares pursuant to this article 6.2 or article 6.3 without the prior written consent of a Majority.
- 6.2.6 For the avoidance of doubt, the provisions of article 6.2.4 shall apply in priority to the provisions of article 8 in relation to a transfer of Shares required following the occurrence of one of the events in paragraphs (a) to (f) in the definition of Event of Default in relation to a transferee.

6.3 **Transfer to a Family Trust**

- 6.3.1 Subject to the consent of a Majority and article 6.3.2, any Shareholder may at any time transfer any of the Shares held by him to one or more trustees to be held on a Family Trust.
- 6.3.2 No transfer of Shares shall be permitted pursuant to article 6.3.1 if the registration of that transfer would result in the number of Shares held by the relevant transferor representing less than 50% of the total number of Shares held from time to time by that transferor, his Family Members and/or any Family Trust of his (where such Family Member or Family Trust acquired Shares, directly or indirectly, from that transferor).

- 6.3.3 Where any Shares are held by a trustee(s) on a Family Trust, those Shares may be transferred to:
- (a) any new trustee(s) of the Family Trust appointed on a change in trustee(s);
 - (b) the settlor of such Family Trust;
 - (c) the trustees of another Family Trust which has the same settlor; or
 - (d) any Family Member of the settlor of such Family Trust on their becoming entitled to such Shares under the terms of the Family Trust.

- 6.3.4 Where any Shares are held by a trustee(s) on a Family Trust and either:
- (a) the relevant trust ceases to be a Family Trust in relation to the settlor; or
 - (b) there ceases to be any beneficiaries of the Family Trust other than charities

the trustee(s) shall forthwith, and in any event within 20 Business Days of the date on which the trust ceased to be such a Family Trust or there ceased to be any beneficiaries as above, transfer all the Shares held by them to the member who originally transferred the Shares to the Family Trust pursuant to this article 6.3, failing which the Directors may (and shall, if so requested to do by a Majority) either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares or require such trustee(s) to serve a Transfer Notice in respect of all the Shares held by them in which case the provisions of article 7 shall apply.

6.4 **Transfer within the Ashall Group**

Each of Anthony Mark Ashall, Rowanmoor Trustees Limited and Hillside Appleton Limited (together, the **Ashall Group**) may at any time transfer any of shares the held by them to any other member of the Ashall Group or, in the case of a member of the Ashall Group that is a body corporate, to any company which is for the time being a subsidiary or holding company of that member of the Ashall Group or another subsidiary of such holding company.

6.5 **Beneficial transfers**

Notwithstanding anything to the contrary in these Articles, the following transfers shall be permitted without any restrictions as to price, requirement to offer shares on a pre-emptive basis or otherwise:

- 6.5.1 any transfer of any Shares to any person who is the beneficial owner of such Shares;
- 6.5.2 any transfer of any shares to any person who is to hold the Shares as nominee for the beneficial owner in substitution for the then registered legal shareholder; and
- 6.5.3 any transfer of the beneficial ownership of any such Shares where the identity of the registered legal shareholder remains the same before and immediately after such transfer.

7. **PRE-EMPTION ON TRANSFER OF SHARES**

7.1 **Transfer Notice**

- 7.1.1 Except as permitted under article 6 (Permitted Transfers) or as provided for in articles 9 (Drag Along) and 10 (Tag Along), and subject to article 7.1.2, any Shareholder (a **Seller**) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a **Transfer Notice**) to the Company of its wish, save that the A Shareholders are not permitted to issue a Transfer Notice until the period following two years after the date of adoption of these Articles.
- 7.1.2 A Relevant Shareholder in respect of whom a Default Notice has been served pursuant to article 8 may not serve a Transfer Notice under this article 7.

- 7.1.3 Subject to article 7.1.4, a Transfer Notice shall:
- (a) state the number and class of Shares (or interest in Shares) (the **Sale Shares**) which the Seller wishes to transfer;
 - (b) state the name of the person to whom the Seller wishes to transfer the Sale Shares;
 - (c) state the price per Sale Share (the **Proposed Price**) at which the Seller wishes to transfer the Sale Shares;
 - (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 7 (a **Total Transfer Condition**);
 - (e) relate to only one class of Share;
 - (f) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 7; and
 - (g) not be capable of variation or cancellation without the consent of a Majority.
- 7.1.4 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles:
- (a) it shall relate to all the Shares registered in the name of the Seller;
 - (b) it shall not contain a Total Transfer Condition;
 - (c) the Transfer Price shall be determined in accordance with articles 7.2.1(b) and (c);
 - (d) it shall be irrevocable; and
 - (e) subject to article 5.5, the Seller may retain any Sale Shares for which Buyers (as defined in article 7.4.2) are not found provided that the Seller shall not at any time thereafter be permitted to transfer all or any of such retained Sale Shares pursuant to article 6.

7.2 **Transfer Price**

- 7.2.1 The Sale Shares will be offered for sale in accordance with this article 7 at the following price (the **Transfer Price**) subject to article 7.2.5:
- (a) subject to the consent of a Majority, the Proposed Price; or
 - (b) such other price as may be agreed between the Seller and the Directors, with the consent of a Majority, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice; or
 - (c) if no price is agreed pursuant to article (b) within the period specified in that article, or if a Majority directs at any time during that period, whichever is the lower of (i) the Proposed Price and (ii) the Fair Value determined in accordance with article 7.2.2.
- 7.2.2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 7.2.1(b) or if a Majority directs in accordance with article 7.2.1(c), the Directors shall forthwith instruct the Auditors to determine and certify the Fair Value of each Sale Share.
- 7.2.3 The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall be final and binding on the Shareholders, save in the event of fraud or manifest error, and their costs for reporting on their opinion of the Fair Value shall, subject to article 7.2.4, be borne as directed by the Auditors (taking into account the conduct of the parties) or, in the absence of any such direction, as to one half by the Seller and the other half by the Company.
- 7.2.4 Where in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles, the Fair Value is less than the price

proposed by the Directors to the Seller not less than 5 Business Days prior to receipt of the Auditors' report by the Company, then the Auditors' fees shall be borne wholly by the Seller.

7.2.5 Where a Transfer Notice is deemed to have been given by virtue of an A Shareholder being a Bad Leaver the Transfer Price shall be the lower of:

- (a) the Fair Value; and
- (b) the Issue Price.

7.2.6 Where a Transfer Notice is deemed to have been given by virtue of an A Shareholder being a Good Leaver the Transfer Price shall be the Fair Value.

7.3 Offer Notice

7.3.1 Subject to article 7.3.2, the Directors shall serve a notice (an **Offer Notice**) on all Shareholders within 10 Business Days of the Transfer Price being agreed or determined in accordance with these Articles.

7.3.2 An Offer Notice shall not be sent to, and no Sale Shares shall be treated as offered to:

- (a) the Seller;
- (b) any Shareholder who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Shares registered in his name; and
- (c) any Relevant Shareholder upon whom a Default Notice has been served pursuant to article 8.

7.3.3 An Offer Notice shall:

- (a) state the Transfer Price;
- (b) contain the other relevant information set out in the Transfer Notice;
- (c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase; and
- (d) expire, and the offer made in that notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on a date which is not less than 20 nor more than 40 Business Days after the date of service of the Offer Notice.

7.4 Allocation of Sale Shares

7.4.1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all Shareholders to whom an Offer Notice was sent having responded to that Offer Notice (in either case the **Allocation Date**), the Directors shall allocate the Sale Shares in accordance with the applications received provided that:

- (a) if there are applications for more than the number of Sale Shares available, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Shares than he applied for) to the number of Shares held by each of them respectively;
- (b) the allocation of any fractional entitlements to Sale Shares amongst the Shareholders shall be dealt with by the Directors in such manner as they see fit; and
- (c) no Sale Shares shall be allocated to:
 - (I) any Shareholder who, at the Allocation Date, is bound to give, or has given or is deemed to have given a Transfer Notice in respect of any Shares registered in his name; or
 - (II) any Relevant Shareholder upon whom a Default Notice has been served pursuant to article 8.

- 7.4.2 Within five Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated pursuant to article 7.4.1 (each a **Buyer**). An Allocation Notice shall state:
- (a) the number and class of Sale Shares allocated to that Buyer;
 - (b) the name and address of the Buyer;
 - (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him;
 - (d) the information (if any) required pursuant to article 7.4.4; and
 - (e) subject to article 7.4.4, the place, date and time (being not less than two nor more than five Business Days after the date of service of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place.
- 7.4.3 Subject to article 7.4.4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of those Shares, to that Buyer.
- 7.4.4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 7.4.1 is less than the total number of Sale Shares then:
- (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the **Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price;
 - (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 20 Business Days) specified in the Allocation Notice;
 - (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 7.4.1(a) and 7.4.1(b); and
 - (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article (c), and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 7.4.2 but omitting article (d).
- 7.4.5 Subject to article 7.4.6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 7.4.4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that notice on the terms offered to that Buyer.
- 7.4.6 If after following the procedure set out in this article 7 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then:
- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 7 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 7; and
 - (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares.

7.5 Default by the Seller

- 7.5.1 If a Seller shall fail for any reason to transfer any Sale Shares to a Buyer when required by this article 7, the Directors may (and will, if requested to do so by a Majority) authorise and instruct any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer.
- 7.5.2 The Company may receive the purchase money from a Buyer on behalf of the Seller and thereafter shall, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 7.5 the validity of the proceedings shall not be questioned by any person.
- 7.5.3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered the share certificate(s) in respect of the relevant Shares (or a suitable indemnity or other documentation if an interest in Shares is being transferred, in each case in a form reasonably satisfactory to the Directors) to the Company.

7.6 Transfers following exhaustion of pre-emption rights

If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this article 7 the Seller may, at any time within three calendar months of the date of service of the notice referred to in article 7.4.6(b), sell any of those unallocated Sale Shares to the person named in the Transfer Notice at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that:

- 7.6.1 no Sale Shares shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Shareholder without the prior written consent of a Majority;
- 7.6.2 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of a Majority; and
- 7.6.3 the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 10 until such time as that offer has been made and, if accepted, completed.

8. COMPULSORY TRANSFERS

- 8.1 Subject to article 6.2.6, if an Event of Default occurs in relation to a Shareholder then the Remaining Shareholders may, without prejudice to any other rights or remedies which they may have, at any time within 20 Business Days of becoming aware of the relevant Event of Default serve written notice (a **Default Notice**) on the Defaulting Shareholder and any other Shareholder holding Compulsory Transfer Shares (together the **Relevant Shareholders**), and on the Company, notifying them that the relevant event is an Event of Default in relation to the Relevant Shareholders.
- 8.2 If no Default Notice is served within the period of 20 Business Days referred to in article 8.1, the relevant Event of Default is deemed to have lapsed.
- 8.3 If a Shareholder becomes aware of any event which gives rise to, or which may with the passing of time give rise to, an Event of Default in respect of a Shareholder, that Shareholder shall forthwith give notice thereof to the Directors and the other Shareholders.
- 8.4 Upon service of a Default Notice:
- 8.4.1 no further Shares shall be issued or required to be offered under any provision of these Articles to the Relevant Shareholders;

- 8.4.2 the Relevant Shareholders shall cease to be required in order to form a quorum at meetings of Shareholders or to be entitled to exercise any voting rights in respect of the Compulsory Transfer Shares registered in their name;
 - 8.4.3 any Director appointed by a Relevant Shareholder (either solely or jointly with any other Shareholder(s)) shall forthwith cease to be required in order to form a quorum at any meeting of the Directors or to be entitled to exercise any vote at any such meeting; and
 - 8.4.4 save as set out in this article 8, a Relevant Shareholder may not sell or dispose of any of the Compulsory Transfer Shares or any interest in any of the Compulsory Transfer Shares.
- 8.5 Upon service of a Default Notice each Relevant Shareholder shall be deemed to have served a Transfer Notice in respect of all the Compulsory Transfer Shares then held by each of them respectively. Such Transfer Notice shall be deemed to have been served on the same date that the relevant Default Notice is served and shall supersede any current Transfer Notice in respect of any Transfer Shares. Following deemed service of a Transfer Notice pursuant to this article 8.5, the Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 7 as if the Compulsory Transfer Shares were Sale Shares.
9. **DRAG ALONG**
- 9.1 Subject to article 9.2, if the holders of not less than 75% of the Shares (together the **Selling Shareholders**) wish to transfer all their Shares to a Third Party Purchaser, they shall have the option (a **Drag Along Option**) to require all of the other Shareholders (the **Continuing Shareholders**) to transfer all their Shares with full title guarantee to the Third Party Purchaser (or as the Third Party Purchaser shall direct) in accordance with this article 9.
- 9.2 A Relevant Shareholder in respect of whom a Default Notice has been served in accordance with article 8 may not exercise (or join in exercising) the Drag Along Option under this article 9.
- 9.3 The Selling Shareholders shall exercise the Drag Along Option by giving notice to that effect (a **Drag Along Notice**) to each of the Continuing Shareholders at any time before the registration of the transfer of the Selling Shareholders' Shares. A Drag Along Notice shall specify:
- 9.3.1 that the Continuing Shareholders are required to transfer all their Shares (the **Continuing Shares**) pursuant to this article 9;
 - 9.3.2 the identity of the Third Party Purchaser;
 - 9.3.3 the consideration for which, or the price at which, the Continuing Shares are to be transferred, determined in accordance with article 9.5 (the **Drag Along Consideration**); and
 - 9.3.4 the proposed date of transfer (if known).
- 9.4 A Drag Along Notice may be revoked by the Selling Shareholders at any time prior to the completion of the sale and purchase of the Continuing Shares.
- 9.5 The Drag Along Consideration shall be the same consideration per Continuing Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Share held by the Selling Shareholders together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Shareholders which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held by those Selling Shareholders.
- 9.6 If the Drag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 75% of the Continuing Shares within 10 Business Days of the date of service of the Drag Along Notice, such matter shall be referred for determination to the Auditors (in accordance with article 23) and, pending their determination, the sale or transfer of the Selling Shareholders' Shares shall have no effect and shall not be registered.

- 9.7 Upon the service of a Drag Along Notice each Continuing Shareholder is required, as a legally binding commitment, not to divulge or communicate to any third party (excluding any beneficial owner of applicable Shares) either the fact that the Selling Shareholders wish to transfer their Shares to a Third Party Purchaser or any other information concerning the sale and purchase of any of the Selling Shareholders' Shares or the Continuing Shares pursuant to this article 9.
- 9.8 Completion of the sale and purchase of the Continuing Shares shall take place on the same date as completion of the sale and purchase of the Selling Shareholders' Shares (unless a Majority and all of the Continuing Shareholders shall agree otherwise).
- 9.9 Upon the service of a Drag Along Notice each Continuing Shareholder shall be deemed to have irrevocably appointed each of the Selling Shareholders (severally) as the agent of the Continuing Shareholder to execute, in the name of and on behalf of that Continuing Shareholder, any stock transfer form and covenant for full title guarantee in respect of the Continuing Shares registered in the name of that Continuing Shareholder and to do such other things as the agent may consider necessary or desirable to transfer and complete the sale of the Continuing Shares pursuant to this article 9.
- 9.10 The provisions of this article 9 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption on transfer of Shares contained in article 7 shall not apply to the transfer of any Shares to a Third Party Purchaser named in a Drag Along Notice (or as that Third Party Purchaser may direct). Any Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 7 shall automatically be revoked by the service of a Drag Along Notice.
- 9.11 Where, at any time after the service of a Drag Along Notice but before completion of the sale and purchase of the Continuing Shares by the Third Party Purchaser, any person (a **New Shareholder**) becomes a registered holder of any Share pursuant to the exercise of any option, warrant or other right to subscribe for or acquire Shares, a Drag Along Notice, on the same terms as the then current Drag Along Notice, shall immediately be deemed to have been served upon that New Shareholder. Upon the deemed service of a Drag Along Notice pursuant to this article 9.11 the New Shareholder shall become bound to sell and transfer to the Third Party Purchaser (or as the Third Party Purchaser may direct) any Share acquired by him as a result of the exercise of any such option, warrant or other right to subscribe for or acquire Shares. The provisions of this article 9 shall apply mutatis mutandis to the sale of any such Shares by such New Shareholder provided that completion of the sale and purchase of those Shares shall take place on whichever is the later of:
- 9.11.1 the date on which a Drag Along Notice is deemed to have been served on the New Shareholder pursuant to this article 9.11; and
- 9.11.2 the date of completion of the sale and purchase of the Continuing Shares pursuant to the original Drag Along Notice.
10. **TAG ALONG**
- 10.1 Save in the case of a transfer of Shares which is permitted in accordance with the provisions of article 6, but otherwise notwithstanding any other provision of these Articles, no sale or other disposition of any Shares (the **Committed Shares**) which would result in a change of control shall be made or registered unless before the transfer is lodged for registration:
- 10.1.1 a Majority has consented to such transfer; and
- 10.1.2 the relevant Third Party Purchaser has made a bona fide offer (a **Tag Along Offer**) by notice in writing (a **Tag Along Notice**) to acquire, in accordance with this article 10, from all the Shareholders other than the Third Party Purchaser (or persons connected with or acting in concert with him) all the Shares which are not Committed Shares (the **Uncommitted Shares**) for the consideration, or at the price, (the **Tag Along Consideration**) calculated in accordance with articles 10.3 and 10.4.
- 10.2 A Tag Along Notice shall:
- 10.2.1 state the Tag Along Consideration (subject to article 10.4);

- 10.2.2 state the identity of the relevant Third Party Purchaser;
 - 10.2.3 invite the relevant offerees to respond in writing to the Third Party Purchaser stating that they wish to accept the Tag Along Offer; and
 - 10.2.4 subject to article 10.4.1, expire, and the offer made in the Tag Along Notice to an offeree shall be deemed to be withdrawn if not previously accepted by such offeree, on the date (being not less than five nor more than 20 Business Days after the date of service of the Tag Along Notice) specified in the Tag Along Notice.
- 10.3 For the purposes of this article 10 the Tag Along Consideration shall be the same consideration per Uncommitted Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Committed Share together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Committed Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Committed Shares.
- 10.4 If the Tag Along Consideration cannot be agreed between the Third Party Purchaser and the holders of not less than 75% of the Uncommitted Shares within 10 Business Days of the date of service of the Tag Along Notice, such matter shall be referred for determination to the Auditors (in accordance with article 23) and, pending their determination:
- 10.4.1 the period specified in the Tag Along Notice for acceptance of the Tag Along Offer shall not start to run until such time as the Auditors' determination of the Tag Along Consideration is served on the Third Party Purchaser and the Shareholders holding Uncommitted Shares; and
 - 10.4.2 the sale or transfer of the Committed Shares shall have no effect and shall not be registered.
- 10.5 For the avoidance of doubt, the sale or transfer of the Committed Shares shall be conditional on the sale or transfer of the Uncommitted Shares.
- 11. GENERAL MEETINGS**
- 11.1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Subject to article 11.2, two Shareholders, of whom one shall be a holder of an A Share, and one shall be a holder of a B Share, present either in person, by proxy or by a duly appointed corporate representative shall be a quorum.
- 11.2 Any Relevant Shareholder in respect of whom a Default Notice has been served pursuant to article 8 shall not be required in order to form a quorum at any general meeting.
- 11.3 Article 41 of the Model Articles shall be amended by the addition of the following as a new paragraph 41(7) in that article: "If within half an hour of the time appointed for the holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved".
- 11.4 The chairman of the board of Directors for the time being shall chair general meetings. If the chairman is unable to attend any general meeting, the Shareholder that appointed him shall be entitled to nominate another Director appointed by it or, in the absence of such another Director, any other person present at the meeting, to act as chairman of the meeting and the appointment of the chairman shall be the first business transacted at the meeting. Article 39 of the Model Articles shall not apply to the Company.
- 11.5 A poll may be demanded at any general meeting by:
- 11.5.1 the chairman; or
 - 11.5.2 by any Shareholder present (in person, by proxy or by a duly appointed corporate representative) and entitled to vote on the relevant resolution.
- Article 44(2) of the Model Articles shall not apply to the Company.

- 11.6 Article 44(3) of the Model Articles shall be amended by the insertion of the following as a new paragraph at the end of that article: "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made".
- 11.7 Article 45(1) of the Model Articles shall be amended as follows:
- 11.7.1 by the deletion of the words in Article 45(1)(d) and the insertion of the following in their place: "is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"; and
- 11.7.2 by the insertion of the following as a new paragraph at the end of Article 45(1): "and a proxy notice which is not delivered in such manner shall be invalid unless the Directors, in their discretion subject to the consent of a Majority accept the proxy notice any time before the meeting".
12. **APPOINTMENT AND REMOVAL OF DIRECTORS**
- 12.1 The number of Directors (other than alternate directors) shall be not be more than 8.
- 12.2 Article 17 of the Model Articles shall not apply to the Company.
- 12.3 Each holder for the time being of A Shares shall, for so long as he or she holds not less than 5% of the Shares, have the right to be a director of the Company. Each Director appointed pursuant to this article 12.3 shall be known as an **A Director**.
- 12.4 The holders for the time being of the B Shares shall, together and for so long as they hold B Shares, have the right, exercisable from time to time and on more than one occasion and subject to the terms of the Shareholders' Agreement, to appoint up to three Directors and, from time to time and on more than one occasion, to remove any such person so appointed. Each Director appointed pursuant to this article 12.4 shall be known as a **B Director**.
- 12.5 Any appointment or removal pursuant to article 12.4 shall be made by notice in writing to the Company signed by or on behalf of the relevant Shareholder. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more Shareholders) must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.
- 12.6 In any case where, as a result of death or bankruptcy, the Company has no Shareholders and no Directors, the transmittee(s) of the last Shareholder to have died or to have a bankruptcy order made against him (as the case may be) 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. Article 27(3) of the Model Articles shall be modified accordingly.
13. **APPOINTMENT OF CHAIRMAN**
- 13.1 The chairman of the board of Directors shall be nominated in writing by a majority of the holders of the B Shares and approved by a Majority. Article 12 of the Model Articles shall not apply to the Company.
- 13.2 Any appointment or removal of the chairman of the Directors pursuant to article 13.1 shall be made by notice in writing to the Company signed by or on behalf of the relevant Shareholder. Such notice (which may consist of several documents in similar form each signed by or on behalf of one or more Shareholders) must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice.
- 13.3 If the chairman for the time being is unable to attend any meeting of the Directors then the Shareholder who appointed him shall be entitled to nominate another Director to act as chairman of that meeting.

14. **ALTERNATE DIRECTORS**

14.1 Any Director (in this article 14, an **appointor**) may appoint as an alternate any other person, to:

14.1.1 exercise that Director's powers; and

14.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor. In these Articles, the term "A Director" or "B Director" shall include an alternate appointed by an A Director, or a B Director (as the case may be).

14.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor.

14.3 The notice must:

14.3.1 identify the proposed alternate; and

14.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

14.4 An alternate Director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

14.5 Save as provided otherwise in these Articles, alternate Directors:

14.5.1 are deemed for all purposes to be Directors;

14.5.2 are liable for their own acts and omissions;

14.5.3 are subject to the same restrictions as their appointors; and

14.5.4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.

14.6 A person who is an alternate Director but not a Director:

14.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

14.6.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision and does not himself participate); and

14.6.3 shall not be counted as more than one Director for the purposes of articles 14.6.1 and 14.6.2.

14.7 A Director who is also an alternate Director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision), but shall not count as more than one Director for the purposes of determining whether a quorum is present.

14.8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director except such part of the remuneration of the alternate's appointor as the appointor may direct by notice in writing to the Company. An alternate Director shall be entitled to be reimbursed by the Company such expenses as might properly be reimbursed to him if he were a Director.

14.9 The appointment of an alternate Director terminates:

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

- 14.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
 - 14.9.3 on the death of the alternate's appointor;
 - 14.9.4 when the appointment of the alternate's appointor as a Director terminates; or
 - 14.9.5 when written notice from the alternate, resigning his office, is received by the Company.
15. **PROCEEDINGS OF DIRECTORS**
- 15.1 **Frequency**
- Meetings of the Directors shall be held at regular intervals.
- 15.2 **Notice**
- Unless agreed otherwise by the Directors:
- 15.2.1 meetings of the Directors may be convened by any Director by not less than five Business Days' notice provided that a meeting of the Directors may be convened by not less than 48 hours' notice if:
 - (a) the interests of the Company would, in the reasonable opinion of a Director, be likely to be materially and adversely affected if the business to be transacted at that meeting were not dealt with as a matter of urgency and subject to the agreement of the Majority; or
 - 15.2.2 notice of each meeting of the Directors shall be sent to each Director (and any alternate duly appointed in accordance with article 14) at the address or email address notified to the Company for this purpose by each such Director or alternate. Each notice of a meeting shall be accompanied by a full agenda and supporting papers and each meeting shall only deal with the business set out in that agenda.
- Article 9(1) of the Model Articles shall not apply to the Company.
- 15.3 **Quorum**
- 15.3.1 Subject to articles 15.3.2, 15.3.3 and 15.5.1 and to the terms of the Shareholders' Agreement:
 - (a) if there are no B Directors, three Eligible Directors; and
 - (b) if there are B Directors, four Eligible Directors of whom two shall be A Directors, and two shall be B Directors,

present either in person or by a duly appointed alternate, shall be a quorum for any meeting of the Directors. No business shall be transacted at any meeting of the Directors unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Article 11(2) of the Model Articles shall not apply to the Company.
 - 15.3.2 For the purpose of any meeting (or part of a meeting):
 - (a) held to authorise a director's conflict of interest under article 17; or
 - (b) at which a Director is not permitted to vote on any resolution in accordance with article 17 as a result of a Conflict (as defined in article 17.1),

the quorum for such meeting shall be:

 - (c) if there are no B Directors, one A Director; and
 - (d) if there are B Directors, one A Director and one B Director.
 - 15.3.3 Any Director appointed by a Relevant Shareholder in respect of whom a Default Notice has been served pursuant to article 8 (whether such appointment was made solely by such Relevant Shareholder or jointly with any other

Shareholder(s)) shall not be required in order to form a quorum at any meeting of the Directors.

15.4 **Voting**

15.4.1 Subject to articles 15.4.2 and 15.4.3 and save as agreed otherwise in writing by all the Directors:

- (a) all decisions made at any meeting of the Directors (or of any committee of the Directors) shall be made by resolution and any such resolution shall be decided by a majority of votes; and
- (b) at any Board meeting each Eligible Director present shall be entitled to cast one vote on each issue put to a vote.

15.4.2 Any Director appointed by a Relevant Shareholder upon whom a Default Notice has been served pursuant to article 8 (whether such appointment was made solely by the Relevant Shareholder or jointly with any other Shareholder(s)) shall not be entitled to exercise any vote at a meeting of the Directors.

15.4.3 The chairman of the Board shall not have a casting vote.

15.5 **Adjournment**

15.5.1 If within 30 minutes of the time appointed for a meeting of the Directors there is no quorum present, the Director(s) present shall adjourn the meeting to a place and time not less than three Business Days later and shall procure that notice of such adjourned meeting is given to each Director in accordance with article 15.2. If at such adjourned meeting a quorum is not present within 30 minutes of the time appointed for the adjourned meeting (or such longer period as the chairman may allow), then the Directors present shall constitute a quorum and may conduct the business of the meeting.

15.5.2 If at any time before a meeting of the Directors or at such a meeting itself, a B Director requests for any reason that such meeting should be adjourned or reconvened at another time or date (being not more than five Business Days after the date proposed for the meeting), then such meeting shall be adjourned or reconvened accordingly and no business shall be transacted at such meeting after such a request has been made. No meeting shall be adjourned more than once pursuant to this article 15.5.2.

15.6 **Delegation by Directors**

15.6.1 Article 5 of the Model Articles shall be modified so that the Directors may only delegate any of their powers (or revoke or alter the terms and conditions of any such delegation) to a person or committee with the prior written consent of a Majority.

15.6.2 Article 6(2) of the Model Articles shall be amended by the insertion of the following words before the word "may": "with the prior written consent of a Majority".

15.6.3 The provisions of article 15.3 shall apply to any meeting of a committee of the Directors.

15.7 **Miscellaneous**

Article 16 of the Model Articles shall be amended by the insertion of the following words after the word "may": "with the prior written consent of a Majority"

16. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

16.1 Subject to sections 177 and 182 of the Act and (where applicable) to any terms and conditions imposed by the Directors under article 17.3, 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:

- 16.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
 - 16.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or a committee of Directors) in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;
 - 16.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision of the Directors, in respect of such transaction or arrangement, or proposed transaction or arrangement, in which he is interested;
 - 16.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
 - 16.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
 - 16.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 16.2 Articles 14(1) to 14(4) of the Model Articles shall not apply to the Company.
17. **DIRECTORS' CONFLICTS OF INTEREST**
- 17.1 Subject to the consent of a Majority, the Directors may, in accordance with the requirements set out in this article 17, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid situations which conflict or possibly may conflict with the interests of the Company (a **Conflict**).
- 17.2 Any authorisation under this article will be effective only if:
- 17.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 17.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
 - 17.2.3 the matter was agreed to without the Director in question or would have been agreed to if his vote had not been counted.
- 17.3 Any authorisation of a Conflict under this article 17 shall be in recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded) and may, whether at the time of giving the authorisation or subsequently:
- 17.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - 17.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
 - 17.3.3 be terminated or varied by the Directors at any time.
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.

- 17.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:
- 17.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or
 - 17.4.2 use or apply any such information in performing his duties as a Director, where to do so would amount to a breach of that confidence.
- 17.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:
- 17.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;
 - 17.5.2 is not given any documents or other information relating to the Conflict; and
 - 17.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.
- 17.6 Where the Directors authorise a Conflict:
- 17.6.1 the relevant Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and
 - 17.6.2 the Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of their authorisation.
- 17.7 A Director may, notwithstanding his office, be a director or other officer of, or employed by or otherwise interested in, a Shareholder who appointed him as a Director (or any company which is for the time being a subsidiary or holding company of that Shareholder or another subsidiary of such holding company) and no authorisation under article 17.1 shall be necessary in respect of such interest.
- 17.8 Any Director appointed pursuant to any of articles 12.3 to 12.4 shall be entitled from time to time to disclose to the Shareholder(s) who appointed him such information concerning the business and affairs of the Company as he may, in his absolute discretion, see fit.
- 17.9 A Director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
18. **DIRECTORS' BENEFITS**
- 18.1 Article 19(2) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of a Majority".
- 18.2 Article 19(3) of the Model Articles shall be amended by the insertion of the following words at the start of that article: "Subject to the consent of a Majority and".
19. **SECRETARY**
- The Directors may, subject to the consent of a Majority, appoint any person who is willing to act as the secretary of the Company for such term, on such remuneration and on such conditions as they may think fit and may from time to time remove or replace such person.
20. **SERVICE OF DOCUMENTS**
- 20.1 Any notice, document or other information given in accordance with these Articles shall be deemed served on or delivered to the intended recipient:

- 20.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- 20.1.2 if properly addressed and sent by reputable international overnight courier to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, five Business Days after posting provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider;
- 20.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 20.1.4 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 20.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article 20.1, no account shall be taken of any part of a day that is not a working day.

- 20.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

21. **INDEMNITY**

- 21.1 Subject to article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

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

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

- 21.1.2 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 21.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 21.2 This article 21 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.

- 21.3 In this article 21 and in article 22:

- 21.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

- 21.3.2 a **relevant officer** means any director or other officer or former director or other officer of the Company or any associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the

Company (or any 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).

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

22. **INSURANCE**

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

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

23. **DISPUTES**

Where these Articles provide for any dispute in relation to a particular matter to be determined pursuant to this article 23, such dispute shall be referred, at the request of any Shareholder or Director, to the Auditors. The decision of the Auditors (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Shareholders. The cost of such reference shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Auditors (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Auditors, equally by the parties concerned.

24. **CHANGE OF NAME**

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

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

Subject to the consent of a Majority, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.

26. **MISCELLANEOUS**

Articles 36, 43, 50 and 51 of the Model Articles shall not apply to the Company.