

DATED 14 November 2022

ARTICLES OF ASSOCIATION
BIRDIE PICTURES LIMITED

THE COMPANIES ACT 2006
private company limited by shares

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COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
BIRDIE PICTURES LIMITED

(adopted by Special Resolution of the Company passed on 14 November 2022)

INTRODUCTION

1 DEFINITIONS

1.1 In these Articles the following words and expressions will have the following meanings:

A Shareholder	the holder(s) of the A Shares;
A Shares	the A ordinary shares of £0.01 each in the capital of the Company;
Adoption Date	the date on which these Articles are adopted as the articles of association of the Company;
Agreed Minimum Period	the period of six (6) years from the Adoption Date or as otherwise specified in a Relevant Agreement;
Bad Leaver	<p>a person who is not a Good Leaver and becomes a Leaver:</p> <p>(a) by reason or in consequence of serving notice to terminate his/her service agreement (other than in the event of Constructive Dismissal) where the Cessation Date occurs before the end of the term as stipulated in any Relevant Agreement; or</p> <p>(b) is dismissed under the terms of his/her service agreement (whether or not with immediate effect but other than in circumstances that are determined by an employment tribunal or court of competent</p>

jurisdiction to amount to wrongful or unfair dismissal);

(c) by reason or in consequence of the termination of his/her employment in the following circumstances;

(i) being convicted by a court of competent jurisdiction of a criminal offence (other than a road traffic offence for which a fine or non-custodial penalty is imposed);

(ii) resigning as a director of the Company in contravention of any Relevant Agreement, otherwise than at the request of the Board (other than in the event of Constructive Dismissal); or

(iii) where he/she has caused the Company to commit a material breach of any Relevant Agreement to which the Company is a party and which cannot be remedied or which, if remediable, he/she fails to remedy to the reasonable satisfaction of the A Shareholder within twenty (20) Business Days of being given written notice thereof;

Bankrupt

a person who (i) petitions for his own bankruptcy or is declared bankrupt, or (ii) applies for an interim order under the Insolvency Act 1986, or (iii) makes a proposal for the adoption of a voluntary arrangement under the Insolvency Act 1986, or (iv) seeks a compromise of his debts with his creditors or any substantial part of his creditors, or (v) takes any action or proceeding in any jurisdiction that has an

	effect equivalent or similar to any of the actions mentioned in (i) to (iv);
Board	the board of directors of the Company as constituted from time to time;
Business Day	any day other than a Saturday, Sunday or any other day which is a public holiday in England and/or France;
Buyer	has the meaning given in Article 10.1
CA 2006	the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;
Called Shareholders	has the meaning given in Article 10.1;
Called Shares	has the meaning given in Article 10.1;
Cessation Date	in respect of a Departing Employee, the date on which such Departing Employee becomes a Leaver;
Conflict Situation	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, including in relation to the exploitation of any property, information or opportunity and regardless of whether the Company could take advantage of the property, information or opportunity itself, but excluding a situation which could not reasonably be regarded as likely to give rise to a conflict of interest;
Connected Person	a person connected with another within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010;
Constructive Dismissal	shall occur where: <ul style="list-style-type: none"> (a) an Ordinary Shareholder shall have provided the Board with: <ul style="list-style-type: none"> (i) written notice specifying in detail the basis for a claim of constructive dismissal, and

- (ii) a reasonable opportunity to remedy the basis of the claim within thirty (30) days of its receipt of that notice; and
- (iii) the basis of the claim shall not have been rectified and the relevant Ordinary Shareholder shall have terminated his employment or engagement with the Company no more than thirty (30) days following the expiration of the Company's cure period;

Controlling Interest	an ownership interest conferring more than 50% in aggregate of the total voting rights of a company;
Departing Employee	an employee, consultant or director of the Company who ceases to be a director or employee of, or consultant to, the Company unless determined otherwise for the purposes of these Articles by the Board;
Departing Seller(s)	means a Leaver and any Permitted Transferees or Connected Persons of such Leaver;
Drag Along Notice	has the meaning given in Article 10.2;
Drag Along Option	has the meaning given in Article 10.1;
Drag Date	has the meaning given in Article 10.4;
Drag Shares	has the meaning given in Article 10.1;
Dragging Shareholders	has the meaning given in Article 10.1;
Encumbrance	any mortgage, charge, restriction, right to acquire or other third party right or encumbrance of whatever nature;
Family Member	the spouse or child of an individual;
Family Trust	a settlement set up by an individual provided that only such individual and/or Family

Members of such individual are capable of being a beneficiary thereof;

Good Leaver

a Leaver:

- (a) as a result of his/her death; or
- (b) as a result of permanent incapacity due to physical or mental ill-health which, if so requested by the Leaver, has been determined by an independent medical practitioner to be sufficiently serious to prevent him from carrying out his/her normal duties; or
- (c) who is made redundant; or
- (d) whose employment is terminated in circumstances where a court or employment tribunal determines that the Departing Employee has been unfairly dismissed (including Constructive Dismissal) but excluding circumstances where the dismissal is substantively fair but determined to be unfair on procedural grounds only; or
- (e) whose employment is terminated in circumstances that are agreed with that individual or determined by an employment tribunal or court to be or to amount to wrongful dismissal (whether or not determined by an employment tribunal or court to be or to amount to unfair dismissal); or
- (f) by reason or in consequence of either party serving notice to terminate his/her service agreement where the Cessation Date occurs after the end of the term, as stipulated in any Relevant Agreement; or
- (g) who does not fall within categories (a) to (f) above, but is determined by

	the majority of A Shareholders to be a Good Leaver;
Group	the Company and its group undertakings and references to a member of the Group or a Group Member will be construed accordingly;
Leaver	a Departing Employee who ceases to be a director, an employee or consultant of or to the Company unless determined otherwise for the purposes of this agreement by the A Shareholder;
Leaver Notice	has the meaning given in Article 8.1;
Leaver Shares	has the meaning given in Article 8.1;
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and reference to a numbered Model Article is a reference to that Article of the Model Articles
New Shares	Shares or rights to subscribe for or to convert into Shares which, in either case, the Company proposes to allot or grant (as the case may be) after the Adoption Date;
Ordinary Shareholder(s)	those holder(s) of the Ordinary Shares;
Ordinary Shares	ordinary shares of £0.01 each in the capital of the Company;
Patient	a person who lacks capacity as defined in Mental Capacity Act 2005 section 2;

Permitted Transfer	<p>a transfer of Shares permitted by Article 6;</p> <ul style="list-style-type: none"> (a) with the consent of the A Shareholder and the Ordinary Shareholder(s), any person; (b) to any Buyer pursuant to clause 10 (drag along); (c) to any proposed buyer pursuant to Article 9 (tag along); (d) when required by, and in accordance with, Article 8 (compulsory transfers); (e) in the case of the Ordinary Shareholder(s), a Family Trust for tax purposes, provided that: <ul style="list-style-type: none"> (i) the voting rights continue to be exercised by the Ordinary Shareholder(s); and (ii) the Ordinary Shareholder(s) shall at all times legally and beneficially hold more than 50% of his Shares in his own name. (f) in the case of the A Shareholder, to another company within its Group;
Proposed Sale Date	has the meaning given in Article 9.2;
Proposed Sale Notice	has the meaning given in Article 9.2;
Proposed Sale Shares	has the meaning given in Article 9.2;
Relevant Agreement	any agreement between the Shareholders of which the Company has notice and which (expressly or by implication) supplements and/or prevails over any provision of these Articles;
Relevant Shares	the Shares originally transferred or issued to a Permitted Transferee and any additional shares issued to such person or persons by way of capitalisation or acquired by such person or persons on the exercise of any

	right or option granted or arising by virtue of the holding of such shares or any of them;
Share Sale	the sale of any Shares to any person pursuant to a transaction or series of transactions resulting in that person together with any Connected Persons or person acting in concert (as defined in the City Code on Takeovers and Mergers) holding a Controlling Interest in the Company, and persons who are holders of shares at the Adoption Date shall not be deemed to be acting in concert with each other;
Shareholder	a registered holder of any Share as recorded in the Company's register of members from time to time;
Shares	the shares in the capital of the Company, which at the Adoption Date comprises the A Shares and the Ordinary Shares;
Tag Offer	has the meaning given in Article 9.1;
Tag Offeror	has the meaning given in Article 9.1; and
Tag Seller	has the meaning given in Article 9.1.
1.2	Words and phrases which are defined or referred to in or for the purposes of the CA 2006 as it is in force on the Adoption Date have the same meanings in these Articles (unless otherwise expressly defined in these Articles).
1.3	In these Articles, (unless the context otherwise requires):
1.3.1	words which refer to the singular number include the plural number and vice versa, words which refer to one gender include all genders, and words which refer to persons include bodies corporate and unincorporated associations;
1.3.2	reference to a statute or a statutory provision includes reference to: <ul style="list-style-type: none"> (a) the statute or statutory provision as modified or re-enacted or both from time to time; and (b) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out above);
1.3.3	reference to an Article is to a provision of these Articles;
1.3.4	reference to a transfer of Shares or any similar expression will be deemed to include (without limitation):

- (a) any sale or other disposition of the legal or equitable interest in a Share (including any voting right attached to a Share) (Interest);
 - (b) the creation of any Encumbrance over any Interest;
 - (c) any direction by a Shareholder entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself; and
 - (d) any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Shareholder entitled to any such Share;
- 1.3.5 reference to a group undertaking means, in relation to any undertaking, its holding companies (if any) and its subsidiaries (as such terms are defined by sections 1162 of the CA 2006) and any other subsidiaries of its holding company; and
- 1.3.6 reference to written or in writing includes any method of representing or reproducing words in a legible form.
- 1.4 The headings in these Articles are included for convenience only and do not affect the meaning of these Articles.
- 1.5 Where, for any purpose, an ordinary resolution of the Company is required, a special resolution is also effective for that purpose.

SHARES

General Provisions

2 SHARE CAPITAL

- 2.1 Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue Ordinary Shares and A Shares with the rights and restrictions set out in these Articles and any other Shares with such rights or restrictions as may be determined by ordinary resolution or as provided for under any Relevant Agreement (including for the avoidance of doubt, rights to income and/or capital ranking in priority, *pari passu* or otherwise to any other class of Shares).
- 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.

ISSUE OF SHARES

3 NEW ISSUES

- 3.1 Unless otherwise agreed under the terms of any Relevant Agreement and subject to Article 3.3, any New Shares will be offered by the directors for subscription to the holders of the Shares in the same proportion as their existing holding of Shares held by them respectively at that time.
- 3.2 The offer will be made by notice specifying the number and class of New Shares offered, the price per New Share, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the person(s) to whom such notice is given that he/they decline(s) to accept some or all of the New Shares so offered, the Directors will offer the declined New Shares in the same proportions to the holders of Shares who have accepted all the New Shares initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the Directors, be limited to a period of 5 days after which it will (to the extent that any New Shares remain unaccepted) be deemed to have been withdrawn.
- 3.3 Any New Shares not taken up at the end of the procedure set out in Articles 3.1 and 3.2 may be offered by the Directors to a third party and such New Shares will be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms as they think fit. However:
- 3.3.1 no New Shares will be issued at a discount;
- 3.3.2 no New Shares will be issued more than 3 months after the end of the period for acceptance of the last offer of such New Shares under Articles 3.1 and 3.2 unless the procedure set out in those Articles is repeated in respect of such New Shares; and
- 3.3.3 no New Shares will be issued on terms which are more favourable than those on which they were offered to the Shareholders.

- 3.4 In accordance with section 567(1) of the CA 2006, sections 561 and 562 of the CA 2006 shall not apply to an allotment of equity securities (within the meaning of section 560 of the CA 2006) by the Company.

4 REDESIGNATION OF SHARES

Any Ordinary Shares transferred to a holder of A Shares shall (without further authority than is contained in this Article) forthwith on their transfer be deemed to have been re-designated as A Shares (on the basis of one A Share for every one Ordinary Share) having all the rights, privileges and restrictions attaching to the A Shares. Any A Shares transferred to a holder of Ordinary Shares shall (without further authority than is contained in this Article) forthwith on their transfer be deemed to have been re-designated as Ordinary Shares (on the basis of one Ordinary Share for every one A Share) having all the rights, privileges and restrictions attaching to the Ordinary Shares.

TRANSFER AND TRANSMISSION OF SHARES

5 SHARE TRANSFERS

- 5.1 Subject to the terms of any Relevant Agreement, Article 5.2 and Article 7.1.1, the directors shall register promptly any transfer of shares made in accordance with Articles 6, 8, 10 and 10 (to the extent applicable), but shall refuse to register any transfer of shares not so made.

- 5.2 The directors may refuse to register the transfer of a Share if:

- 5.2.1 in respect of the Ordinary Shares, the A Shareholder(s) did not provide its prior written consent;
- 5.2.2 in respect of the A Shares, the Ordinary Shareholder(s) did not provide his prior written consent;
- 5.2.3 the transfer is not lodged at the Company's registered office or such other place as the directors have appointed;
- 5.2.4 the transfer is not accompanied by the certificate for the shares to which it relates, or such other evidence as the directors may reasonably require to show the transferor's right to make the transfer, or evidence of the right of someone other than the transferor to make the transfer on the transferor's behalf;
- 5.2.5 the transfer is in respect of more than one class of Share;
- 5.2.6 the transfer is in favour of more than four transferees;
- 5.2.7 the transfer is in breach of any Relevant Agreement; or
- 5.2.8 the transfer is in favour of a person under the age of 18, a Bankrupt or a Patient.

5.3 If the directors refuse to register the transfer of a Share pursuant to Article 5.2, they shall:

5.3.1 send to the transferee notice of refusal, together with the reasons for the refusal, as soon as practicable and in any event within two months of the date on which the instrument of transfer was lodged with the Company; and

5.3.2 return the instrument of transfer to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

5.4 Model Article 26(5) shall not apply.

6 PERMITTED TRANSFERS

6.1 Subject to Article 6.2, each Shareholder undertakes not to sell, transfer, mortgage, charge or otherwise dispose of or agree to sell, transfer, mortgage, charge or otherwise dispose of in whole or in part any interest in any A Share or Ordinary Share during the Agreed Minimum Period except: (i) in accordance with these Articles; and (ii) in accordance with the terms of any Relevant Agreement.

6.2 Any Shares may at any time be transferred:

6.2.1 by any member to a Permitted Transferee; or

6.2.2 as permitted or expressly contemplated by any Relevant Agreement,

provided always that within five (5) Business Days of a Permitted Transfer, the transferor shall provide to the other Shareholders evidence that such transferee is a Permitted Transferee.

6.3 Where Shares have been transferred under Article 6.1 or Articles 6.3.1 or 6.3.2 to trustees of Family Trusts, the trustees and their successors may transfer all or any of the Relevant Shares as follows:

6.3.1 on any change of trustees, the Relevant Shares may be transferred to the trustees for the time being of the Family Trusts concerned;

6.3.2 pursuant to the terms of such Family Trusts or in consequence of the exercise of any power or discretion vested in the trustees or any other person, all or any of the Relevant Shares may at any time be transferred to the trustees for the time being of any other Family Trusts of the same individual member or deceased or former member;

6.3.3 on the total or partial termination of or pursuant on the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid, all or any of the Relevant Shares may at any time be transferred to the relevant member or former member or any Family Member of the relevant member or deceased or former member who has thereby become entitled to the shares proposed to be transferred.

- 6.4 In the case of the Ordinary Shareholder(s), if any member holding Relevant Shares ceases to qualify under Article 6.1 as a Permitted Transferee of Ordinary Shareholder(s), the member holding the Relevant Shares shall without delay notify the Company that such change of relationship has occurred and transfer such Shares back to Ordinary Shareholder(s) or to such other person designated by the Ordinary Shareholder(s), if any, subject to the prior written consent of the A Shareholder. If the holder of such Shares fails to transfer the Shares pursuant to this Article 6.4 within 10 Business Days of such change of relationship, the provisions of Article 6.4 (references therein to the Called Shares, Called Shareholder, Buyer and documents being construed in accordance with the provisions of this clause) shall apply mutatis mutandis.

7 PRE-EMPTION PROVISIONS

7.1.1 Subject to Article 10.5, following the expiration of the Agreed Minimum Period, the Ordinary Shareholder(s) and his Permitted Transferees may not seek to sell their Shares in the Company without first having permitted the A Shareholder a pre-emptive right to purchase the Shares on the terms proposed by any prospective purchaser of the Shares in a bona fide non-binding letter of intent which sets out in full (i) the purchase price for such Shares, (ii) the payment terms, and (iii) all other material terms of the proposed transaction, signed by such prospective purchaser (the Prospective Purchaser), provided that the right of refusal:

- (a) shall continue if the negotiations with the Prospective Purchaser shall have terminated; or
- (b) shall apply again if the final price agreed with the Prospective Purchaser shall be more than five (5) per cent. below the price indicated in such letter of intent.

7.1.2 In such event:

- (a) the Ordinary Shareholder(s) shall, as soon as reasonably practicable, notify the A Shareholder of the circumstances (subject to such obligations of confidentiality as the Ordinary Shareholder(s) may be under and/or as they shall reasonably require) of the Third Party Offer and provide the A Shareholder with details of such Third Party Offer as the A Shareholder may reasonably request; and
- (b) the A Shareholder shall have a period of three months from receiving written notice of the Third Party Offer to make a counter-offer to the Ordinary Shareholder(s) and the Company on materially the same terms.

7.1.3 Subject to Article 7.1.1, after the Agreed Minimum Period, no Shareholder may sell or transfer all or any Shares until such Shares have first been offered pro rata to the other Shareholders of the Company.

8 COMPULSORY TRANSFERS

- 8.1 At any time after the Cessation Date, the Board may serve notice (Leaver Notice) on the Departing Seller(s) requiring the Departing Seller(s) to offer all the Shares registered in his/ their name, or any Shares to which the Departing Seller(s) are or may become entitled, to the A Shareholder(s) (the Leaver Shares).
- 8.2 In such event, the Departing Seller(s) will transfer their Shares free from all Encumbrances and together with all rights attaching to them on the terms set out in this Article 8.2. The price of the Leaver Shares to be transferred pursuant to Article 8.1 will be determined in accordance with Article 8.3.
- 8.3 The price for the Leaver Shares will be:
- 8.3.1 if the Leaver a Bad Leaver, the nominal value of the Leaver Shares; and
 - 8.3.2 if the Leaver is a Good Leaver, the Market Value of the Leaver Shares at the Cessation Date.
- 8.4 For the avoidance of doubt, if the Leaver is a Bad Leaver, he and his departing Permitted Transferees or Connected Persons shall forfeit any entitlement to dividends or other distributions which may have been declared or allocated by the Company in respect of the Leaver Shares but not paid.
- 8.5 Market Value for the purposes of this Article 8.5 will be:
- 8.5.1 the price agreed between the Leaver and the Board; or
 - 8.5.2 if they do not agree on the aggregate unrestricted market value of the Leaver Shares, within 30 days of seeking to agree such value, the price which a chartered accountant (acting as an expert and not as an arbitrator) nominated by agreement between the Board and the Leaver or (in default of such agreement being reached within 14 days) at the request of the Leaver or the Board (following notice of intention to do so to the other) by the president for the time being of the Institute of Chartered Accountants in England and Wales, shall by written notice to the Board and the Leaver certify to be in his opinion the aggregate unrestricted market value of the Company on a going concern basis as between a willing seller and a willing buyer, taking into account (a) any Shares that may be allotted pursuant to options granted by the Company and which are still outstanding and (b) the trading performance and outlook of the Company, but (c) without any premium or discount being attributable to the percentage of Shares which the Shares of the Leaver together with any of his Permitted Transferees or relevant Connected Persons represent and without taking into account any preference payable to any Shareholder on a capital event.

9 TAG ALONG RIGHTS

- 9.1 Unless otherwise set out in any Relevant Agreement, if the legal or beneficial interest in a Controlling Interest is proposed to be transferred in one or a series of related

transactions by one or more Shareholders (the Tag Seller(s)) to a person or persons that are not Permitted Transferees of such Tag Seller(s) (the Tag Offeror), such Tag Seller(s) will not be entitled to transfer any such Shares and no such Shares shall be capable of being purchased or transferred unless the Tag Offeror shall have offered (the Tag Offer) to purchase from each other Shareholder all the Shares held by such other Shareholders.

- 9.2 The Tag Seller(s) shall give written notice (Proposed Sale Notice) to the other Shareholders of such intended sale at least ten Business Days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the Tag Offeror, the purchase price and other terms and conditions of payment, the proposed date of sale (Proposed Sale Date) and the number of Shares proposed to be purchased by the Tag Offeror (Proposed Sale Shares).
- 9.3 The other Shareholders (as applicable) shall be entitled, by written notice given to the Tag Seller(s) within five Business Days of receipt of the Proposed Sale Notice, to be permitted to sell all of its/their Shares to the Tag Offeror on the same terms and conditions as those set out in the Proposed Sale Notice.
- 9.4 Tag Completion will take place on the same date as the date proposed for completion of the Proposed Sale Shares unless any other Shareholders who wish to accept the Tag Offer and the Tag Offeror agree otherwise. The proceeds of the sale of Shares in accordance with this Article 9 shall be distributed in accordance with Article 11.
- 9.5 If the other Shareholder(s) are not given the rights accorded to him by the provisions of this clause, the Tag Seller shall be required not to complete its sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.
- 9.6 Any transfer of Shares made in accordance with this Article 9 will not be subject to any other restrictions on transfer contained in these Articles.

10 DRAG ALONG

- 10.1 Unless otherwise set out in any Relevant Agreement, if the holders of a Controlling Interest (the Dragging Shareholders) wish to transfer all (but not some only) of their shares (the Drag Shares) to a bona fide purchaser on arm's length terms (the Buyer), the Dragging Shareholders may require all other Shareholders (the Called Shareholders) to sell and transfer all their shares (Called Shares) to the Buyer (or as the Buyer directs) in accordance with the provisions of this Article 10.1 (the Drag Along Option), provided that, any sums then outstanding to the A Shareholder(s) and due to be repaid under the terms of any Relevant Agreement must first be repaid to the A Shareholder(s).
- 10.2 The Dragging Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (a Drag Along Notice) at any time before the transfer of the Drag Shares to the Buyer. The Drag Along Notice shall specify:

- 10.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article 10.2;
 - 10.2.2 the person to whom the Called Shares are to be transferred;
 - 10.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Buyer for the Sellers' Shares and, if greater, in the case of the A Shares the minimum price stipulated for the sale of such A Shares under the terms of any Relevant Agreement; and
 - 10.2.4 the proposed date of the transfer.
- 10.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Dragging Shareholders have not sold the Drag Shares to the Buyer within 40 Business Days of serving the Drag Along Notice. The Dragging Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 10.4 Completion of the sale of the Called Shares shall take place on the Drag Date. Drag Date means the date proposed for completion of the sale of the Drag Shares unless all of the Called Shareholders and the Dragging Shareholders agree otherwise in which case the Drag Date shall be the date agreed in writing by all of the Called Shareholders and the Dragging Shareholders.
- 10.5 The proposed sale of the Drag Shares by the Dragging Shareholders to the Buyer and the sale of the Called Shares by the Called Shareholders shall not be subject to the rights of pre-emption set out in Article 7.
- 10.6 On or before the Drag Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Drag Date or within 2 Business Days of the Drag Date, the Company shall pay the Called Shareholders, on behalf of the Buyer, the amounts due pursuant to Article 10.2.3 to the extent that the Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 10.7 If any Called Shareholder does not, on or before the Drag Date, execute and deliver (in accordance with Article 10.6) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Dragging Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Buyer (or as it may direct) as the holder thereof. After the Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this Article 10.7.

11 DISTRIBUTION OF CAPITAL

11.1 On a distribution of capital to the Shareholders, whether on a Share Sale, liquidation, reduction of capital, dissolution or winding up of the Company, the assets and the retained profits of the Company remaining after payment of its liabilities and available for distribution at any time in respect of the Shares held by the Shareholders shall be allocated between them in accordance with the Relevant Agreement so as to ensure the total of all or any form of consideration received or receivable by them will be applied in the following manner and order of priority:

- 11.1.1 first, in providing for and procuring the repayment of any sums outstanding (including any outstanding principal and interest) on any loans made to the Company by the A Shareholder under the terms of any Relevant Agreement¹;
- 11.1.2 secondly, in providing for and procuring the repayment of any sums outstanding (including any outstanding principal and interest) on any loans made to the Company by any other Shareholder;
- 11.1.3 thirdly, by way of capital distribution to the holder(s) of the A Shares until the A Shares shall have received cumulatively (including through previous distributions, if any) the amount of £1,000,000;
- 11.1.4 fourthly, by way of capital distribution to the Ordinary Shareholders until the amount paid on each Ordinary Share cumulatively (including through previous distributions, if any) shall be equal to the dividend per A Share paid under Article 11.1.3; and
- 11.1.5 finally, in paying the balance of such capital distribution to the Shareholders (including the A Shareholder(s)) pro rata to the number of Shares respectively held by them.

¹Development Loan and any Shareholder Loans

DIRECTORS

Decision Making by Directors

12 DIRECTORS

12.1 ²Subject to the terms of any Relevant Agreement:

12.1.1 for so long as the Ordinary Shareholder as at the Adoption Date holds Shares, he may appoint himself to the Board; and

12.1.2 if an A Shareholder obtains a Controlling Interest, it shall be entitled to appoint at least one person to the Board (A Director) and to remove any A Director(s) so appointed and, upon his or her removal, to appoint another A Director in his or her place.

12.2 The A Director(s) shall be entitled to be appointed to any committee of the Board.

12.3 The general rule about decision-making by directors is that any decision of the directors must be, subject to the terms of any Relevant Agreement, either a majority decision at a meeting or a decision taken in accordance with Article 13.

12.4 If:

12.4.1 the Company only has one director; and

12.4.2 no provision of the Articles requires it to have more than one director,

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making including, for the avoidance of doubt, Article 16.

12.5 Model Article 7 shall not apply.

13 UNANIMOUS DECISIONS

13.1 Model Article 8(2) shall apply as if the words "copies of which have been signed by each eligible director" were deleted and replaced with the words "of which each eligible director has signed one or more copies".

13.2 References in Model Article 8 and in this Article 13 to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting (but exclude in respect of the authorisation of a Conflict Situation, the director subject to that Conflict Situation). Model Article 8(3) shall not apply.

²Note that full details are provided in the SSPA (relevant agreement) – including the minimum/ maximum numbers. To discuss how much detail to reflect in the Articles as the difference between the Development Phase and the Running Phase are not set out in the Articles and depending on what phase the Company is in will determine the Board composition.

14 QUORUM FOR DIRECTORS' MEETINGS

- 14.1 Subject to the terms of a Relevant Agreement, the quorum for directors' meetings may be fixed from time to time by a decision of the directors, but, save as set out in Article 14.3, it must never be less than two and shall always include the A Director (if appointed). Model Article 11(2) shall not apply.
- 14.2 If a quorum of directors is not present within half an hour of the appointed time of the meeting, the meeting shall be adjourned for 7 days and shall reconvene at the same time and place or to such other place as the Directors present may determine. At the adjourned meeting, as long as an A Director (if applicable) is present, the directors present shall constitute a quorum and such a quorum shall be able to pass resolutions of the Board.
- 14.3 For the purposes of any directors' meeting (or part of a meeting) at which it is proposed to authorise a Conflict Situation in respect of one or more directors, if there is only one director in office other than the director or directors subject to the Conflict Situation, the quorum for such meeting (or part of a meeting) shall be one director.
- 14.4 To the extent permitted by law, a meeting of the Directors or a committee appointed by the Directors may be held by means of such telephone, electronic or other communication facilities (including, without limiting the generality of the foregoing, by telephone or by video conferencing) as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting. Such a meeting shall be deemed to take place where the chairman of the meeting then is, or such other place as the Directors may resolve.

15 CASTING VOTE

In the case of an equality of votes, the chairman shall not have a second or casting vote. Model Article 13 shall not apply.

16 AUTHORISATION OF DIRECTORS' CONFLICTS OF INTEREST

If a Conflict Situation arises, the directors may authorise it for the purposes of s.175(4)(b) of the CA 2006 by a resolution of the directors made in accordance with that section and these Articles. At the time of the authorisation, or at any time afterwards, the directors may impose any limitations or conditions or grant the authority subject to such terms which (in each case) they consider appropriate and reasonable in all the circumstances. Any authorisation may be revoked or varied at any time in the discretion of the directors.

17 DIRECTORS VOTING AND COUNTING IN THE QUORUM

- 17.1 Save as otherwise specified in these Articles or the CA 2006 and subject to any limitations, conditions or terms attaching to any authorisation given by the directors for the purposes of s.175(4)(b) of the CA 2006, a director may vote on, and be counted in

the quorum in relation to any resolution relating to a matter in which he has, or can have:

17.1.1 a direct or indirect interest or duty which conflicts, or possibly may conflict, with the interests of the Company; and

17.1.2 a conflict of interest arising in relation to an existing or a proposed transaction or arrangement with the Company.

17.2 Model Article 14 shall not apply.

18 ALTERNATE DIRECTORS

18.1 Subject to the terms of any Relevant Agreement, any director (other than an alternate director) (the Appointor) may appoint any person (whether or not a director) to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term A Director or director shall include an alternate director appointed by an A Director or a director (as the case may be).

18.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.

18.3 The notice must:

18.3.1 identify the proposed alternate; and

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

18.4 An alternate director has the same rights, in relation to any decision of the directors or directors' written resolution, as the alternate's Appointor.

18.5 Except as the Articles specify otherwise, alternate directors:

18.5.1 are deemed for all purposes to be directors;

18.5.2 are liable for their own acts and omissions;

18.5.3 are subject to the same restrictions as their Appointors; and

18.5.4 are not deemed to be agents of or for their Appointors,

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

18.6 A person who is an alternate director but not a director may, subject to him being an eligible director:

- 18.6.1 be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is an eligible director and is not participating); and
 - 18.6.2 participate in a unanimous decision of the directors (but only if his Appointor is an eligible director in relation to that decision, and does not himself participate).
- 18.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor (provided that an Appointor is an Eligible Director in relation to that decision), in addition to his own vote on any decision of the directors.
- 18.8 An alternate director shall be entitled to receive the reasonable travel costs and out of pocket expenses properly incurred by him/her in respect of attending meetings of the Company or carrying out authorised business on behalf of the Company.
- 18.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:
- 18.9.1 when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
 - 18.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
 - 18.9.3 when the alternate director's Appointor ceases to be a director for whatever reason.

19 TERMINATION OF DIRECTOR'S APPOINTMENT

In addition to the circumstances set out in Model Article 18, a person also ceases to be a director if the other directors unanimously decide that his office be vacated, such decision being taken either at a meeting of such directors or in accordance with Model Article 8 (as modified pursuant to Article 13).

20 DIRECTORS' REMUNERATION AND OTHER BENEFITS

- 20.1 A director may undertake any services for the Company that the directors decide.
- 20.2 A director is entitled to such remuneration as the directors decide (i) for his services to the Company as director, and (ii) for any other service which he undertakes for the Company provided that such remuneration may reasonably be considered to be on arm's length terms.
- 20.3 Subject to the Articles, a director's remuneration may (i) take any form, and (ii) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

20.4 Unless the directors decide otherwise, a director's remuneration accrues from day to day.

20.5 Unless the directors decide otherwise, no director is accountable to the Company for any remuneration or other benefit which he receives as a director or other officer or employee of any of the Company's subsidiary undertakings or of any parent undertaking of the Company from time to time or of any other body corporate in which the Company or any such parent undertaking is interested.

20.6 Model Article 19 shall not apply.

21 PROCEDURE FOR DECLARING DIVIDENDS

Except as otherwise provided by any Relevant Agreement or the rights attached to any Shares from time to time, all dividends shall be paid to the holders of Shares in the same proportion, as nearly as possible, as the nominal amount of their existing holding of Shares bears to the total nominal amount of the Shares in issue held by them respectively at that time.

22 NO INTEREST ON DISTRIBUTIONS

Model Article 32(a) shall apply as if the words "the terms on which the share was issued, or" were deleted and replaced with the words "the rights attached to the share". Model Article 32(b) shall not apply.

23 QUORUM FOR GENERAL MEETINGS

23.1 If the Company has more than one member, the quorum for a general meeting shall be:

23.1.1 one member holding more than one half in nominal value of the issued Ordinary Shares and present in person or by proxy or by representative (and the presence of such a member shall be deemed for this purpose to constitute a valid meeting); or

23.1.2 if no such member is present, two members present in person or by proxy or representative.

23.2 If the Company has only one member, section 318 of the CA 2006 shall apply.

24 POLL VOTES

Polls must be taken when, where and in such manner as the chairman of the meeting directs. Model Articles 44(1)(a), 44(2)(b) and 44(4) shall not apply.

25 DELIVERY OF PROXY NOTICES

25.1 Any notice of a general meeting must specify the address or addresses (proxy notification address) at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.

- 25.2 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.
- 25.3 Subject to Articles 25.4 and 25.5, a proxy notice must be delivered to a proxy notification address not less than 24 hours before the general meeting or adjourned meeting to which it relates.
- 25.4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a proxy notification address not less than 24 hours before the time appointed for the taking of the poll.
- 25.5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the proxy notice must be delivered:
- 25.5.1 in accordance with Article 25.3, or
- 25.5.2 at the meeting at which the poll was demanded to the chairman of the meeting, company secretary (if any) or any director.
- 25.6 The directors may, in their sole discretion, determine from time to time that in calculating the periods referred to in Articles 25.3 and 25.4 no account shall be taken of any part of a day that is not a working day.
- 25.7 A proxy notice which is not delivered in accordance with Articles 25.3, 25.4 or 25.5 shall be invalid unless the directors, in their sole discretion, accept the proxy notice at any time before the meeting.
- 25.8 An appointment under a proxy notice may be revoked by delivering to a proxy notification address a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 25.9 A notice revoking a proxy appointment only takes effect if it is delivered before:
- 25.9.1 the start of the meeting or adjourned meeting to which it relates, or
- 25.9.2 (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll to which it relates.
- 25.10 If a proxy notice is not signed by the person appointing the proxy, it must be accompanied by written evidence, satisfactory to the directors, of the authority of the person who signed it to do so on the appointor's behalf.
- 25.11 If more than one proxy notice relating to the same share is delivered for the purposes of the same meeting, the proxy notice last delivered shall prevail in conferring authority on the person named in the notice to attend the meeting and vote. A proxy notice in electronic form found by the Company to contain a computer virus shall not be accepted by the Company and shall be invalid.
- 25.12 Model Article 46 shall not apply.

26 COMMUNICATIONS

- 26.1 The company communications provisions (as defined in the CA 2006) shall also apply to any document or information not otherwise authorised or required to be sent or supplied by or to a company under the Companies Acts (as defined in the CA 2006) but to be sent or supplied by or to the Company pursuant to these Articles:
- 26.2 by or to the Company; or
- 26.3 by or to the directors acting on behalf of the Company.
- 26.4 The provisions of s.1168 of the CA 2006 (hard copy and electronic form and related expressions) shall apply to the Company as if the words “and the Articles” were inserted after the words “the Companies Acts” in ss.1168(1) and 1168(7).
- 26.5 Section 1147 of the CA 2006 shall apply to any document or information to be sent or supplied by the Company to its members under the Companies Acts or pursuant to these Articles as if:
- 26.5.1 in s.1147(2) the words “or by airmail (whether in hard copy or electronic form) to an address outside the United Kingdom” were inserted after the words “in the United Kingdom”;
- 26.5.2 in s.1147(3) the words “48 hours after it was sent” were deleted and replaced with the words “when sent, notwithstanding that the Company may be aware of the failure in delivery of such document or information.”;
- 26.5.3 a new s.1147(4)(A) were inserted as follows:
- “Where the document or information is sent or supplied by hand (whether in hard copy or electronic form) and the Company is able to show that it was properly addressed and sent at the cost of the Company, it is deemed to have been received by the intended recipient when delivered.”;
- 26.5.4 s.1147(5) were deleted.
- 26.6 Proof that a document or information sent by electronic means was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the document or information was properly addressed as required by s.1147(3) of the CA 2006 and that the document or information was sent or supplied.
- 26.7 In the case of members who are joint holders of shares, anything to be agreed or specified by the holder may be agreed or specified by the holder whose name appears first in the register of members. Sched 5, Part 6, para 16(2) of the CA 2006 shall apply accordingly.
- 26.8 Model Article 48 shall not apply.

27 COMPANY SEALS

Model Article 49(4)(b) shall not apply.

28 INDEMNITIES, INSURANCE AND FUNDING OF DEFENCE PROCEEDINGS

28.1 This Article 28 shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the CA 2006. It does not allow for or provide (to any extent) an indemnity which is more extensive than is permitted by the CA 2006 and any such indemnity is limited accordingly. This Article 28 is also without prejudice to any indemnity to which any person may otherwise be entitled.

28.2 The Company:

28.2.1 may indemnify any person who is a director of the Company; and

28.2.2 may indemnify any other person who is an officer (other than an auditor) of the Company,

in each case out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company by reason of his being or having been a director or other officer of the Company.

28.3 The directors may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer (other than an auditor) of the Company or of any associated company (as defined in s.256 of the CA 2006) of the Company.

28.4 The directors may, subject to the provisions of the CA 2006, exercise the powers conferred on them by ss.205 and 206 of the CA 2006 to:

28.4.1 provide funds to meet expenditure incurred or to be incurred in defending any proceedings, investigation or action referred to in those sections or in connection with an application for relief referred to in s.205; or

28.4.2 take any action to enable such expenditure not to be incurred.

28.5 Model Articles 52 and 53 shall not apply.