

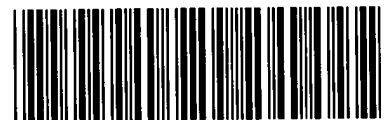
**ARTICLES OF ASSOCIATION  
OF  
T20 PIONEER MIDCO LTD**

Companies Act 2006

Company Limited by Shares

(as adopted by written special resolution passed on 23 November 2022)

MONDAY



\*ABJ7YT62\*

A09

19/12/2022

#70

COMPANIES HOUSE

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
INTERPRETATION .....	1
1. Defined terms .....	1
SHARES .....	9
2. Powers to issue different classes of share .....	9
3. Purchase of shares and treasury shares .....	10
4. Classes of shares .....	10
5. Dividend Rights .....	10
6. Capital .....	11
7. New Issues .....	11
8. Company's lien over partly paid shares .....	12
9. General restrictions and information relating to transfers .....	12
10. Permitted Transfers .....	13
11. Drag along .....	14
12. Tag along .....	16
13. Compulsory transfers - Leavers .....	19
14. Compulsory transfers - general .....	20
15. Transferees bound by prior notices .....	21
16. Valuation .....	21
17. Authority .....	22
DIRECTORS .....	22
18. Number of directors .....	22
19. Participation in directors' meetings .....	22
20. Quorum for directors' meetings .....	22
21. Voting at directors' meeting .....	22
22. Casting vote .....	23
23. Directors' written resolutions .....	23
24. Transactions with the Company .....	23
25. Conflicts of interest .....	23
26. Director not liable to account .....	25
27. Declarations of interest .....	25
28. Independent judgment .....	26
29. Matters requiring consent .....	26
30. Methods of appointing directors .....	26
31. Termination of director's appointment .....	26
32. Rights and responsibilities of alternate directors .....	27
33. Appointment and removal of secretary .....	27
DECISION-MAKING BY SHAREHOLDERS .....	27
34. Voting: general .....	27
35. Quorum for general meetings .....	28
36. Poll votes .....	28
37. Delivery of proxy notices .....	28
38. No voting of shares on which money owed to Company .....	29
MISCELLANEOUS PROVISIONS .....	29
39. Change of name .....	29
40. Means of communication to be used .....	29
41. Winding up .....	29
42. Class rights .....	29



Company number: 14266834

**ARTICLES OF ASSOCIATION  
of**

**T20 PIONEER MIDCO LIMITED (the "Company")**

(as adopted by written special resolution passed on 23 November 2022)

**INTERPRETATION**

**1. Defined terms**

1.1 The model articles for public companies (as set out in Schedule 3 to the Companies (Model Articles) Regulations 2008 SI No 3229 as amended before the date of adoption of these articles (the "**Regulations**") (the "**Model Articles**") apply to the Company, except to the extent that they are excluded or modified by, or are inconsistent with, these articles, to the exclusion of the model articles contained in any other enactment.

1.2 Model Articles 10, 11, 13(3), 14, 15, 16(1) to (4), 20, 21, 26, 37, 39, 41, 46(2), 48, 50, 51, 64, 67(3), 80, 81 (5)-(7) and 82 do not apply to the Company.

1.3 In these articles the following words and expressions will have the meanings set out below:

A Shareholder	a holder of A Shares
A Shares	the A ordinary shares of £0.01 each in the capital of the Company
Acceptance Notice	as defined in article 12.2
Accepting Shareholder	as defined in article 12.2
Acquisition Issue	<p>an issue of Securities:</p> <p>(a) to any person (on terms approved by the Investor Majority) in consideration (in whole or in part and directly or indirectly) for an acquisition by a Group Company of shares, assets, businesses or undertakings (or issued in connection with the re-investment by such person of the proceeds received from the relevant Group Company in connection with such acquisition); and/or</p> <p>(b) to any of the A Shareholders (on terms approved by the Investor Majority) in connection with a development opportunity for the Group (including for the purposes of funding an acquisition of shares, assets, businesses or undertakings) and for which further funding is required</p>
Act	the Companies Act 2006
Adoption Date	23 November 2022
Affiliate	(a) in relation to any body corporate, any parent undertaking or subsidiary undertaking of such body corporate or any subsidiary undertaking of a parent

	undertaking of such body corporate in each case from time to time
	(b) in relation to any A Shareholder, any body corporate under common Control or ownership with that A Shareholder
Annual Business Plan	the annual business plan and budget for the Group as approved and adopted from time to time by the board of directors and the Investor Majority
Associated Undertaking	any Group Company, any undertaking promoted by or advised by or managed by a Group Company and any undertaking in which a Group Company is otherwise interested
Available Profits	profits available for distribution within the meaning of the Act
B Shareholder	a holder of B Shares
B1 Shares	the B1 ordinary shares of £0.01 each in the capital of the Company
B2 Shares	the B2 ordinary shares of £0.01 each in the capital of the Company
B Shares	the B1 Shares and/or B2 Shares
Bad Leaver	an Employee: (i) who becomes a Leaver and who is not otherwise classified as a Good Leaver; or (ii) who commits (or whose Permitted Transferees commit) a material breach of these articles or any Shareholders' Agreement
Bad Leaver Price	as defined in article 13.3(b)
Business Day	a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday)
Business Sale	the sale by the Company or any Group Company of all or substantially all of the business, undertaking and assets of the Group
Called Shareholders	as defined in article 11.1
Called Shares	as defined in article 11.1
Called Shares Price	as defined in article 11.4
Cash Bonus Alternative	an Employee incentive scheme implemented or to be implemented (subject to Investor Majority consent and in consultation with the chairman) whereby certain Employees may be allocated cash bonuses (based on a fixed amount or otherwise a notional percentage allocation of net proceeds on an Exit) at or prior to an Exit in lieu of the issuance of Securities to that Employee
connected person	as defined in sections 1122 and 1123 Corporation Tax 2010, save that persons will not be deemed to be "connected" by reason of being parties to a shareholders' agreement relating to the Group
Control	as defined in section 1124 of the Corporation Tax Act 2010 and the expression " <b>Change of Control</b> " shall be construed accordingly

Controlling Stake	more than 50 per cent in number of the A Shares in issue from time to time
Debt Securities	any loan note or any other debt security issued by the Company or any other Group Company from time to time (including any shareholder loans)
Drag Along Documents	any or all of the stock transfer form, indemnity for lost share certificate, sale agreement, form of acceptance and deed of adherence and any other related documents required by Dragging Shareholders to be executed by Called Shareholders
Drag Along Notice	as defined in article 11.2
Drag Along Right	as defined in article 11.1
Drag Completion	the proposed place, date and time of completion of the transfer of the Called Shares as specified in the Drag Along Notice
Drag Offeror	as defined in article 11.1
Drag Rollover Alternative	as defined in article 11.5(b)
Dragging Shareholders	as defined in article 11.1
Dragging Shareholders' Shares	A Shares held by the Dragging Shareholders
Eligible Shareholders	all of the Shareholders other than: (i) the Tag Offeror; (ii) Tag Sellers; and (iii) Excluded Persons
Employee	a director (including an executive or non-executive director or board advisor) or employee of, or a consultant to, any Group Company
Encumbrance	any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement
Excluded Person	<p>(a) a person who has given, or is deemed to have given, a Transfer Notice and his Permitted Transferees; or</p> <p>(b) a Leaver and his Permitted Transferees; or</p> <p>(c) an Employee who has given, or been given, notice to terminate his contract of employment or contract for services with any Group Company and his Permitted Transferees</p>
Exit	<p>any of the following:</p> <p>(a) the obtaining of a Listing; or</p>

	<ul style="list-style-type: none"> <li>(b) the completion of a Sale or Business Sale; or</li> <li>(c) completion of a Liquidation</li> </ul>
Family Relation	<p>in relation to an individual Shareholder:</p> <ul style="list-style-type: none"> <li>(a) the husband or wife or civil partner of that Shareholder; and</li> <li>(b) all the direct immediate lineal descendants of that Shareholder</li> </ul>
Good Leaver	<p>an Employee who becomes a Leaver by reason of:</p> <ul style="list-style-type: none"> <li>(a) death; or</li> <li>(b) serious illness or disablement certified by a general medical practitioner which, in the reasonable opinion of the Investor Majority, gives rise to permanent incapacity to continue carrying out his role as an employee, consultant and/or director (save where such illness or disablement is the result of the use of alcohol or drugs);</li> <li>(c) in respect of the non-executive chairman appointed as at the Adoption Date only, upon bona fide retirement at or above the age of 60, provided that such retirement occurs on or after the three year anniversary of the Adoption Date;</li> <li>(d) redundancy as a direct result of a merger of any Group Company with another company;</li> <li>(e) dismissal by the Company (or other Group Company) which is determined by an employment tribunal, or at a court of competent jurisdiction, from which there is no right to appeal, to be wrongful or unfair (provided that such determination is not related to or as a result of any procedural or technical deficiency in such dismissal);</li> <li>(f) the Investor Majority (in its discretion) determines that such Leaver is to be treated as a Good Leaver</li> </ul>
Good Leaver Price	as defined in article 13.3(a)
Group	the Company and its direct and/or indirect subsidiary undertakings from time to time and " <b>Group Company</b> " will be interpreted accordingly
Hurdle Amount	£30,000,000
Investor Director	a director appointed pursuant to article 30.2 and who is designated as an " <b>Investor Director</b> "
Investor Majority	the holder(s) of a majority in number of the A Shares in issue from time to time

**Leaver**

an Employee:

- (a) who ceases to be director (or board advisor) or employee of, or consultant to, a Group Company and who in any such case does not continue as a director (or board advisor) or employee of, or consultant to, a Group Company; or
- (b) who is declared bankrupt or enters into an individual voluntary arrangement, receivership, or other arrangements with creditors, or becomes subject to any order of a court of competent jurisdiction as a consequence of which he ceases to be sole legal and beneficial owner of some or all of the Shares registered to him

**Liquidation**

the liquidation or winding up of the Company (except for the purpose of a solvent reorganisation, reconstruction or amalgamation)

**Listing**

- (a) the admission of any of the Company's equity shares to trading on any of London Stock Exchange Group plc's markets becoming effective in accordance with the rules of that market (including, without limitation its market for listed securities, its main market or AIM);
- (b) the grant of permission for the dealing in any of the Company's equity shares on any other investment exchange becoming effective in accordance with the rules of that exchange,

whether effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise

**Listing Value**

in the event of a Listing, the price of an ordinary share of the Company (or any new holding company) at the admission to trading of the shares on the date when the Listing becomes effective multiplied by the number of shares immediately prior to any relevant conversion referred to in article 6.5 at the relevant time (excluding any ordinary shares issued by the Company in connection with the Listing)

**Unallocated Management Shares**

the portion of B Shares or other Securities (if any) provisionally allocated to Employees as part of the Group's management equity incentive plan (determined by the Investor Majority in consultation with the chairman), including under the Cash Bonus Alternative, which remain unallocated at an Exit

**Notice Date**

the date on which a Transfer Notice is given or deemed to have been given

**Option Shareholder**

as defined in article 11.8

**Permitted Issue**

a Reserved Share Issue, a Rescue Issue, an Acquisition Issue or any other new issue of Securities as may be determined by the Investor Majority from time to time



Permitted Transfer	a transfer of shares permitted by article 10
Permitted Transferee	a person who holds Shares or other Securities pursuant to a Permitted Transfer, or any Shares or other Securities derived from such shares or other Securities
Prescribed Price	the price determined in accordance with article 16
Qualifying Offer	as defined in article 11.1
Relevant Situation	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (other than a situation that cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of interest arising in relation to a transaction or arrangement with the Company)
Rescue Issue	the issue of Securities which the Investor Majority determines is required in circumstances where such issue of Securities is necessary for the ongoing funding requirements of the Group
Reserved Share Issue	the issue of Securities (including any B Shares): (i) to any Employee (including a chairman or any non-executive director or advisor) with the prior consent of the Investor Majority; and/or (ii) on or prior to an Exit, as may be required in order to ensure that the Security allocation (as a proportion of the entirety of the Securities in issue) afforded to the B Shareholders (or any other Employee) equals the notional allocation granted to that B Shareholder (or any other Employee) at the time of the grant of such award of Securities (including to give effect to any terms and conditions of such award)
Sale	the sale of any Shares to any person resulting in that person together with any person acting in concert (as defined in the City Code on Takeovers and Mergers) with such person holding the entire issued share capital, and persons who are holders of Shares at the Adoption Date shall not be deemed to be acting in concert with each other
Sale Proceeds	the total of all and any form of consideration payable in respect of the transfer of shares that are the subject of a Sale (which, for the avoidance of doubt, shall be net of any deduction as a result of any debt adjustments, liabilities and costs, charges and expenses relating to a Sale)
Sale Shares	as defined in article 16.1
Secured Institution	as defined in article 43.1(a)(i)
Securities	the debt and equity securities issued by the Company from time to time, including the Shares
Shareholder	a person who holds any share in the capital of the Company
Shareholders' Agreement	any shareholders' agreement or arrangement entered into by and between the Shareholders of the Company regulating the operations and affairs of the Shareholders

in connection with the Company (as amended or restated from time to time)

Shares

any shares in the capital of the Company from time to time, comprising as at the Adoption Date, the A Shares and the B Shares

Subscription Price

the amount paid up or credited as paid up on a share, including the full amount of any premium at which that share was issued (whether or not that premium is subsequently applied for any purpose)

Tag Along Documents

any or all of the stock transfer form, indemnity for lost share certificate, sale agreement, form of acceptance and deed of adherence and any other documentation required by the Tag Offeror to be executed by the Accepting Shareholder(s)

Tag Completion

the proposed place, date and time of completion of the transfer of the Tag Shares as specified in the Tag Notice

Tag Expiry Date

as defined in article 12.5

Tag Notice

as defined in article 12.6

Tag Offer

as defined in article 12.1

Tag Offeror

as defined in article 12.1

Tag Price

as defined in article 12.5(b)

Tag Rollover Alternative

as defined in article 12.5(b)

Tag Sellers

A Shareholder(s) whose transfer of a Controlling Stake has triggered a Tag Offer

Tag Shares

as defined in article 12.1

Termination Date

in relation to a Leaver, any of the following which is applicable:

- (a) where employment ceases by virtue of notice given by the Employee to the employer, the date of such notice;
- (b) where employment ceases by virtue of notice given by the employer to the Employee, the date of such notice; or
- (c) 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; or
- (d) where an Employee dies, becomes incapacitated or disabled, the date of his death, incapacitation or disablement; or

- (e) where the Employee concerned is a director or consultant but not an employee, the date on which notice of termination of his contract for services with the relevant Group Company is given; or (f) in the case of an Employee (or their Permitted Transferees) who commits a material breach of these articles or any Shareholders' Agreement, the date on which the Investor Majority becomes aware of such material breach; or
- (g) in any other case, the date on which the contract of employment or engagement is terminated

**Transfer Notice**

a notice conferring authority on the directors to transfer shares to such persons as they will determine in their absolute discretion (with Investor Majority consent)

**Very Bad Leaver Event**

means a Leaver who ceases to be director (or board advisor) or employee of, or consultant to, a Group Company and who in any such case does not continue as a director (or board advisor) or employee of, or consultant to, a Group Company as a result of:

- (a) a material breach of these articles or the Shareholders' Agreement;
- (b) summary dismissal for gross misconduct;
- (c) being disqualified from being a company director; or
- (d) fraud, dishonesty or conviction of a criminal offence (other than a road traffic offence which has not resulted in a custodial sentence or any other very minor offence which does not carry a custodial sentence)

**Valuer**

Claritas Tax or such other valuer as the Investor Majority may elect (acting reasonably and in good faith)

**1.4 In these articles:**

- (a) the terms "parent undertaking" and "subsidiary undertaking" shall be construed in accordance with section 1162 and Schedule 7 of the Act, save that an undertaking shall also be treated, for the purposes only of the membership requirement contained in subsections 1162(2)(b) and (d), as a member of another undertaking if any shares in that other undertaking are held by a person (or its nominee) by way of security or in connection with the taking of security granted by the undertaking or any of its subsidiary undertakings;
- (b) except as otherwise defined in these articles, words and expressions used in the Model Articles that apply to the Company and which are defined in the Model Articles (as amended before the date of adoption of these articles) shall have the same meaning in these articles;
- (c) any reference to a "person" includes any individual, body corporate, trust, partnership, joint venture, unincorporated association or governmental, quasi-governmental, judicial or regulatory entity (or any department, agency or political subdivision of such an

entity), in each case whether or not having a separate legal personality, and any reference to a "company" includes any company, corporation or other body corporate, wherever and however incorporated or established;

- (d) any other words or expressions in these articles will bear the same meaning (unless otherwise defined or the context otherwise requires) as in the Act but excluding any statutory modification not in force at the date of adoption by the Company of these articles; and
- (e) references to statutory provisions, enactments or European Union directives ("**EU Directives**"). will include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or EU Directive from time to time in force and to any regulation, instrument or order or other subordinate legislation made under such provision, enactment or EU Directive.

1.5 For the purposes of these articles the following will be deemed, without limitation, to be a "transfer" of shares:

- (a) any sale or other disposition including by way of mortgage, charge or other security interest of the whole or any part of the legal or beneficial interest in any shares;
- (b) the grant of any option or other rights over the whole or any part of the legal or beneficial interest in any shares;
- (c) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of shares that a share be allotted or transferred to some person other than himself; and
- (d) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it or issue of a derivative interest in a share or contract for differences) (i) whether or not by the relevant holder, (ii) whether or not for consideration, (iii) whether or not effected by an instrument in writing and (iv) whether or not made voluntarily or by operation of law,

provided that any change in (or change in the respective entitlements of) the partners, participants, shareholders, unitholders (or any other interests) in any A Shareholder or any mortgage, charge, option or other encumbrance created over an A Shareholder's interest in any Securities will not be regarded as a transfer of shares.

1.6 For the purposes of these articles all references to the consent, approval, decision, agreement or any form of assent of the Investor Majority shall include the consent of an Investor Director.

## **SHARES**

### **Issue of Shares**

#### **2. Powers to issue different classes of share**

- 2.1 Subject to the articles, the Company may issue A Shares and B Shares with the rights and restrictions set out in these articles and any other Securities, to such individuals and with such rights or restrictions as may be determined by the board of directors of the Company (with Investor Majority consent).
- 2.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder.

### **3. Purchase of shares and treasury shares**

- 3.1 Subject to the remaining provisions of this article 3, on a purchase of its own shares in accordance with section 724(1) of the Act, the Company may hold the shares (or any of them) in treasury and, at any time, deal with any of the shares in accordance with section 727 of the Act, or cancel any of such shares in accordance with section 729 of the Act, provided always that the directors shall procure that any such shares are cancelled forthwith if directed to do so in writing by an Investor Majority.
- 3.2 In these articles, unless otherwise specified or the context otherwise requires:
- (a) a reference to a person who holds shares in the capital of the Company (whether described as a shareholder, holder, member or otherwise) shall not include the Company (and the Company shall not be treated as such) to the extent it holds shares as treasury shares;
  - (b) references in articles 1.3, 7, 11.8, and 12.1 to the allotment or issue of shares by the Company shall include a sale or transfer of treasury shares by the Company and any such sale or transfer shall be treated, so far as practicable, as an allotment and issue of new shares;
  - (c) the provisions of articles 9, 10, 11, 12 and 14 shall not apply to a sale or transfer of any shares held by the Company as treasury shares; and
  - (d) for the purposes of determining the aggregate number or nominal value of shares in any class or classes of shares in the capital of the Company (and any related percentages), any shares held by the Company as treasury shares shall be excluded.
- 3.3 For the purposes of section 692(1ZA) of the Act, the Company is authorised to purchase its own shares (including any redeemable shares) out of capital otherwise than in accordance with Chapter 5 of Part 18 of the Act, up to an aggregate purchase price in a financial year of the lower of: (a) £15,000; or (b) the nominal value of 5 per cent of its fully paid share capital as at the beginning of the financial year.

### **4. Classes of shares**

The A Shares and B Shares constitute separate classes of shares and will rank equally for all purposes unless otherwise stated in these articles.

### **5. Dividend Rights**

- 5.1 Subject to: (i) the board of the Company recommending payment of the same; (ii) the Investor Majority providing prior written consent, any Available Profits which the Company may determine to distribute in respect of any financial year (including any interim dividends during a financial year) shall be distributed amongst the holders of the A Shares and B Shares in the manner determined by the board of the Company. Any dividend may be declared (or, if pursuant to a directors' decision to pay, may be paid) separately as between each class of Share as to such amounts (so that, for example, there may be no dividends declared on the B Shares) and in such proportions as the shareholders' resolution to declare or directors' decision to pay a dividend may specify (in all cases subject to the prior consent of the Investor Majority).
- 5.2 The Company shall procure that each of its subsidiary undertakings which has profits available for distribution shall from time to time declare and pay to the Company such dividends to the extent possible as are necessary to facilitate the declaration and/or payment of dividends pursuant to article 5.1.
- 5.3 Model Article 70(1) shall be amended by the insertion of the words "Subject to article 5.1" at the start of that Model Article.

## 6. Capital

- 6.1 On a Sale, the Sale Proceeds shall be distributed amongst the sellers of the shares that are subject to the Sale in the following order of priority:
- (a) first, in paying to the holders of the A Shares and B1 Shares (pro rata in the proportions in which they hold such shares) the amount of the Sale Proceeds up to and including the Hurdle Amount (save that the excess (if any) of the amount of Sale Proceeds on any B Shares held by a Good Leaver as a result of the application of articles 13.3(a) or 13.3(b)(ii)(A) shall be allocated to the A Shares); and
  - (b) second, and subject to article 6.2, the balance of the Sale Proceeds over and above the Hurdle Amount (if any) shall be distributed to the holders of A Shares, B1 Shares and B2 Shares *pari passu* in proportion to the number of Shares held by them as if they were all holders of Shares (save that the excess (if any) of the amount of Sale Proceeds on any B Shares held by a Good Leaver as a result of the application of articles 13.3(a) or 13.3(b)(ii)(A) shall be allocated to the A Shares).
- 6.2 The balance of Sale Proceeds distributed to the holders of B Shares pursuant to article 6.1 above shall be net of (and, where appropriate, deemed reduced by): (i) any amounts allocated under the Cash Bonus Alternative (which, to the extent not paid by the Group as part of an Exit, will be allocated to the A Shares); and (ii) any Sale Proceeds which would otherwise be attributable to any remaining Unallocated Management Shares (on the basis of a notional allocation of Sale Proceeds had such B Shares been allocated and issued prior to the relevant Exit), which shall be allocated to the A Shares.
- 6.3 On a Liquidation or a return of capital, the assets of the Company remaining after payment of its debts and liabilities (including any Debt Securities) and of costs, charges and expenses of the Liquidation (the "**Remaining Assets**") shall be allocated among the Shareholders in the same order of priority as set out in article 6.1 as if the Remaining Assets were Sale Proceeds.
- 6.4 On a Business Sale, the surplus of assets of the Company remaining after payment of its liabilities (such liabilities to include the redemption in full without any withholding or set off of all amounts of principal and interest outstanding under any Debt Securities) shall be distributed (to the extent that the Company is lawfully permitted to do so) in the same order of priority as set out in article 6.1 as if such surplus assets were Sale Proceeds, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of this article, the Shareholders shall (in their capacity as holders of shares in the capital of the Company) take any action as is necessary in order to effect such distribution (including, but without prejudice to the generality of this article, such actions that may be necessary to put the Company into voluntary liquidation).
- 6.5 Immediately prior to and conditional upon a Listing, the Shareholders shall procure that the share capital of the Company is reorganised as required to ensure the Listing Value is allocated among the Shareholders in the same order of priority as set out in article 6.1 as if the Listing Value were Sale Proceeds.

## Issue of shares

## 7. New Issues

- 7.1 Subject to the remaining provisions of this article 7 and any provision of the Shareholders' Agreement, the directors (subject to Investor Majority consent) are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to, on a non-pre-emptive basis: (i) offer or allot or issue; (ii) grant rights to subscribe for or to convert any security into; or (iii) otherwise deal in, or dispose of, Securities to any person, at any time and subject to any terms and conditions as the directors think proper (subject to prior Investor Majority consent and upon its direction), including for the purposes of (but not limited to) any Permitted Issue.

- 7.2 The authority referred to in article 7.1: (i) shall be limited to a maximum nominal amount of £1,000,000; (ii) shall only apply insofar as the Company has not renewed, waived or revoked it by ordinary resolution; and (iii) may only be exercised for a period of five years commencing on the Adoption Date, save that directors may make an offer or agreement which would, or might, require Securities to be allotted after the expiry of such authority (and the directors may allot Securities in pursuance of an offer or agreement as if such authority had not expired).

*No power to allot shares*

- 7.3 Save to the extent authorised by these articles, or authorised by the Company by an ordinary resolution, the directors will not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares.

*Disapplication of pre-emption rights*

- 7.4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to any allotment of equity securities or any other Securities made by the Company.

**8. Company's lien over partly paid shares**

- 8.1 The Company has a lien over every share which is partly paid for any part of:

- (a) that share's nominal value;
- (b) any premium at which it was issued; and
- (c) all other monies due to the Company from him or his estate, whether solely or jointly with any other person (whether a Shareholder or not),

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it. Model Article 52(1) shall not apply.

- 8.2 The directors may accept from any Shareholder the whole or any part of the amount remaining unpaid on any share held by him even though no part of that amount has been called up.

- 8.3 The liability of a person who is in default of a call shall be increased by the addition, at the end of Model Article 57(1), of the words "and that person must pay all expenses that may have been incurred by the Company by reason of such failure".

**Transfer and transmission of shares**

**9. General restrictions and information relating to transfers**

- 9.1 No person will transfer any shares except for:

- (a) a transfer made in accordance with articles 10 (*Permitted Transfers*) or 12 (*Tag along*); or
- (b) a transfer which is required to be made in accordance with article 11 (*Drag along*), 13 (*Compulsory transfers – Good/Bad Leaver*) or 14 (*Compulsory transfers – general*).

- 9.2 The directors may (and shall, if required by the Investor Majority), as a condition to the registration of any transfer of shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any Shareholders' Agreement or similar document in force between some or all of the Shareholders and the Company in a form that the directors may reasonably require.

9.3 To enable the directors to determine whether or not there has been a transfer of shares which is not in compliance with these articles the directors may (and will if requested in writing by the Investor Majority) require any Shareholder, any successor in title to any Shareholder, any transferee pursuant to any transfer or any other person who the directors or the Investor Majority believe to have relevant information, to furnish to the Company such information and evidence as the directors consider relevant to determining whether there has been a transfer which is not in compliance with these articles. If such information or evidence is not furnished to the satisfaction of the directors, or if as a result of the information and evidence the directors consider that a breach has occurred, the directors may notify the holder of the relevant shares in writing of that fact and:

- (a) all such shares will cease to confer on the holder (or its proxy) any rights:
  - (i) to vote, or agree to a written resolution; or
  - (ii) to receive dividends or other distributions or payments (other than the Subscription Price of the relevant shares on a return of capital); and
- (b) the holder may be required at any time following the notice to issue a Transfer Notice in respect of all or some of its shares to such person(s) at such price and on such terms as the directors (with prior Investor Majority consent) may require by notice in writing to the holder.

9.4 The rights referred to in article 9.3(a) may be reinstated by the directors with the consent of the Investor Majority or, if earlier, on the completion of any transfer referred to in article 9.3(b).

9.5 If the directors in accordance with these articles require a Transfer Notice to be given and it is not given within a period of one month (or such longer period as the directors may allow for the purpose), the Transfer Notice will be deemed to have been given on any date after the expiration of that period as the directors may notify to the Shareholder and these articles will take effect accordingly.

9.6 The directors must register a transfer that is a Permitted Transfer. In any other case, the directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

## 10. Permitted Transfers

10.1 The legal or beneficial interest in any share or other Security may at any time be transferred by an A Shareholder to any person subject (if applicable) to article 12 (Tag along) applying in accordance with its terms and to the extent article 11 has not been invoked.

10.2 The legal or beneficial interest in any share may at any time be transferred by a B Shareholder:

- (a) to any person with the prior consent in writing of the Investor Majority (at its discretion);
- (b) to any person in the case of a transfer of any shares that is required to be made to such person pursuant to article 11 (*Drag along*) or 13 (*Compulsory transfers - Leavers*) or 14 (*Compulsory transfers - general*), respectively; or
- (c) to any person in acceptance of a Tag Offer required to be made pursuant to article 12,

provided at all times that the Investor Majority shall require, as a condition to any such transfer, the relevant transferee to have entered into a deed of adherence adhering to the terms of any Shareholders' Agreement, including a power of attorney in favour of the Investor Majority to exercise the rights and obligations of that transferee under these articles and any Shareholders' Agreement (each in a form reasonably satisfactory to the Investor Majority).



## 11. Drag along

### *Drag Along Right*

- 11.1 If Shareholders constituting an Investor Majority wish to sell a Controlling Stake to a bona fide third party purchaser or one or more bona fide third party purchasers that are connected persons (together the "**Drag Offeror**") who have made an offer to purchase such Controlling Stake (a "**Qualifying Offer**"), those Shareholders that constitute such Investor Majority (the "**Dragging Shareholders**") will have the right (the "**Drag Along Right**") to require all of the other Shareholders (the "**Called Shareholders**") to sell and transfer all (or, at the election of the Investor Majority, an equal proportion of) their Shares (the "**Called Shares**") to the Drag Offeror, or as the Drag Offeror may direct, free from all Encumbrances and together with all rights then attaching to them.

### *Drag Along Notice*

- 11.2 The Drag Along Right will be exercisable by the Dragging Shareholders giving written notice of their intention to exercise the Drag Along Right to the Company prior to the transfer of the Dragging Shareholders' Shares to the Drag Offeror (the "**Drag Along Notice**"). The Drag Along Notice will specify:

- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article;
- (b) any terms of sale to which Called Shareholders are required to adhere and will enclose copies of the Drag Along Documents (if any) relating to it;
- (c) the identity of the Drag Offeror;
- (d) the proposed price to be paid by the Drag Offeror for each class of the Called Shares; and
- (e) the proposed place, date and time of Drag Completion.

- 11.3 The Company will send copies of the Drag Along Notice and Drag Along Documents (if any) to each of the Called Shareholders by e-mail or at their address shown on the Company's register of shareholders and require all of them to sell and transfer to the Drag Offeror, or as the Drag Offeror may direct, at Drag Completion all of their Called Shares on the terms set out in the Drag Along Notice.

### *Price*

- 11.4 The consideration for each class of Called Shares will be calculated in accordance with article 6.1 (based on the aggregate equity value for all of the Shares implied by the Qualifying Offer) (the "**Called Shares Price**"). The Called Shares Price will be expressed net of any transaction costs that are for the account of the Dragging Shareholders and Called Shareholders which, in the absence of agreement between the Dragging Shareholders and Called Shareholders otherwise, will be borne by each of the Dragging Shareholders and Called Shareholders in proportion to his holding of Shares.

- 11.5 For the purposes of article 11.4, the following variations in the form of consideration will be permitted:

- (a) Called Shareholders may be required to transfer part of the consideration for the sale of their shares into an escrow account (or a similar retention mechanism) on a pro rata basis and on the same terms as the other Called Shareholders and the Dragging Shareholders;
- (b) the consideration may be in the form of cash or paid otherwise than in cash in accordance with the terms of the Qualifying Offer; the offer may provide for the

consideration payable to certain Called Shareholders for the sale of their shares to be paid otherwise than in cash (a "**Drag Rollover Alternative**"), subject to such Called Shareholders agreeing to receive the Drag Rollover Alternative; and

- (c) the Dragging Shareholders will be entitled to determine in their absolute discretion that any Called Shareholder shall receive cash consideration for the sale of their shares at a price which is no less than the net present value of any non-cash consideration (including any Drag Rollover Alternative), if applicable.

#### *Drag Completion*

- 11.6 Drag Completion will take place on the same date as the date proposed for completion of the sale of the Dragging Shareholders' Shares unless the Dragging Shareholders elect otherwise in which case Drag Completion will take place on a date to be specified by the Dragging Shareholders that is no more than 30 Business Days later.
- 11.7 On or before Drag Completion, each Called Shareholder will deliver duly executed Drag Along Documents in respect of his Called Shares to the Company. Subject always to receipt of the Drag Along Documents, on Drag Completion the Company will pay each Called Shareholder, on behalf of the Drag Offeror, or the Drag Offeror shall pay direct to each Called Shareholder, the Called Shares Price due. Payment to the Called Shareholder will be made to its address on the Company's register of shareholders. The Company's receipt for the Called Shares Price due will be a good discharge to the relevant Drag Offeror who will not be bound to see its application. Pending compliance by the Called Shareholder with the obligations in this article 11, the Company may hold any funds or other form of consideration received from the Drag Offeror in respect of the Called Shares on trust for the defaulting Called Shareholder, without any obligation to pay interest.

#### *Option Shareholders*

- 11.8 If, following the issue of a Drag Along Notice, either: (a) a person becomes a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares or the exercise of another right or option or otherwise; or (b) additional shares are issued to an existing Shareholder pursuant to the exercise of a pre-existing option to acquire shares or the exercise of another right or option or otherwise (each an "**Option Shareholder**"), in each case, a Drag Along Notice will be deemed to have been served on the Option Shareholder on the date he acquired such shares and on the same terms as the previous Drag Along Notice. The Option Shareholder will be bound to sell and transfer all the shares so acquired by him to the Drag Offeror, or as the Drag Offeror may direct, and the provisions of this article 11 will apply (with changes where appropriate) to the Option Shareholder as if references to Called Shareholder included the Option Shareholder except that completion of the sale of the shares will take place on such date as the Drag Offeror will determine.

#### *Defaulting Called Shareholders*

- 11.9 If any Called Shareholder does not transfer the Called Shares registered in his name and execute all of the Drag Along Documents (if any), the defaulting Called Shareholder will be deemed to have irrevocably appointed any person nominated for the purpose by the Dragging Shareholders to be his agent to execute, complete and deliver a transfer of those Called Shares in favour of the Drag Offeror, or as he may direct, against receipt by the Company of the consideration due for the relevant Called Shares. The Company's receipt of the consideration will be a good discharge to the Drag Offeror, who will not be bound to see its application. The Company will hold the consideration on trust for the relevant Called Shareholder(s) without any obligation to pay interest. Subject to stamping, the directors will without delay register the transfer(s), after which the validity of such transfer(s) will not be questioned by any person. Each Called Shareholder will surrender his share certificate(s) (or, where appropriate provide an indemnity in respect of it in a form satisfactory to the directors) although it will be no impediment to registration of shares under this article that no share certificate has been produced. On such surrender or provision and execution of all the Drag Along Documents, the

defaulting Called Shareholder(s) will be entitled to the consideration for the Called Shares transferred on his behalf, without interest.

*Neutering*

11.10 Subject to article 11.11, unless the Investor Majority otherwise agrees in writing, any Called Shares held by a Called Shareholder on the date of a Drag Along Notice (and any shares subsequently acquired by an Option Shareholder) will:

- (a) automatically cease to confer the right to receive notice of or to attend or vote (either in person or by proxy and whether on a poll or on a show of hands) at any general meeting of the Company or (subject to the provisions of the Act) at any meeting of the holders of any class of shares, or to receive a copy of or vote on any proposed written resolution, with effect from the date of the Drag Along Notice (or the date of acquisition of such shares, if later);
- (b) not be counted in determining the total number of votes which may be cast at any such meeting, or required for the purposes of a written resolution of any Shareholders or any class of Shareholders, or for the purposes of any other consent required under these articles; and
- (c) notwithstanding any other provisions in these articles, not be transferred otherwise than under this article 11.

11.11 The rights referred to in article 11.10 will be restored immediately upon the earlier of: (i) the transfer of the Called Shares in accordance with this article 11; and (ii) if Drag Completion does not occur in accordance with its terms.

*Drag Offeror*

11.12 The Investor Majority will be entitled at any time to direct that the Drag Along Right is exercisable by the Drag Offeror at any time after the Drag Offeror becomes a Shareholder in substitution for exercise of the same by the Dragging Shareholders. Such a direction will be given by written notice from the Investor Majority to the Company. If such direction is made, the provisions of this article 11 will apply with the appropriate changes and Drag Completion will take place no later than 90 calendar days after the date of such written notice.

*Other Securities*

11.13 If the Drag Offeror has also agreed to purchase other securities (which are not Shares) of any Group Company from the Dragging Shareholders in connection with the transfer, to the extent that some or all of the Called Shareholders hold equivalent Securities, the Drag Offeror shall also be obliged to acquire those Securities and the provisions of this article 11 shall apply to such Securities mutatis mutandis.

*Miscellaneous*

11.14 Any transfer of shares made by the Dragging Shareholders or Called Shareholders in accordance with this article 11 will not be subject to any restrictions on transfer contained in these articles.

**12. Tag along**

*Tag Along Right*

12.1 If one or more A Shareholders (the "**Tag Sellers**") wish to transfer a legal and beneficial interest in a Controlling Stake to a bona fide third party purchaser or one or more bona fide third party purchasers that are connected persons (and the Drag Along Right has not been exercised), the purchaser(s) of such shares (the "**Tag Offeror**") will be required to make an offer (the "**Tag Offer**") to purchase such proportion of each class of shares held by the Eligible Shareholders

as is equal to the proportion which the shares transferred by the Tag Sellers represents to the total number of shares held by the Tag Sellers (and, for these purposes, the A Shares will correspond to B Shares and vice versa) (the shares which are the subject of the Tag Offer being referred to herein as the "**Tag Shares**").

- 12.2 Any Eligible Shareholder who wishes to accept the Tag Offer (an "**Accepting Shareholder**") must serve an irrevocable and unconditional written notice on the Company (the "**Acceptance Notice**") before the Tag Expiry Date.
- 12.3 The Acceptance Notice will make the Company the agent of the Accepting Shareholder(s) for the sale of the Tag Shares on the terms of the Tag Offer, together with all rights attached and free from Encumbrances.
- 12.4 The Tag Offer will be made on the terms set out in article 12.5 (unless, in the case of a particular Shareholder, less favourable terms are agreed by the Tag Offeror with that Shareholder).

*Tag Along terms*

- 12.5 The terms of the Tag Offer will be that:

- (a) it will be open for acceptance for not less than 10 calendar days from the date of the Tag Notice (the end of such period being the "**Tag Expiry Date**"), and will be deemed to have been rejected if not accepted in accordance with the terms of the offer and within the period during which it is open for acceptance;
- (b) the consideration for each class of Shares will be calculated in accordance with article 6.1 (based on the aggregate equity value for all of the Shares implied by the Tag Offer) (the "**Tag Price**"), save that the Tag Offer may offer certain Shareholders the opportunity to elect to receive their consideration otherwise than in cash (a "**Tag Rollover Alternative**"), provided that a full cash alternative is offered to those Shareholders who are not offered or who do not elect to receive a Tag Rollover Alternative at a price which is no less than the net present value of the Tag Rollover Alternative; and
- (c) Eligible Shareholders that accept the Tag Offer will be required to adhere to the Tag Along Documents.

*Tag Notice*

- 12.6 If a Tag Offeror is required to make a Tag Offer, the Tag Offeror will give written notice of the same to the Company (the "**Tag Notice**").
- 12.7 The Tag Notice will specify:
- (a) the number of Tag Shares that Eligible Shareholders are entitled to transfer to the Tag Offeror;
  - (b) the terms of sale to which Eligible Shareholders are required to adhere and enclose copies of the Tag Along Documents (if any) relating to the sale;
  - (c) the identity of the Tag Offeror;
  - (d) the Tag Price for each class of the Tag Shares; and
  - (e) the proposed place, date and time of Tag Completion.
- 12.8 The Company will promptly send copies of the Tag Notice and Tag Along Documents (if any) to each Eligible Shareholder by e-mail or at their address shown on the Company's register of shareholders.

*Tag Completion*

- 12.9 Within three calendar days after the Tag Expiry Date the Company will notify the Tag Offeror of the names and addresses of the Accepting Shareholders who have accepted the Tag Offer.
- 12.10 On or before Tag Completion, each Accepting Shareholder will deliver duly executed Tag Along Documents (if any) in respect of his Tag Shares to the Company. Subject always to receipt of the Tag Along Documents, on Tag Completion the Company will pay each Accepting Shareholder, on behalf of the Tag Offeror (or the Tag Offeror shall pay each Accepting Shareholder direct), the Tag Price due, to the extent only that the Tag Offeror has put the Company in the requisite cleared funds or other form of consideration. Payment to the Accepting Shareholder will be made to its address on the Company's register of shareholders. The Company's receipt for the Tag Price due will be a good discharge to the relevant Tag Offeror who will not be bound to see its application. Pending compliance by the Accepting Shareholder with the obligations in this article 12, the Company will hold any funds or other form of consideration received from the Tag Offeror in respect of the Tag Shares on trust for the defaulting Accepting Shareholder, without any obligation to pay interest.

*Defaulting Tagging Shareholders*

- 12.11 If any Accepting Shareholder does not transfer the Tag Shares registered in his name and execute all of the Tag Along Documents (if any), the directors may authorise any director to be his agent to execute, complete and deliver a transfer of those Tag Shares in favour of the Tag Offeror, against receipt by the Company of the consideration due for the relevant Tag Shares. The Company's receipt of the consideration due will be a good discharge to the Tag Offeror, who will not be bound to see its application. The Company will hold the consideration on trust for the relevant Accepting Shareholder(s) without any obligation to pay interest. Subject to stamping, the directors will without delay register the transfer(s), after which the validity of such transfer(s) will not be questioned by any person. Each defaulting Accepting Shareholder will surrender his share certificate(s) (or, where appropriate, provide an indemnity in respect of it in a form satisfactory to the directors) although it will be no impediment to registration of shares under this article that no share certificate has been produced. On such surrender or provision and the execution of all the Tag Along Documents, the defaulting Accepting Shareholder(s) will be entitled to the consideration for the Tag Shares transferred on his behalf, without interest.
- 12.12 The Company will be entitled to hold the consideration for the Tag Shares payable to any Accepting Shareholder on behalf of any Accepting Shareholder without any obligation to pay interest for so long as the Accepting Shareholder does not execute all of the Tag Along Documents to the satisfaction of the directors.

*Miscellaneous*

- 12.13 Any transfer of shares made by the Accepting Shareholders in accordance with this article 12 will not be subject to any other restrictions on transfer contained in these articles.
- 12.14 If an Accepting Shareholder has served an Acceptance Notice and subsequently becomes an Excluded Person before the transfer of those of his shares that are the subject of the Acceptance Notice, the directors will be entitled to determine, to either:
- (a) continue with the sale of his Tag Shares subject to changing the price to the price determined by article 13; or
  - (b) end the sale of his Tag Shares initiated by such Acceptance Notice in order to commence a new sale process pursuant to article 13.
- 12.15 If the Tag Offeror has also agreed to purchase other securities (which are not Shares) of any Group Company from the Tag Sellers in connection with the transfer, to the extent that some or all of the Called Shareholders hold equivalent Securities, the Tag Offeror shall also be obliged to acquire those Securities and the provisions of this article 12 shall apply to such Securities mutatis mutandis.

### 13. Compulsory transfers - Leavers

13.1 If a Shareholder becomes a Leaver, the Investor Majority may, at any time in the 6 months immediately following such Employee's Termination Date, require such Leaver (and all of their Permitted Transferees) to transfer all or some of their Shares, to such persons as the Investor Majority may direct, including but not limited to:

- (a) an A Shareholder or an Affiliate of an A Shareholder;
- (b) a Group Company;
- (c) any Employee or any person who is to become an Employee; or
- (d) any person to hold on trust pending re-allocation of such shares to any other person.

13.2 The relevant Leaver (and all of their Permitted Transferees) will transfer such of the Shares that they are directed to transfer free from all Encumbrances and together with all rights attaching to them on the terms set out in this article 13. Provided that the relevant transferor complies with his obligations to transfer his shares set out in this article, the Leaver shall be entitled to receive the price for such shares (as determined in accordance with article 13.3) on the date of Exit or within three months thereafter (and such amount shall be treated as an unsecured and interest free debt obligation of the Company).

13.3 The price of the shares to be transferred pursuant to article 13.1 and 13.2 will be:

#### *Good Leaver*

- (a) if the Leaver is a Good Leaver, the price per B1 Share and B2 Share will be the Prescribed Price at the Termination Date (the "**Good Leaver Price**") save that if their Shares are not transferred and such Leaver retains their shares then, upon any Exit, the price per B1 Share or B2 Share that they shall be entitled to shall be restricted to the lower of (i) the Prescribed Price at the Termination Date and (ii) the amount of the Sale Proceeds for which they may be entitled to under article 6.1; and

#### *Bad Leaver*

- (b) if the Leaver is a Bad Leaver, the price for B2 Shares and B1 Shares (the "**Bad Leaver Price**") will be as follows:
  - (i) the aggregate price for all B2 Shares will be £1.00;
  - (ii) the price per B1 Share will be the Good Leaver Price save that:
    - (A) if their Shares are not transferred and such Leaver retains their shares then, upon any Exit, the price per B1 Share that they shall be entitled to shall be restricted to the lower of (i) the Prescribed Price at the Termination Date and (ii) the amount of the Sale Proceeds for which they may be entitled to under article 6.1;
    - (B) if they are a Bad Leaver as a result of a Very Bad Leaver Event, then the aggregate price for all B1 Shares will be £1.00.

13.4 If any Shareholder does not execute transfer(s) in respect of shares registered in his name in accordance with this article 13, the defaulting Shareholder will be deemed to have irrevocably appointed any person nominated for the purpose by an Investor Director (or the Investor Majority) to be his agent to execute, complete and deliver a transfer of those shares in favour of the proposed purchaser against receipt by the Company of the consideration due for the relevant shares. The Company's receipt of the consideration due will be a good discharge to the purchaser, who will not be bound to see its application. The Company will hold the

consideration on trust for the relevant Shareholder(s) without obligation to pay interest. Subject to stamping, the directors will without delay register the transfer(s), after which the validity of such proceedings will not be questioned by any person. Each Shareholder will surrender his certificate(s) (or, where appropriate provide an indemnity in respect of it in a form satisfactory to the directors), although it will be no impediment to registration of shares under this article that no certificate has been produced. On (but not before) such surrender or provision, the defaulting Shareholder(s) will be entitled to the consideration for the shares transferred on his behalf, without interest.

#### *Miscellaneous*

13.5 Any transfer of shares made in accordance with this article 13 will not be subject to any other restrictions on transfer contained in these articles.

13.6 Any Employee or Leaver (and all of his Permitted Transferees) will transfer such of the shares that they are directed to transfer free from all Encumbrances and together with all rights attaching to them on the terms set out in this article 13.

13.7 If a B Shareholder (or any other Employee holding Shares) or their Permitted Transferees commits a material breach of the terms of any Shareholders' Agreement and/or these articles, then any Shares held by that Shareholder shall receive "Bad Leaver" treatment and the provisions of these articles shall apply *mutatis mutandis*.

13.8 If at any time, a Leaver who is a Good Leaver subsequently becomes a Bad Leaver, without prejudice to any other rights or remedies which any Group Company may have:

(a) such Leaver will not be entitled to the Good Leaver Price (and only the Bad Leaver Price); and/or

(b) if required to do so in writing by the Investor Majority, immediately repay the amount of the difference between the Good Leaver Price and the Bad Leaver Price (to the extent any part of the Good Leaver price has been received by the Leaver)

13.9 Any shares held by a Leaver (or any person to whom a Permitted Transfer of shares has been made to any such Leaver) shall:

(a) automatically cease to confer the right to receive notice of or to attend or vote (either in person or by proxy and whether on a poll or on a show of hands) at any meeting of the holders of any class of shares, or to receive a copy of or vote on any proposed written resolution of a class of shares, with effect from the Termination Date of such Leaver;

(b) not be counted in determining the total number of votes which may be cast at any such class meeting, or required for the purposes of a written resolution of any any class of Shareholders, or for the purposes of any other consent required under these articles.

#### **14. Compulsory transfers - general**

##### *On bankruptcy*

14.1 A person entitled to a share in consequence of the bankruptcy of a Shareholder will be deemed to have given a Transfer Notice in respect of that share at a time determined by the directors (with Investor Majority consent), except to the extent that the directors determine otherwise.

*On death*

14.2 If a share remains registered in the name of a deceased Shareholder for longer than one month after the date of his death the directors and/or the Investor Majority may require the transmittee of that deceased Shareholder either:

- (a) to effect a Permitted Transfer of that share (either by making an election to be registered as the holder or by having it transferred to another person); or
- (b) to show to the satisfaction of the directors and/or the Investor Majority that a Permitted Transfer will be effected before or promptly on the completion of the administration of the estate of the deceased Shareholder.

If either of these requirements are not fulfilled when required, a Transfer Notice will be deemed to have been given in respect of the share at a time determined by the directors, except to the extent that the directors determine otherwise (in each with Investor Majority consent).

14.3 Model Article 67(2) shall be amended by the addition of the words "and it must be a Permitted Transfer" at the end of the sentence.

14.4 If a Permitted Transferee who has received shares ceases to qualify as a Permitted Transferee upon the terms and/or conditions upon which that Permitted Transferee received shares, that person will promptly notify the directors in writing and be bound, if and when required in writing by the Investor Majority, to transfer all of the shares that he holds to the original transferor, or to an alternative Permitted Transferee. If this requirement is not fulfilled when required, a Transfer Notice will be deemed to have been given to the transferor and Permitted Transferee in respect of the shares concerned.

**15. Transmittees bound by prior notices**

If a notice is given to a Shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the Shareholder before the transmittee's name, or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Model Article 67(2), has been entered in the register of shareholders.

**16. Valuation**

16.1 The Prescribed Price for the purposes of these articles will be the price per share being transferred (the "**Sale Shares**") as representing the market value of the Sale Shares as at the relevant Termination Date, as: (i) agreed between the relevant Leaver and the Investor Majority; or (ii) in the absence of agreement, referred to (by the Investor Majority) and determined by the Valuer.

16.2 In determining market value,

- (a) it shall be assumed that the sale is between a willing buyer and a willing seller on an arm's length basis
- (b) the Valuer will have regard to the provisions of Article 6.1 and the value that the relevant Sale Shares would attract if a Sale were to occur at the relevant Termination Date;
- (c) a discount in relation to the size which the Sale Shares represents of the entirety of the Shares may be applied; and
- (d) the Valuer will act as expert and not as arbitrator and, accordingly, the Arbitration Act 1996 or any statutory re-enactment or modification of it for the time being in force will not apply.



16.3 The report of the Valuer will be final and binding on the parties except in the case of fraud or manifest error.

16.4 The costs of obtaining the Valuer's report will be borne by the Company except where the resulting valuation is at or below 110% of the valuation offered by the Investor Majority, in which case the costs of obtaining the Valuer's report shall be borne by the relevant transferor.

## 17. Authority

The Shareholders acknowledge and agree that the authorities conferred under articles 11.9, 12.11 and 13.4 are necessary as security for the performance by the relevant Shareholder(s) of their obligations under these articles.

## DIRECTORS

### Decision making by directors

## 18. Number of directors

18.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) will not be subject to any maximum but will be not less than two.

## 19. Participation in directors' meetings

If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is. In the absence of agreement it will be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is.

## 20. Quorum for directors' meetings

20.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

20.2 The quorum for meetings of the directors will be one Investor Director.

20.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

- (a) to appoint further Investor Directors; or
- (b) to call a general meeting so as to enable the Shareholders to appoint further Investor Directors.

## 21. Voting at directors' meeting

21.1 A decision taken at a directors' meeting is by a majority of votes of the eligible directors participating in the decision at the meeting.

21.2 Subject to article 21.3, each director participating in a decision at a directors' meeting has one vote.

21.3 Each Investor Director shall be entitled to cast 10 votes on each resolution put before a meeting of the directors, **PROVIDED ALWAYS THAT** if not all Investor Directors attend a meeting of the directors, the Investor Director(s) present at that meeting shall be able to exercise, in addition to his or their own votes, the vote or votes (as the case may be) of the non-attending Investor Director(s) (as the case may be). The Investor Director(s) shall at all times be entitled to exercise a majority of the votes at any meeting of directors or committee of directors.

## **22. Casting vote**

The chairman or other director chairing the meeting will have a casting vote (provided such person is an Investor Director). In all other circumstances the chairman shall not have a casting vote. Article 10 of the Model Articles shall not apply.

## **23. Directors' written resolutions**

23.1 Notice of a proposed directors' written resolution must indicate:

- (a) the proposed resolution; and
- (b) the time by which it is proposed that the directors should adopt it, failing which the resolution shall lapse. Model Articles 17(4) and 18(2) shall not apply.

23.2 A proposed directors' written resolution is adopted when a majority of the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting. Model Article 18(1) shall not apply. Article 21.3 shall apply to directors' written resolutions *mutatis mutandis*.

## **24. Transactions with the Company**

24.1 Provided that he has declared to the other directors the nature and extent of his interest, a director notwithstanding his office may be a party to, or otherwise directly or indirectly interested in, any proposed or existing transaction or arrangement with the Company.

24.2 Subject to article 24.3 and provided that he has declared to the other directors the nature and extent of any interest of his, a director may participate in the decision-making process and count in the quorum and vote if a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which the director is interested.

24.3 A director will not count in the quorum and vote on a proposal under consideration concerning his appointment to an office or employment with the Company or any undertaking in which the Company is interested. Where proposals are under consideration concerning the appointment of two or more directors to any such offices or employments the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned will be entitled to participate in the decision-making process and count in the quorum and vote in respect of each decision except that concerning his own appointment.

## **25. Conflicts of interest**

*Directors' interests in A Shareholder permitted*

25.1 A director, notwithstanding his office or that such situation or interest may conflict with the interests of, or his duties to, the Company, may:

- (a) be from time to time a director or other officer of, or employed by, or otherwise interested in another body corporate or firm in which an A Shareholder, or an Affiliate of an A Shareholder, is interested;
- (b) be a director or other officer of or be employed by or be a Shareholder of or otherwise interested in the manager or other adviser to an A Shareholder, or an Affiliate of an A Shareholder;
- (c) be a unitholder, shareholder, partner, participant, or be otherwise interested in an A Shareholder or any Affiliate of an A Shareholder;

- (d) make full disclosure of any information relating to the Group to an A Shareholder or any other investor or prospective investor in the Group (or anyone acting on behalf of any such person, including its adviser or manager or an Affiliate of that manager or adviser); and
- (e) if he obtains (other than through his position as a director of the Company) information that is confidential to a third party, or in respect of which he owes a duty of confidentiality to a third party, or the disclosure of which would amount to a breach of applicable law or regulation, choose not to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence or a breach of applicable law or regulation;

and for the purposes of this article 25.1 an "A Shareholder" will be deemed to include any investor or other person who has an interest (within the meaning of sections 820 to 823 of the Companies 2006 Act), directly or indirectly, in an A Share.

*Directors' interests in Associated Undertakings permitted*

25.2 A director, notwithstanding his office or that such situation or interest may conflict with the interests of or his duties to the Company, may:

- (a) be from time to time a director or other officer of, or employed by, or otherwise interested in, any Associated Undertaking;
- (b) be a party to, or otherwise interested in, any contract, transaction or arrangement in which an Associated Undertaking is interested;
- (c) make full disclosure of any information relating to the Company to another Group Company (or anyone acting on behalf of any such Group Company, including its advisers); or
- (d) if he obtains (other than through his position as a director of the Company) information that is confidential to an Associated Undertaking, or in respect of which he owes a duty of confidentiality to an Associated Undertaking, or the disclosure of which would amount to a breach of applicable law or regulation, choose not to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence or a breach of applicable law or regulation.

*Investor Directors permitted to manage own conflicts*

25.3 Notwithstanding (and without prejudice to) the provisions of articles 24, 25.1, 25.2 and 25.4, if a Relevant Situation arises a director may, provided the director is an Investor Director, elect to deal with the Relevant Situation in the following manner if the matter has not previously been duly authorised:

- (a) he will declare to the other directors the nature and extent of his interest in the Relevant Situation (except to the extent that article 25.3(d) applies) and that he intends to deal with the Relevant Situation in accordance with this article 25.3; and
- (b) he will not vote (and will not be counted in the quorum at a meeting of the directors or of a committee of the directors) in respect of a resolution of the directors relating to the subject matter of the Relevant Situation; and/or
- (c) he may elect to be excluded from all information and discussion by the Company relating to the subject matter of the Relevant Situation; and
- (d) if he obtains (other than through his position as a director of the Company) information that is confidential to a third party, or in respect of which he owes a duty of confidentiality to a third party, or the disclosure of which would amount to a breach of

applicable law or regulation, he may elect not to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence or a breach of applicable law or regulation,

and for the purposes of articles 25.3(b) and 25.3(c) any other provisions of these articles that would require him to be present for the quorum requirement for meetings of the directors to be met will not apply.

*Directors may authorise conflicts*

- 25.4 Without prejudice to the provisions of articles 24, 25.1, 25.2 and 25.3, the directors may authorise in accordance with section 175(5)(a) of the Act a Relevant Situation in respect of any director and the continuing performance by the relevant director of his duties as a director of the Company on such terms as they may determine (including any of such terms as are set out in article 25.3). For the avoidance of doubt, such terms may permit the interested director to continue to participate in the decision making process and vote and count in the quorum at a meeting of the directors or of a committee of the directors in respect of resolutions relating to the subject matter of the Relevant Situation. Authorisation of a Relevant Situation may be withdrawn, and the terms of authorisation may be varied or subsequently imposed, at any time. An interested director must act in accordance with any terms determined by the directors under this article 25.4.

*Director to vote and count in quorum*

- 25.5 Provided that a Relevant Situation has been duly authorised by the directors or the Company (or it is permitted under articles 24, 25.1 or 25.2 or dealt with in accordance with article 25.3 and its nature and extent has been disclosed under article 27), a director may participate in the decision making process and count in the quorum and vote if a proposed decision of the directors is concerned with such situation (subject to any restrictions imposed under the terms on which it was authorised).

*Nature of interests*

- 25.6 References in these articles to a conflict of interest include a conflict of interest and duty and a conflict of duties, and an interest includes both a direct and an indirect interest.

**26. Director not liable to account**

A director will not, by reason of his holding office as a director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from any situation or interest permitted under article 24 or 25 or duly authorised by the directors or the Company, nor will the receipt of such remuneration, profit or other benefit constitute a breach of the director's duty under section 176 of the Act or otherwise, and no contract, transaction or arrangement will be liable to be avoided on the grounds of any director having any type of interest which is permitted under article 24 or 25 or duly authorised by the directors or the Company.

**27. Declarations of interest**

A declaration of interest or other notification may be made by a director for the purposes of articles 24 and 25 at a meeting of the directors or by notice in writing to the other directors. A director need not declare any interest if it cannot reasonably be regarded as likely to give rise to a conflict of interest, or if he is not aware of the interest, or if, or to the extent that, the other directors are already aware of it (and for these purposes a director will be treated as aware of anything of which he ought reasonably to be aware) or if, or to the extent that, it concerns terms of his service contract that have been or are to be considered (a) by a meeting of the directors or (b) by a committee of the directors appointed for the purpose under the Company's constitution.

**28. Independent judgment**

An Investor Director will not be in breach of his duty to exercise independent judgment if he takes into account the interests and wishes of an A Shareholder or those of an Affiliate of an A Shareholder.

**29. Matters requiring consent**

Without prejudice to any additional shareholder consents required under these articles, any Shareholders' Agreement or applicable law, the matters set forth in Schedule 1 shall (unless such matter is specifically and expressly provided for in the Annual Business Plan) require the prior affirmative vote or written consent of an Investor Director or the Investor Directors prior to any approval by the directors. Neither the Company nor any director will take, omit or permit any such actions, in respect of both the Company and each direct and indirect subsidiary (including any body corporate, partnership or limited liability partnership in which the Company or any direct or indirect subsidiary holds an interest) of the Company from time to time, unless such matter(s) have been resolved and approved in accordance with this article. The Company and the directors will exercise all powers and control available to them to procure that each direct and indirect subsidiary of the Company (including any body corporate, partnership or limited liability partnership in which the Company or any direct or indirect subsidiary holds an interest) from time to time shall comply with the restrictions set out in these articles and the requirement for consent in respect of the matters set out in Schedule 1 (unless such matter is specifically provided for in the Annual Business Plan).

**Appointment of directors**

**30. Methods of appointing directors**

*Directors' power to appoint*

- 30.1 Subject to the consent of the Investor Majority, the directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- 30.2 The Investor Majority shall be entitled at all times (at its discretion) to appoint and remove any and all of the directors of the Company by way of notice to the Company and the director(s) concerned. The Investor Majority may designate any number of directors so appointed as an "Investor Director" with the rights set out in these articles. On any Shareholder resolution to remove any person appointed as a director in accordance with this article 30.2, the holders of the A Shares will have 10,000 votes for each A Share.
- 30.3 The holders of a majority of the A Shares may appoint person(s) to attend as observer(s) of each and any meeting of the directors and of each and any committee of the directors and remove any person so appointed and appoint another person in his place.
- 30.4 Any appointment or removal referred to in articles 30.1 or 30.2 and 31.1 will be notified to the Company and will take effect on the date of such notice.

**31. Termination of director's appointment**

- 31.1 Subject to the prior consent of the Investor Majority, the office of a director will be vacated if he is removed from office by a majority of the other directors. If he holds an appointment to an executive office which automatically determines as a result, his removal will be deemed to be an act of the Company and will have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company.
- 31.2 Subject to the provisions of article 31.1, the Company may by special resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his place, in each case, without the need for any special notice and without the need for such resolutions to be passed at a meeting.

### **Alternate directors**

#### **32. Rights and responsibilities of alternate directors**

- 32.1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- 32.2 Subject to article 32.4, a person may act as alternate director to represent more than one director.
- 32.3 Except as the articles specify otherwise, alternate directors:
- (a) are deemed for all purposes to be directors;
  - (b) are liable for their own acts and omissions;
  - (c) are subject to the same restrictions as their appointors; and
  - (d) are not deemed to be agents of or for their appointors.
- 32.4 A director or any other person who is an alternate director will not count as more than one director for the purposes of determining whether a quorum is participating but:
- (a) has a vote as alternate for each appointor on a decision taken at a meeting of the directors, in addition to his own vote, if any, as director; and
  - (b) may sign a directors' written resolution for himself, if he is a director, and as alternate for each appointor who would have been entitled to sign or agree to it, and will count as more than one director for this purpose,
- provided that his appointor is eligible to (but does not) participate in the relevant quorum, vote or directors' written resolution. For the avoidance of doubt, if his appointor is not eligible to participate in the relevant quorum, vote or written resolution, this does not preclude the alternate from participating as alternate for another appointor who is eligible to (but does not) participate.
- 32.5 An alternate director is not entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

#### **33. Appointment and removal of secretary**

The directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.

### **DECISION-MAKING BY SHAREHOLDERS**

#### **34. Voting: general**

- 34.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these articles, shares will carry votes in accordance with articles 34.2 to 34.6.
- 34.2 Each A Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive copies of and agree to a proposed written resolution.
- 34.3 The B Shares will carry no rights for its holder(s) to receive notice of, attend or vote at any general meeting of the Company, or to receive copies of and agree to a proposed written resolution.
- 34.4 Except as the articles specify otherwise and subject to articles 34.2 and 34.3:

- (a) on a vote on a resolution at a general meeting on a show of hands:
  - (i) each Shareholder who, being an individual, is present in person has one vote;
  - (ii) if a Shareholder (whether such Shareholder is an individual or a body corporate) appoints one or more proxies to attend the meeting, all proxies so appointed and in attendance at the meeting have, collectively, one vote; and
  - (iii) if a Shareholder, being a body corporate, appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to section 323(4) of the Act, one vote; and
- (b) on a resolution at a general meeting on a poll or a written resolution, every Shareholder (whether present in person, by proxy or authorised representative) has one vote in respect of each share held by him.

34.5 Notwithstanding any other provision of these articles, neither a Leaver nor his Permitted Transferees will have any rights to receive notice of or attend or vote at any general meeting of the Company, nor to receive a copy of or agree to a proposed written resolution.

34.6 Each holder of A Shares present in person or by proxy or which (being a corporation) is present by a representative or by proxy will have one thousand votes for each A Share and on a written resolution each holder of A Shares will have one thousand votes for each A Share.

#### **Organisation of general meetings**

##### **35. Quorum for general meetings**

- 35.1 The quorum for a general meeting will be one qualifying person determined in accordance with section 318(2) and (3) of the Act, being an A Shareholder (present in person or by proxy or by corporate representative).
- 35.2 If, at a meeting which has previously been adjourned for lack of quorum, a quorum is not present within half an hour from the time appointed for holding the adjourned meeting, one qualifying person determined in accordance with section 318(3) of the Act shall be a quorum and any notice of an adjourned meeting shall state this.

##### **36. Poll votes**

A poll may be demanded by the chairman of the meeting, the directors; or any person having the right to vote on the resolution. Article 36(2) of the Model Articles shall be modified accordingly. A demand that is withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

##### **37. Delivery of proxy notices**

- 37.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.
- 37.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 37.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

- 37.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

#### **Restrictions on members' rights**

**38. No voting of shares on which money owed to Company**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it; or in respect of a written resolution which would otherwise have to be proposed at a general meeting, unless all amounts payable to the Company in respect of that share have been paid.

#### **MISCELLANEOUS PROVISIONS**

**39. Change of name**

**39.1 The Company may change its name:**

- (a) by special resolution; or
- (b) by a decision of the directors which includes a vote in favour by an Investor Director.

**40. Means of communication to be used**

**40.1 Any notice or other document required by these articles to be sent or supplied to or by the Company (other than a notice calling a meeting of the directors) will be contained in writing.**

**40.2 Any notice or other document sent by the Company under these articles which is delivered or left at a registered address otherwise than by post will be deemed to have been received on the day it was so delivered or left. A notice or other document sent by the Company in electronic form will be deemed to have been received at the time it is sent. A notice sent or supplied by means of a website will be deemed to have been received by the intended recipient at the time when the material was first available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.**

**41. Winding up**

Subject to article 6, if the Company is wound up, the liquidator may, with the authority of a special resolution:

- (a) divide among the Shareholders in specie the whole or any part of the assets of the Company, (and may, for that purpose, value any assets and determine how the division will be carried out as between the Shareholders or different classes of Shareholders); and
- (b) vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator determines,

but no Shareholder will be compelled to accept any assets in respect of which there is a liability.

**42. Class rights**

Any rights attaching to any class of Shares may be varied or abrogated by ordinary resolution of the Company (with the prior consent of the Investor Majority).



#### 43. Secured Institutions

43.1 Notwithstanding anything contained in these articles, whether expressly or impliedly contradictory to the provisions of this article 43 (to the effect that any provision contained in this article 43 shall override any other provision of these articles):

(a) the directors of the company shall not decline to register any transfer of shares, nor may they suspend registration of any transfer of shares, where such transfer:

(i) is to a bank, institution or other person which has been granted a security interest over or in respect of such shares, or to any nominee of such a bank, institution or other person (or a person acting as agent or security trustee for such person) (a "**Secured Institution**") and a certificate by any such person or an employee of any such person that a security interest over or in respect of such shares was so granted and the transfer was so executed shall be conclusive evidence of such facts;

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

(iii) is executed by a Secured Institution or its nominee pursuant to a power of sale or other power existing under such security,

and the directors shall promptly register any such transfer of shares upon receipt;

(b) the directors of the company shall not issue any share certificates (whether by way of replacement or otherwise) without the prior written consent of (or on behalf of) all (if any) Secured Institutions (as defined in article 43.1(a)(i) above);

(c) any lien set out in these articles shall not apply to shares held by a Secured Institution (as defined in article 43.1(a)(i) above);

(d) any variation of this article 43 shall be deemed to be a variation of the rights of each class of share in the capital of the Company; and

(e) any pre-emption rights contained in these articles shall not apply in relation to any shares which are subject to a security interest in favour of a Secured Institution from time to time.

## **SCHEDULE 1**

### **MATTERS REQUIRING CONSENT**

#### **1 CONSTITUTIONAL DOCUMENTS**

Any amendment to the constitutional documents (including articles of association) of the Company or any Group Company.

#### **2 LIQUIDATION**

The liquidation, winding up, entry into of administration or dissolution of any Group Company or the taking of any other steps to wind up or dissolve any Group Company (except as required by law where such Group Company is insolvent).

#### **3 CORPORATE AFFAIRS**

3.1 The declaration or distribution of any dividend or other payment or distribution (whether in cash or in specie) by any Group Company or the reduction of any other reserve of any Group Company.

3.2 Propose or permit to be proposed any alteration to the share or loan capital (including any increase or reduction) of any Group Company or the rights attaching to its shares or loan notes or waive any right to receive payment on any of its share issued party paid.

3.3 Create, allot, issue, buy-in, redeem, hold in treasury or transfer out of treasury any share or loan capital of any Group Company or grant or agree to grant any options or warrants for the allotment, issue or transfer out of treasury of any share or loan capital or allot or issue any securities convertible into shares, or establish any employee incentive scheme except as required by any Shareholders' Agreement.

3.4 Agree the Prescribed Price or issue any notice where the Company or the directors has a right to issue a notice under these articles, or resolve that any notice which articles 13 and/or 14 would otherwise deem to have been given shall not be given.

3.5 The approval of the annual report and accounts of any Group Company.

3.6 Any amendment to the accounting policies and practices and/or any deviation from the accounting policies and practices of the Group.

3.7 Appoint or remove auditors to any Group Company or alter a Group Company's accounting reference date.

3.8 Make any change to the Group Companies' bankers or the terms of the mandate given to such bankers in relation to its account(s).

3.9 Approve the Group's annual budget and/or business plan (including the Annual Business Plan), or any amendment or variation thereto.

3.10 The appointment or removal from office of any director or officer of any Group Company.

3.11 Enter into any transaction, agreement or arrangements with, or for the benefit of, any director of any Group Company (or any person related or connected to him).

3.12 Vary or make any binding decisions on the terms of employment and service of any director or company secretary of any Group Company, increase or vary the salary or other benefits of any such officer, or appoint or dismiss any such officer.

- 3.13 The recruitment of, dismissal of or varying the terms of employment, engagement or service of any employee or director or consultant of any Group Company whose annual remuneration exceeds £75,000 or will exceed £75,000 after the variation.
- 3.14 The implementation, variation or termination of any bonus or other incentive scheme for any Group Company's employees or workers.
- 3.15 Establish any pension scheme or implement any variation to the Group's pension scheme or any of the benefits payable to members of the scheme.
- 3.16 The appointment or removal of any director or the person to or from any committee of the board of directors or any committee of the board of directors of a Group Company or the establishment or amendment of terms of reference for any such committee.

#### **4 MATERIAL CHANGES**

- 4.1 Making any material change to the nature or operations of the Group's business, or cease carrying on the business of the Group (other than as may be legally required under any insolvency scenario), including the jurisdiction and location of where it (or any part of it) is managed and controlled.
- 4.2 The sale, transfer, leasing, licensing or disposal by any Group Company (other than in the normal course of trading or to another Group Company) of all or a substantial or material part of its business, undertakings or assets whether by a single transaction or series of transactions, related or not.
- 4.3 Disposing of any asset of a capital nature having a book or market value greater than £50,000 in respect of any one item or, in aggregate, in a financial year, exceeding £150,000.
- 4.4 Establish any new branch, agency, trading establishment or business or close any such branch, agency, trading establishment or business (except where legally obliged to do so).
- 4.5 The transfer of any shares in the capital of any Group Company other than to another Group Company.
- 4.6 Grant any option or other right to subscribe for shares in any Group Company, create or establish any employee share scheme, or give or make any consent, waiver or exercise of discretion under the terms of any scheme under which options or other rights to subscribe for shares in any Group Company are or may be granted.
- 4.7 Negotiate or permit the disposal of shares in a Group Company amounting to a Sale or Listing.
- 4.8 The acquisition (whether by purchase, subscription or otherwise) by any Group Company of any share capital or loan capital of, or the entry into by any Group Company of any partnership or joint venture arrangement or merger with, any body corporate (other than another Group Company) or the formation of new subsidiaries.
- 4.9 Acquire any assets and undertaking of any other business entity.
- 4.10 The making by any Group Company of any application or submission of a business plan to any person with a view to attracting additional or substitute finance for the Group or any part of it.
- 4.11 Make any material change to the level, scope or extent of the insurance cover of the Group.

#### **5 COMMITMENTS**

- 5.1 The giving of any guarantee, suretyship or indemnity to secure the liabilities of any person or assuming the obligations of any person which in aggregate exceed £50,000.

- 5.2 The entry by any Group Company into capital commitments (which for this purpose shall include hire purchase, leasing, factoring and invoice discounting commitments) exceeding £75,000 in the case of any individual item or exceeding £150,000 in any one financial year but excluding those expressly and specifically set out in the Annual Business Plan.
- 5.3 The entry by any Group Company into any contract or arrangement (including mortgages or charges) which is unusual, onerous or otherwise outside the normal course of trading of the relevant Group Company or (without limitation) which cannot be terminated without penalty by the giving of 6 months' notice or less.
- 5.4 The entry into by any Group Company of any new borrowing facility, the variation of the terms of any borrowing facilities or the issue or redemption of any loan capital prior to its due date, except borrowings between members of the Group or to loan capital issued by one Group Company to another Group Company.
- 5.5 The entry into or termination by any Group Company of any commitment or arrangement which is material to the business of the Group.
- 5.6 The giving by any Group Company of any guarantee (other than in relation to the supply of goods or services in the normal course of trading) or the creation, grant or issue by any Group Company of any encumbrance and/or without limitation any debenture, mortgage, charge or other security.
- 5.7 The giving or taking by any Group Company of any loan or other credit (other than credit given in the normal course of trading and not exceeding £75,000).

## **6 LITIGATION**

- 6.1 The initiation, settling, or defending (and subsequent conduct) by any Group Company of any litigation, arbitration or mediation proceedings and any settlement of such proceedings except for (1) debt collection conducted in the normal course of the business; or (2) proceedings where the amount claimed does not exceed £75,000.

## **7 OTHER ARRANGEMENTS**

- 7.1 The entering into or effecting of any matters which require consent pursuant to any business rules agreed and in place from time to time.
- 7.2 Failure to enforce (where the Company or board of directors has a right to enforce and the Investor Majority has requested in writing that the Company or board of directors so enforces) or permit any variation to or take any action in respect of, any of the Company's rights under any Shareholders' Agreement and/or these articles.
- 7.3 Make any gifts or charitable or political donations exceeding £2,500 in aggregate per year.
- 7.4 Any Group Company entering into any transactions otherwise than on an arm's length basis between any Group Company and any B Shareholder and/or their connected persons.
- 7.5 Entering into any agreement, understanding or other commitment to do any of the matters referred to above.