

EXECUTION VERSION



The Companies Act 2006

Company Limited by Shares

Articles of association

of

Forrit Holdings Limited

Registered number: SC562197

(Adopted by a special resolution passed on³⁰ March 2023)

Contents

1	Introduction	1
2	Definitions	1
3	Share capital	10
4	Dividends	10
5	Liquidation and return of capital	11
6	Exit provisions	11
7	Votes in general meeting and written resolutions	13
8	Conversion of Conversion Shares	14
9	Anti-dilution	16
10	Variation of rights	17
11	Allotment of new shares or other securities: pre-emption	17
12	Transfers of Shares – general	19
13	Permitted Transfers	21
14	Transfers of Shares subject to pre-emption rights	22
15	Valuation of Shares	25
16	Compulsory transfers – general	27
17	Departing employees	27
18	Vesting of shares held as at the Date of Adoption	29
19	Mandatory Offer on a Change of Control	29
20	Co-Sale right	30
21	Drag-along	32
22	General meetings	34
23	Proxies	34
24	Directors' borrowing powers	35
25	Alternate Directors	35
26	Number of Directors	36
27	Appointment of Directors	37
28	Disqualification of Directors	37
29	Proceedings of Directors	38
30	Directors' interests	39
31	Notices	42

32	Indemnities and insurance	45
33	Data Protection	46
34	Secretary	46
35	Authority to capitalise and appropriation of capitalised sums	46
36	Lead Investor Option	47
37	Bank entrenched provisions	50

The Companies Act 2006

Company Limited by Shares

Articles of association

of

Forrit Holdings Limited

(Adopted by a special resolution passed on 30 March 2023)

1 Introduction

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the **Model Articles**) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.3 In these Articles:
- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
 - (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa;
 - (c) Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company;
 - (d) reference to **issued Shares** of any class shall exclude any Shares of that class held as Treasury Shares from time to time, unless stated otherwise; and
 - (e) reference to the **holders** of Shares or a class of Share shall exclude the Company holding Treasury Shares from time to time, unless stated otherwise.

2 Definitions

In these Articles the following words and expressions shall have the following meanings:

A Ordinary Shares means the A ordinary shares of £0.00001 each in the capital of the Company from time to time.

A Share Director has the meaning given in Article 27.5.

Act means the Companies Act 2006 (as amended from time to time).

Acting in Concert has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).

Actions shall have the meaning given in Article 6.4.

Allocation Notice has the meaning given in Article 14.7.2.

Anti-Dilution Shares has the meaning given in Article 9.1.

Applicant has the meaning given in Article 14.7.2.

Asset Sale means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business).

Associate in relation to any person means:

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);
- (b) any Member of the same Group;
- (c) any Member of the same Fund Group.

Auditors means the auditors of the Company from time to time.

Available Profits means profits available for distribution within the meaning of part 23 of the Act.

Bad Leaver means a person who ceases to be an Employee and who is not a Good Leaver.

Bank means Scottish Investments Limited, a company incorporated in Scotland with registered number SC681617 and whose registered office is at Waverley Gate, 2-4 Waterloo Place, Edinburgh, United Kingdom, EH1 3EG, a wholly owned subsidiary of the Scottish National Investment Bank plc

Bank Group means the Scottish National Investment Bank plc, the Bank, Scottish Investments Services Limited and any body or entity controlled, either directly or indirectly, (where "**control**" means the ability to direct the policies or operations of an entity whether by contract, ownership of equity interests or otherwise) by the Scottish National Investment Bank plc but for the avoidance of doubt, excludes any body or entity in which the Bank (or any other member of the Bank Group) holds any equity or debt or other economic interest as part of its portfolio of investment.

Bank Nominated Observer means such person nominated by the Lead Investor under Article 27.4.

Bank Nominated NED means such director of the Company nominated by the Lead Investor under Article 27.1.

Bank Nominated NED Consent means the prior written consent of the Bank Nominated NED.

Board means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles.

Bonus Issue or Reorganisation means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the holders of Ordinary Shares) or any consolidation or sub-division or redenomination or any repurchase or redemption of shares (other than Ordinary Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in Article 11.6.

Business Day means a day on which banks are ordinarily open for the transaction of normal banking business in Edinburgh (other than a Saturday or Sunday or public holiday).

Buyback Completion Date has the meaning given in Article 36.7(b).

Buyback Notice has the meaning given in Article 36.6.

Buyback Shares has the meaning given in Article 36.7(a).

C Ordinary Shares means the C ordinary shares of £0.00001 each in the capital of the Company from time to time.

Cause means in respect of an Employee:

- (a) gross misconduct or a material or repudiatory breach of the terms of his service agreement;
- (b) fraud against the Company;
- (c) being convicted of a criminal offence (other than a road traffic offence not punishable by way of a custodial sentence); or
- (d) refusal or failure to carry out duties and responsibilities to the Company as may be lawfully prescribed by the Board from time to time after having reasonable notice of and reasonable opportunity to rectify such lack of compliance.

Civil Partner means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder.

Company means Forrit Holdings Limited (registered number SC562197).

Conditions has the meaning given in Article 8.1.

Controlling Interest means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010.

Conversion Date has the meaning given in Article 8.2.

Conversion Ratio has the meaning given in Article 8.4.

Conversion Shares means the Preferred Ordinary Shares, A Ordinary Shares, C Ordinary Shares and, where applicable, G Ordinary Shares.

CTA 2010 means the Corporation Tax Act 2010.

Date of Adoption means the date on which these Articles were adopted.

Director(s) means a director or directors of the Company from time to time.

Effective Termination Date means the date on which the Employee's employment or consultancy or position as a director terminates.

electronic address has the same meaning as in section 333 of the Act.

electronic form and **electronic means** have the same meaning as in section 1168 of the Act.

Eligible Director means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors.

Employee means an individual who is employed by or who provides consultancy services to, or is a director of the Company or any member of the Group.

Employee Shares in relation to an Employee means (subject to Article 17 and 18) all Equity Shares held by:

- (a) the Employee in question; and
- (b) any Permitted Transferee of that Employee other than those Equity Shares held by those persons that the Lead Investor declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of that person's relationship with the Employee.

Encumbrance means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law).

Equity Securities has the meaning given in sections 560(1) to (3) inclusive of the Act and for the avoidance of doubt an allotment of Equity Securities includes a transfer of shares which immediately before such transfer were held by the Company as Treasury Shares.

Equity Shares means the Shares.

Excluded Investment shall have the meaning given in the Investment Agreement.

Exercising Investor means any Investor who exercises its rights to acquire Anti-Dilution Shares in accordance with Article 9.1.

Exit means a Share Sale, an Asset Sale or an IPO.

Fair Value is as determined in accordance with Article 15.

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

Financial Year has the meaning set out in section 390 of the Act.

Fractional Holders has the meaning given in Article 8.8.

Fund Manager means a person whose principal business is to make, manage or advise upon investments in securities.

G Ordinary Shares means the G ordinary shares of £0.00001 each in the capital of the Company from time to time.

Good Leaver means an Employee who ceases to be an Employee as a consequence of:

- (a) death or permanent incapacity (mental, physical, health-related and/or medical);
- (b) unfair dismissal for a substantive reason (but not for a procedural reason only) or constructive dismissal, as determined by an employment tribunal or court of competent jurisdiction from which there is no right to appeal;
- (c) termination of employment by the Company for reasons other than Cause; or
- (d) as otherwise determined by the Board acting with Investor Consent (excluding the vote of the relevant Employee).

Group means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **Group Company** shall be construed accordingly.

hard copy form has the same meaning as in section 1168 of the Act.

Holding Company means a newly formed holding company, pursuant to which the membership, *pro rata* shareholdings and classes of shares comprised in such holding company matches that of the Company (excluding Treasury Shares) immediately prior to the transfer of the issued share capital of the Company to such holding company.

Independent Expert is as determined in accordance with Article 15.2.

Investment Agreement means the investment agreement dated on or around the Date of Adoption between (1) the Lead Investor, (2) the Named Directors, (3) the Existing Shareholders and (4) the Company (as each such term is defined therein).

Investor Consent means the prior written consent of the Lead Investor.

Investors has the meaning given in the Investment Agreement.

IPO means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).

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

ITEPA means Income Tax (Earnings and Pensions) Act 2003.

Lead Investor has the meaning given in the Investment Agreement.

Lead Investor Option has the meaning given in Article 36.3.

Lead Investor Option Notice has the meaning given in Article 36.3.

Leaver means a Good Leaver or a Bad Leaver, as the case may be.

Maximum Buyback Amount has the meaning given in Article 36.5.

a Member of the same Fund Group means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **Investment Fund**) or is a nominee of that Investment Fund:

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed or advised by that Fund Manager;
- (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa.

a Member of the same Group means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking.

Minimum Transfer Conditions shall have the meaning given in Article 14.2(d).

Minority Interests means the minority interests the Company holds in: (i) Infix Support Limited; and (ii) Playerdata Holdings Limited (and a **Minority Interest** shall be construed accordingly).

Mission has the meaning given in Article 36.2.

Named Directors has the meaning given in the Investment Agreement.

NASDAQ means the NASDAQ Stock Market of the NASDAQ OMX Group Inc.

New Securities means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 11.6) excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Date of Adoption.

Offer has the meaning set out in Article 19.2.

Offer By Way of Rights has the meaning set out in Article 8.10.

Offer Period has the meaning set out in Article 19.3.

Option Transfer Price has the meaning given in Article 36.4.

Ordinary Shares means the ordinary shares of £0.00001 each in the capital of the Company from time to time.

Original Shareholder has the meaning set out in Article 13.1.

Permitted Transfer means a transfer of Shares in accordance with Article 13.

Permitted Transferee means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group;
- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group;
- (d) in relation to the Bank (or another member of the Bank Group) means:
 - (i) any other member of the Bank Group (as the context requires); and/or
 - (ii) any third party acquirer of the whole or part (being more than one) of the portfolio of investments of the Bank Group where such third party is managing or acting as a custodian in relation to such portfolio investments; and
- (e) in relation to an Investor (other than where such Investor is the Bank or another member of the Bank Group):
 - (i) to any Member of the same Group;
 - (ii) to any Member of the same Fund Group; or
 - (iii) any nominee of that Investor.

Pre-Investment AA Shares means any and all shares (of any share class) in the Company held by Alan Anderson at the Date of Adoption.

Pre-Investment G Ordinary Shares means those G Ordinary Shares held by Employees at the Date of Adoption, and any G Ordinary Shares which are issued and allotted to Employees after the Date of Adoption pursuant to, and in satisfaction of, options awarded to Employees prior to the Date of Adoption.

Preferred Ordinary Shares means the preferred ordinary shares of £0.00001 each in the capital of the Company from time to time.

Pre-New Money Valuation means the result of multiplying the total number of Ordinary Shares in issue immediately after the IPO (but excluding any new Ordinary Shares issued upon the IPO) by the subscription price per share (including any premium) in respect of new Ordinary Shares issued at the time of the IPO.

Privileged Relation in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue).

Proceeds of Sale means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale as approved by the Lead Investor.

Proposed Exit has the meaning given in Article 6.4.

Proposed Purchaser means a proposed purchaser who at the relevant time has made an offer on arm's length terms.

Proposed Sale Date has the meaning given in Article 19.3.

Proposed Sale Notice has the meaning given in Article 19.3.

Proposed Seller means any person proposing to transfer any Shares.

Proposed Transfer has the meaning given in Article 19.1.

Public Sector Entities means:

- (a) the Bank or any member of the Bank Group (and/or their respective Permitted Transferees);
- (b) any other person or entity owned or controlled by the Scottish Ministers from time to time (and/or their respective Permitted Transferees); and
- (c) any other person or entity ultimately owned or controlled by His Majesty's Government of the United Kingdom from time to time (and/or their Permitted Transferees),

and a **Public Sector Entity** shall be construed accordingly.

Public Sector Trigger Event has the meaning given in Article 7.4.

Qualifying Company means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010).

Qualifying Issue has the meaning given in Article 9.1.

Qualifying Person has the meaning given in section 318(3) of the Act.

Relevant Interest has the meaning set out in Article 30.5.

Restricted Shares has the meaning set out in Article 17.5.

Sale Shares has the meaning set out in Article 14.2(a).

Seller has the meaning set out in Article 14.2.

Share Option Plan means:

- (a) the Enterprise Management Incentive (EMI) Share Option Plan 2018 established by the Company on 20 November 2018;
- (b) two standalone option agreements dated 11 and 16 May 2022 and 13 May and 16 May 2022, in respect of (in aggregate) 18,000 G Ordinary Shares; and
- (c) any other share option scheme of the Company from time to time approved by the Board with Investor Consent,

pursuant to which (together) the Company may grant options over an aggregate of no more than 16,819,500 Equity Shares (such Equity Shares being G Ordinary Shares in all cases save from options already issued to the Named Directors (which shall be options over Ordinary Shares) and future options issued to the Named Directors (which may, with Investor Consent, be options over Ordinary Shares)) (excluding any shares which were the subject of any such options that have lapsed, which for the avoidance of doubt, may be reallocated by the Company) and the terms of which with such changes as have been approved by the Lead Investor.

Share Sale means the sale of (or the grant of a right to acquire or to dispose of) any of the Shares (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale.

Shareholder means any holder of any Shares (but excludes the Company holding Treasury Shares).

Shares means the Ordinary Shares, the A Ordinary Shares, the C Ordinary Shares, the G Ordinary Shares and the Preferred Ordinary Shares and any other class of share in issue from time to time in the capital of the Company.

Starting Price means £0.1360 (if applicable, adjusted as referred to in Article 9.3).

Subsidiary, Subsidiary Undertaking and **Parent Undertaking** have the respective meanings set out in sections 1159 and 1162 of the Act.

Transfer Notice shall have the meaning given in Article 14.2.

Transfer Price shall have the meaning given in Article 14.2.

Treasury Shares means shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act.

Trustees in relation to a Shareholder means the trustee or the trustees of a Family Trust.

3 Share capital

- 3.1 In these Articles, unless the context requires otherwise, references to Shares of a particular class shall include Shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of the relevant class then in issue.
- 3.2 Except as otherwise provided in these Articles, the Ordinary Shares, the A Ordinary Shares, the C Ordinary Shares, the G Ordinary Shares and the Preferred Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 3.3 The words “and the directors may determine the terms, conditions and manner of redemption of any such shares” shall be deleted from article 22(2) of the Model Articles.
- 3.4 Subject to Investor Consent and the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.
- 3.5 In article 25(2) of the Model Articles, the words “payment of a reasonable fee as the directors decide” in paragraph (c) shall be deleted and replaced by the words payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine.

4 Dividends

- 4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.
- 4.2 Any Available Profits which the Company may determine, with Investor Consent, to distribute in respect of any Financial Year will (save where Article 8.6 applies) be distributed among the holders of the Equity Shares (*pari passu* as if the Equity Shares constituted one class of shares) *pro rata* to their respective holdings of Equity Shares.
- 4.3 Subject to the Act and these Articles, the Board may, provided Investor Consent is given, pay interim dividends if justified by the Available Profits in respect of the relevant period.
- 4.4 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash.
- 4.5 Article 31(1) of the Model Articles shall be amended by:
 - (a) the replacement of the words “either in writing or as the directors may otherwise decide” at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words in writing; and
 - (b) the replacement of the words “either in writing or by such other means as the directors decide” from the end of paragraph (d) of that article 31(1) with the words in writing.

5 Liquidation and return of capital

5.1 On a distribution of assets on a liquidation or a return of capital the surplus assets of the Company remaining after payment of its liabilities (the “**Remaining Assets**”) shall be applied (to the extent that the Company is lawfully permitted to do so) until the Remaining Assets have been fully allocated in the following order of priority:

5.1.1 first, each holder of Preferred Ordinary Shares shall be paid the higher of:

- (i) an amount per Preferred Ordinary Share equal to the Issue Price in respect of such Preferred Ordinary Share. If the Remaining Assets to be returned to such members under this Article 5.1.1(i) is insufficient to satisfy such amount in full, then the holders of Preferred Ordinary Shares shall participate in the full amount of such Remaining Assets in the proportions to which their respective entitlements bear to one another; or
- (ii) an amount per Preferred Ordinary Share that equals the amount which, on a distribution of assets on a liquidation or a return of capital, such Preferred Ordinary Share would receive if the total initial Remaining Assets were distributed among all Shareholders on a pro rata basis according to the number of Equity Shares held by each Shareholder;

5.1.2 second (where there are Remaining Assets remaining to be allocated after the payment pursuant to article 5.1.1), each holder of the C Ordinary Shares shall be paid the higher of:

- (i) an amount equal to £0.10049261 in respect of each such C Ordinary Share (with each holder of C Ordinary Shares' aggregate entitlement being rounded to the nearest whole pence and, provided always, that the aggregate amount that may be distributed pursuant to this Article 5.1.2(i) shall not exceed £3,000,000). If the Remaining Assets to be returned to such members under this Article 5.1.2(i) is insufficient to satisfy such amount in full, then the holders of C Ordinary Shares shall participate in the full amount of such Remaining Assets (i.e. being the Remaining Assets available after the application of Article 5.1.1) in the proportions to which their respective entitlements bear to one another;
- (ii) an amount per C Ordinary Share that equals the amount which, on a distribution of assets on a liquidation or a return of capital, such C Ordinary Share would receive if the total initial Remaining Assets were distributed among all Shareholders on a pro rata basis according to the number of Equity Shares held by each Shareholder; and

5.1.3 third, any remaining balance after the payments at 5.1.1 and 5.1.2 above shall be paid to Shareholders (other than the holders of Preferred Ordinary Shares and/or C Ordinary Shares) pro rata according to the numbers of such shares held by them respectively.

6 Exit provisions

6.1 On a Share Sale the Proceeds of Sale shall be distributed in accordance with Article 5 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

- (a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in accordance with this Article 6.1; and
- (b) the Shareholders shall take any action required by the Board (acting with Investor Consent) to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in this Article 6.1,

and in the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in accordance with this Article 6.1.

6.2 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in accordance with Article 5 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Board (acting with Investor Consent) (including, but without prejudice to the generality of this Article 6.2, actions that may be necessary to put the Company into voluntary liquidation) so that Article 5 applies.

6.3 *Additional Shares issued prior to IPO*

6.3.1 Immediately prior to an IPO:

- (a) if required by the Board (acting with Investor Consent) each holder of Conversion Shares (including, for the purposes of this Article 6.3.1(a) the holders of G Ordinary Shares in respect of their G Ordinary Shares) shall be deemed to have given a notice under Article 8 (*Conversion of Conversion Shares*), requiring their Conversion Shares to be converted into the relevant number of Ordinary Shares on the condition that the relevant IPO takes place.
- (b) any Treasury Shares shall be cancelled or, with Investor Consent, transferred in accordance with these Articles prior to the IPO;
- (c) the Company shall issue at par to each holder of Conversion Shares that number (if any) of Ordinary Shares credited as fully paid, which, at the offer/placing price on an IPO have an aggregate value equal to any dividend declared but not paid in respect of the Conversion Shares.
- (d) the Company shall issue to each holder of Conversion Shares such number (if any) of Ordinary Shares such that the proportion which the Equity Shares held by that Shareholder bears to the issued Equity Shares following the completion of all such issues (and any transfer of Treasury Shares pursuant to Article 6.3.1(b)) and the conversion of all Conversion Shares shall be equal to the proportion that the proceeds that Shareholder would have been entitled to receive on a Share Sale on that date would bear to the valuation of the Company at that date (assuming that the valuation of the Company was equal to the Pre-New Money Valuation); and
- (e) the additional Ordinary Shares issued pursuant to this Article 6.3 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and those additional Ordinary Shares shall be issued at par fully paid.

The capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with this Article. If the Company is not legally permitted to carry out the capitalisation the holders of Preferred Ordinary Shares shall be entitled to subscribe in cash at par for that number of additional Ordinary Shares as would otherwise have been issued pursuant to paragraph 6.3.1(d).

- 6.4 In the event of an Exit approved by the Board, the Lead Investor and the Selling Shareholders (as defined in Article 21.1) in accordance with the terms of these Articles (the **Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit (**Actions**). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking the Actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

7 Votes in general meeting and written resolutions

- 7.1 Subject to Articles 7.3 and 7.4, the Preferred Ordinary Shares, the Ordinary Shares, the A Ordinary Shares and the C Ordinary Shares shall confer on each holder of Preferred Ordinary Shares, Ordinary Shares, A Ordinary Shares and/or C Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 7.2 The G Ordinary Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company, other than a vote on the variation of the rights attached to the G Ordinary Shares pursuant to Article 10.
- 7.3 Subject to Article 7.4, where Shares confer a right to vote, on a show of hands each holder of such Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

Public Sector Entities voting right limitations

- 7.4 Subject to Article 7.6, in any event the rights attributable to the Lead Investor and/or any other Public Sector Entity pursuant to these Articles would operate in such a manner as to give the Lead Investor and/or any other Public Sector Entity (in aggregate) control of the exercise of 49.9% or more of the votes at a general meeting of the Company (a **Public Sector Trigger Event**), the voting rights in aggregate of the Lead Investor and/or any Public Sector Entity applicable to their shareholding on any resolution proposed shall be deemed to be restricted to 49.9% (in aggregate) of the votes cast on any poll and the votes cast by the other holder(s) of the voting Shares shall be deemed to be proportionately increased such that the aggregate voting rights of all other holders of voting shares for the purpose of any vote shall equal 50.1%.

- 7.5 The Company shall give notice to the Lead Investor and Public Sector Entity holding Shares immediately upon becoming aware of the occurrence or anticipated occurrence of any event which could reasonably be expected to constitute a Public Sector Trigger Event.
- 7.6 The operation of Article 7.4 above may be cancelled or suspended at any time or times either prior to the occurrence of any Public Sector Trigger Event or subsequent to such provisions taking effect by the Bank in its sole discretion providing written notice to the Company of its intention to cancel or suspend the operation of Article 7.4. Immediately upon receipt of such notice, the provisions of Article 7.4 shall be suspended or cancelled accordingly. Votes taken by the Company during the period of operation of any suspension or cancellation under Article 7.4 shall not be affected by any such subsequent suspension or cancellation.
- 7.7 Notice given by the Bank (as applicable) in terms of Article 7.6 shall be given by the Company to all shareholders whose rights to vote are affected by the operation of such Article.

8 Conversion of Conversion Shares

- 8.1 Any holder of Conversion Shares (with the exception of the holders of G Ordinary Shares, in respect of their G Ordinary Shares only, who shall only be able to serve such a notice in respect of their G Ordinary Shares where deemed to do so pursuant to Article 6.3.1(a)) shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the fully paid Conversion Shares held by them at any time, provided that the holder may in such notice, state that conversion of its Conversion Shares into Ordinary Shares is conditional upon the occurrence of one or more events (the **Conditions**).
- 8.2 All of the fully paid Conversion Shares in respect of the notice given under Article 8.1 shall automatically convert into Ordinary Shares on the date of the notice given pursuant to and in accordance with Article 8.1, or, if applicable, on the date of satisfaction (or waiver by the relevant holder) of the Conditions specified in such notice (or the date of satisfaction of the last of the Conditions, if satisfaction occurs across multiple days) (the **Conversion Date**) (for the avoidance of doubt, if the Conditions have not been satisfied or waived by the relevant holder no conversion shall have occurred).
- 8.3 Not more than five Business Days after the Conversion Date, each holder of the relevant Conversion Shares shall deliver the certificate (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Conversion Shares being converted to the Company at its registered office for the time being.
- 8.4 On the Conversion Date, the relevant Conversion Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Conversion Share held (the **Conversion Ratio**), and the Ordinary Shares resulting from that conversion shall in all other respects rank *pari passu* with the existing issued Ordinary Shares.
- 8.5 The Company shall on the Conversion Date enter the holder of the converted Conversion Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Conversion Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Conversion Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.

- 8.6 On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Conversion Shares falling to be converted a dividend equal to all accruals of dividends in relation to those Conversion Shares, declared but not paid, to be calculated on a daily basis down to and including the day immediately preceding the Conversion Date. If the Company has insufficient Available Profits to pay all such accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any such accruals of dividends that remain outstanding shall continue to be a debt due from and immediately payable by the Company.
- 8.7 The Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article:
- (a) if Conversion Shares remain capable of being converted into new Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each Conversion Shares is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division; and
 - (b) if Conversion Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with Investor Consent) is fair and reasonable, to maintain the right to convert so as to ensure that each holder of Conversion Shares is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue.
- 8.8 If any holder of Conversion Shares becomes entitled to fractions of an Ordinary Share as a result of conversion (**Fractional Holders**), the Directors may (with Investor Consent) deal with these fractions as they think fit on behalf of the Fractional Holders. In particular, the Directors may aggregate and sell the fractions to a person for the best price reasonably obtainable and distribute the net proceeds of sale in due proportions among the Fractional Holders or may ignore fractions or accrue the benefit of such fractions to the Company rather than the Fractional Holder. For the purposes of completing any such sale of fractions, the chairman of the Company or, failing him, the secretary will be deemed to have been appointed the Fractional Holder's agent for the purpose of the sale.
- 8.9 If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with Article 8.7, or if so requested by the Lead Investor, the Board shall refer the matter to, at the election of the Lead Investor, either the Auditors or an Independent Expert for determination who shall make available to all Shareholders their report and whose certificate as to the amount of the adjustment is, in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.
- 8.10 If Conversion Shares remain capable of being converted into new Ordinary Shares and Ordinary Shares are offered by the Company by way of rights to holders of Ordinary Shares (an **Offer By Way of Rights**), the Company shall on the making of each such offer, make a like offer to each holder of Conversion Shares as if immediately before the record date for the Offer By Way Of Rights, his Conversion Shares had been converted into fully-paid Ordinary Shares at the then applicable Conversion Ratio.

9 Anti-dilution

- 9.1 If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a **Qualifying Issue**) (which in the event that the New Security is not issued for cash shall be a price certified by the Independent Expert acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, unless the Lead Investor shall have specifically waived its rights, issue to each holder of Preferred Ordinary Shares (the **Exercising Investor**) a number of new Preferred Ordinary Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 9.3 (the **Anti-Dilution Shares**):

$$N = \left(\left(\frac{SIP}{WA} \right) x Z \right) - Z$$

Where:

N= Number of Anti-Dilution Shares to be issued to the Exercising Investor

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = Starting Price

ESC = the number of Equity Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to the Qualifying Issue

QISP = the lowest per share price of the New Securities issued pursuant to the Qualifying Issue (which in the event that that New Security is not issued for cash shall be the sum certified by the Independent Expert acting as experts and not arbitrators as being in their opinion the current cash value of the non cash consideration for the allotment of the New Security)

NS = the number of New Securities issued pursuant to the Qualifying Issue

Z = the number of Preferred Ordinary Shares held by the Exercising Investor prior to the Qualifying Issue.

- 9.2 The Anti-Dilution Shares shall:

- (a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or a majority of the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by Investor Consent) and the entitlement of such Exercising Investors to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 9.1 so that the Exercising Investors shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 9.1 or this Article 9.2, the matter shall be referred (at the cost of the Company) to the Independent Expert for certification of the number of Anti-Dilution Shares to be

issued. The Independent Expert's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor; and

- (b) subject to the payment of any cash payable pursuant to Article 9.2(a) (if applicable), be issued, credited fully paid up in cash and shall rank *pari passu* in all respects with the existing Preferred Ordinary Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 9.2(a).

9.3 In the event of any Bonus Issue or Reorganisation, the Starting Price shall also be subject to adjustment on such basis as may be agreed by the Company with the Lead Investor within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Lead Investor cannot agree such adjustment it shall be referred to the Independent Expert whose determination shall, in the absence of manifest error, be final and binding on the Company and each of the Shareholders. The costs of the Independent Expert shall be borne by the Company.

9.4 For the purposes of this Article 9 any Shares held as Treasury Shares by the Company shall be disregarded when calculating the number of Anti-Dilution Shares to be issued.

10 Variation of rights

10.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent. in nominal value of the issued shares of that class, save that the special rights attaching to the Preferred Ordinary Shares may only be varied or abrogated with Investor Consent.

10.2 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not constitute a variation of the rights of those existing classes of shares.

11 Allotment of new shares or other securities: pre-emption

11.1 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.

11.2 Unless otherwise agreed by special resolution and Investor Consent, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares (the **Subscribers**) on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of Equity Shares (as if the Equity Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions). Subject to Article 11.6, any disapplication of such offer of the New Securities to the Bank and/or its Permitted Transferees as holders of Equity Shares shall require the prior written consent of the Lead Investor (with such right of consent of the Lead Investor being a provision of entrenchment within the meaning of section 22 of the Act which shall not be amended or repealed without the consent of the Lead Investor so long as it or any member of the Bank Group holds any Shares). The offer:

- (a) shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the **Subscription Period**) and give details of the number and subscription price of the New Securities; and

- (b) may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 11.3 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a *pro rata* basis to the number of Equity Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).
- 11.4 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine (with Investor Consent) at the same price and on the same terms as the offer to the Subscribers.
- 11.5 Subject to the requirements of Articles 11.2 to 11.4 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, with Investor Consent.
- 11.6 The provisions of Articles 11.2 to 11.5 (inclusive) shall not apply to:
 - (a) Shares issued to the Lead Investor in accordance with the terms of the Investment Agreement;
 - (b) Shares issued in accordance with Article 6.3;
 - (c) the granting of options under the Share Option Plan (up to the maximum aggregate amount stated in the definition of "Share Option Plan") and the issue of Shares pursuant to the exercise of options granted under such Share Option Plan;
 - (d) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Investor Consent;
 - (e) New Securities issued as a result of a bonus issue of shares which has been approved by Investor Consent; or
 - (f) Anti-Dilution Shares issued in accordance with Article 9.
- 11.7 Any New Securities offered under this Article 11 to an Investor may be accepted in full or part only by a Member of the same Fund Group as that Investor or a Member of the same Group as that Investor in accordance with the terms of this Article 11.
- 11.8 No Shares shall be allotted (nor any Treasury Shares be transferred) to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

12 Transfers of Shares – general

- 12.1 In Articles 12 to 21 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 12.2 No Share may be transferred unless the transfer is made in accordance with these Articles.
- 12.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 12.4 Any transfer of a Share by way of sale which is required to be made under Articles 14 (*Transfers of Shares subject to pre-emption rights*) to 21 (*Drag-along*) (inclusive) will be deemed to include a title warranty from the transferor which has the equivalent effect of the meaning of full title guarantee under English law.
- 12.5 Other than by way of a Permitted Transfer, no Shareholder shall be entitled to transfer Shares without Investor Consent.
- 12.6 The Directors may refuse to register a transfer if:
- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
 - (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
 - (c) if it is a transfer to a competitor of the Company or the Group, or an officer, employee or other person connected with (pursuant to section 1122 Corporation Tax Act 2010) a competitor of the Company or the Group;
 - (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
 - (e) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - (f) the transfer is in respect of more than one class of Shares;
 - (g) the transfer is in favour of more than four transferees; or
 - (h) these Articles otherwise provide that such transfer shall not be registered,
- and if the Directors refuse to register a transfer, 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.
- 12.7 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute

and deliver to the Company a deed agreeing to be bound by the terms of the Investment Agreement or any other similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 12.7 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

- 12.8 To enable the Directors to determine whether or not there has been any disposal of Shares (or any interest in Shares) in breach of these Articles the Directors may, with Investor Consent, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares in writing of that fact and the following shall occur:
- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question) provided that, at the election of the relevant Investor, such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of an Investor; or
 - (b) the withholding of payment of all dividends or other distributions otherwise attaching to the relevant shares or to any further shares issued in respect of those shares; and
 - (c) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in 12.8(a) and 12.8(b) above may be reinstated by the Board subject to Investor Consent and shall in any event be reinstated upon the completion of any transfer referred to in 12.8(c) above.

- 12.9 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.
- 12.10 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:
- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (acting with Investor Consent) (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board

becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

- (b) it does not include a Minimum Transfer Condition; and
- (c) the Seller wishes to transfer all of the Shares held by it.

12.11 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

13 Permitted Transfers

13.1 A Shareholder (who is not a Permitted Transferee) (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.

13.2 Shares previously transferred as permitted by Article 13.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

13.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.

13.4 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

13.5 No transfer of Shares may be made to Trustees unless the Board is satisfied:

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

13.6 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board (acting with Investor Consent)) to have given a Transfer Notice in respect of such Shares.

13.7 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:

- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with Article 14.2,

failing which he shall be deemed to have given a Transfer Notice.

- 13.8 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 13.9 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.
- 13.10 On the death (subject to Article 13.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of confirmation / probate (or equivalent), the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 13.11 A transfer of any Shares approved by the Board acting with Investor Consent may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.
- 13.12 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board, acting with Investor Consent.

14 Transfers of Shares subject to pre-emption rights

- 14.1 Save where the provisions of Articles 13 (*Permitted Transfers*), 19 (*Mandatory Offer on a Change of Control*), 20 (*Co-Sale Right*) and 21 (*Drag-along*) apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 14 except where such pre-emption rights have been disapplied by special resolution (with Investor

Consent) or where the Shareholders have otherwise agreed in writing that this Article 14 will not apply to such transfer.

14.2 A Shareholder who wishes to transfer Equity Shares (a **Seller**) shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Equity Shares give notice in writing (a **Transfer Notice**) to the Company specifying:

- (a) the number of Shares which he wishes to transfer (the **Sale Shares**);
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- (c) the price at which he wishes to transfer the Sale Shares; and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a **Minimum Transfer Condition**).

If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the **Transfer Price**) must be agreed by the Board (including Bank Nominated NED Consent) and the Seller. In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (including Bank Nominated NED Consent). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 5 Business Days of the Company receiving the Transfer Notice.

14.3 Except with Investor Consent or as otherwise specified in these Articles, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

14.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

14.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice; and
- (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 15 (*Valuation of Shares*),

the Board shall, save as set out in Article 17.3 (in the case of Employee Shares), offer the Sale Shares for sale to the holders of Equity Shares (as if the Equity Shares constituted one and the same class) but excluding any Leaver. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

14.6 *Transfers: Offer*

14.6.1 The Board shall offer the Sale Shares pursuant to all Shareholders (in the priority set out in Article 14.5 or, if appropriate, Article 17.3) specified in the offer other than the Seller (the **Continuing Shareholders**) inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.

14.6.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under this Article 14.6 will be conditional on the fulfilment of the Minimum Transfer Condition.

14.6.3 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Equity Shares bears to the total number of Equity Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

14.6.4 If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 14.7.5.

14.7 *Completion of transfer of Sale Shares*

14.7.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 14.6 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

14.7.2 If:

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

the Board shall, when no further offers are required to be made under Article 14.6 and once the requirements of Articles 19 and/or 20 have been fulfilled to the extent required, give written notice of allocation (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (an **Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

14.7.3 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

14.7.4 If the Seller fails to comply with the provisions of Article 14.7.3:

- (a) any Director, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it; and
 - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

- (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).

14.7.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 14.7.6 and, for the avoidance of doubt Article 12.5, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.

14.7.6 The right of the Seller to transfer Shares under Article 14.7.5 does not apply if:

- (a) the Transfer Notice was required to be served by the Board or deemed served in accordance with these Articles; or
- (b) the Board is of the opinion on reasonable grounds that:
 - (i) the transferee is a person (or a nominee for a person) who the Board (with Investor Consent) determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
 - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned in 14.7.6(b)(ii) above.

14.8 Any Sale Shares offered under this Article 14 to an Investor may be accepted in full or part only by any person who would qualify as a Permitted Transferee of such Investor in accordance with the terms of this Article 14.

15 Valuation of Shares

15.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 12.10 or 14.2 or otherwise then, on the date of failing agreement, the Board shall either:

- (a) appoint an Independent Expert in accordance with Article 15.2 to certify the Fair Value of the Sale Shares; or
- (b) if the Fair Value of the same class of Sale Shares has been certified by an Independent Expert within the preceding 12 weeks, specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

15.2 Wherever an Independent Expert is required pursuant to this Agreement such Independent Expert shall be either:

- (a) an independent firm of chartered accountants proposed by the Bank and agreed to by the Company; or

- (b) in default of such agreement (or other failure to make an appointment or agree the terms of such appointment) within 10 Business Days following any proposal to appoint an expert by the Bank pursuant to Article 15.2(a), a firm of independent chartered accountants to be nominated by the President for the time being of the Institute of Chartered Accountants of Scotland and approved by the Bank.
- 15.3 The **Fair Value** of the Sale Shares shall be determined by the Independent Expert on the following assumptions and bases:
 - (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
 - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (c) that the Sale Shares are capable of being transferred without restriction;
 - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares (excluding any Shares held as Treasury Shares) without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares (including Articles 5 and 6); and
 - (e) reflect any other factors which the Independent Expert reasonably believes should be taken into account.
- 15.4 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 15.5 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 15.6 The Independent Expert shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 15.7 The Board will give the Independent Expert access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.
- 15.8 The Independent Expert shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 15.9 The cost of obtaining the certificate shall be paid by the Company unless:
 - (a) the Seller cancels the Company's authority to sell; or
 - (b) the Sale Price certified by the Independent Expert is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Independent Expert was instructed,

in which case the Seller shall bear the cost.

16 Compulsory transfers – general

- 16.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 16.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
 - (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 16.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

- 16.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a *bona fide* restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.
- 16.4 Subject to Article 16.5, if there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so (and the Directors will do so require if the Lead Investor serves written notice on the Directors requiring them to do so), to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.
- 16.5 Article 16.4 shall not apply to:
- 16.5.1 a member that is an Investor;
 - 16.5.2 Caledonian Heritable Limited, provided that the relevant change in control (as control is defined in section 1124 of the CTA 2010) does not result in control of Caledonian Heritable Limited vesting in any person that is not capable of satisfying the Lead Investor's reasonable KYC (*know your client*) and co-investor requirements.

17 Departing employees

- 17.1 This Article 17 shall not apply to:

- 17.1.1 the holders of Pre-Investment G Ordinary Shares in respect of their Pre-Investment G Ordinary Shares; nor
- 17.1.2 the holder of the Pre-Investment AA Shares in respect of:
- (a) his Pre-Investment AA Shares; or
 - (b) any other Shares subsequently acquired after the Date of Adoption where such Shares were not acquired (i) in connection with any status as an Employee nor (ii) at a price that is less than the prevailing market rate for such shares; nor
- 17.1.3 Alexandra Walker, David Austen Mulinder, Steven Guggenheimer or Carolyn Jameson, with the exception of Article 17.4 only which (for the avoidance of doubt) shall apply to Alexandra Walker, David Austen Mulinder, Steven Guggenheimer or Carolyn Jameson.
- 17.2 Unless the Board (acting with Investor Consent) determine that this Article 17.2 shall not apply, if an Employee ceases to be an Employee, the relevant Employee and their Permitted Transferees shall be deemed to have given a Transfer Notice in respect of (subject to Article 17.1 above and Article 18 (*Vesting of shares held as at the Date of Adoption*)) all the Employee Shares on the Effective Termination Date.

In such circumstances the Transfer Price shall be as follows:

- (a) where the relevant Employee ceases to be an Employee by reason of being a Bad Leaver, the lower of (a) Fair Value of the Employee Shares and (b) the nominal value of the Employee Shares;
- (b) where the relevant Employee ceases to be an Employee by reason of being a Good Leaver, the Fair Value of the Employee Shares.

For the purposes of this Article, Fair Value shall be as agreed between the Board (acting with Investor Consent) and the relevant Employee, or failing agreement within five Business Days of seeking to agree such price, shall be as determined in accordance with Article 15.

- 17.3 For the purposes of this Article and the interpretations of Article 14 (*Transfers of Shares subject to pre-emption rights*), the Employee Shares shall be offered in the following order of priority:
- (a) to the Company (subject always to the provisions of the Act); and
 - (b) to any person(s) approved by the Board (other than the departing Employee) acting with Investor Consent.

Suspension of voting rights

- 17.4 Subject always to Article 17.1, all voting rights attached to Employee Shares held by an Employee or by any Permitted Transferee of that Employee (the **Restricted Member**), if any, shall at the time he ceases to be an Employee be suspended unless the Board (acting with Investor Consent) notify him otherwise.
- 17.5 Any Employee Shares whose voting rights are suspended pursuant to Article 17.4 (**Restricted Shares**) shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended

pursuant to Article 17.4 shall be automatically restored immediately prior to an IPO. If a Restricted Member transfers any Restricted Shares in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

18 Vesting of shares held as at the Date of Adoption

- 18.1 In the event that a Named Director becomes a Leaver at any time during the period of 36 months commencing on the Date of Adoption (the "**Vesting Period**"), then for the purposes of Article 17, a Transfer Notice shall only be deemed to be served in respect of a proportion of the Employee Shares (rounded to the nearest whole number) held by such Named Director and his Permitted Transferees. Where the Employee Shares are held by more than one member, then the number of Shares in respect of which a Transfer Notice shall be deemed to be served will be allocated amongst the members in question *pro rata* according to the numbers of such Shares held by each such member (as nearly as may be without involving fractions). For the avoidance of doubt all Employee Shares shall be subject to the provisions of Article 17.4.
- 18.2 The proportion of the Employee Shares (rounded to the nearest whole number) which shall so be subject to Article 17 shall be calculated in accordance with the following formula:

$$\text{Proportion of Employee Shares (\%)} = 30 - \left(\frac{30}{\text{Number of months in Vesting Period}} * \frac{\text{Number of complete months in Vesting Period elapsed as at the relevant Effective Termination Date}}{\text{Number of months in Vesting Period}} \right)$$

- 18.3 For the avoidance of doubt, if an Effective Termination Date falls after the expiry of the Vesting Period, then the proportion of the Employee Shares shall be 0%.

19 Mandatory Offer on a Change of Control

- 19.1 Except in the case of Permitted Transfers and transfers pursuant to Articles 16 (*Compulsory Transfers – general*) and 17 (*Departing employees*) or where the Shareholders have otherwise agreed that this Article 19 shall not apply, after going through the pre-emption procedure in Article 14 (*Transfers of Shares subject to pre-emption rights*), the provisions of Article 19.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Equity Shares (the **Proposed Transfer**) which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.
- 19.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the **Offer**) to the other Shareholders to acquire all of the Equity Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 19.7).
- 19.3 The Offer must be given by written notice (a **Proposed Sale Notice**) at least 10 Business Days (the **Offer Period**) prior to the proposed sale date (**Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser.

- 19.4 If any other holder of Equity Shares is not given the rights accorded him by this Article 19, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 19.5 If the Offer is accepted by any Shareholder (an **Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 19.6 The Proposed Transfer is subject to the pre-emption provisions of Article 14 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 14.
- 19.7 For the purpose of this Article:
- (a) the expression **Specified Price** shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:
 - (i) in the Proposed Transfer; or
 - (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Sum, as defined in Article 19.7(b), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the **Supplemental Consideration**) provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer and the purchase of the Accepting Shareholders' Shares is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of Article 6;
 - (b) **Relevant Sum** = $C \div A$

where: A = number of Equity Shares being sold in connection with the relevant Proposed Transfer;

 C = the Supplemental Consideration.

20 Co-Sale right

- 20.1 No transfer (other than a Permitted Transfer) of any of the Equity Shares by a Named Director or a Permitted Transferee of a Named Director may be made or validly registered unless the Proposed Seller and any Permitted Transferee of such Proposed Seller (each a **Selling Shareholder**) shall have observed the following procedures of this Article unless the Company (acting with Investor Consent) determined that this Article 20 shall not apply to such transfer.
- 20.2 After the Selling Shareholder has gone through the pre-emption process set out in Article 14 (*Transfers of Shares subject to pre-emption rights*), the Selling Shareholder shall give to each member of the Bank Group that holds Equity Shares (an **Equity Holder**) not less than 15 Business Days' notice in advance of the proposed sale (a **Co-Sale Notice**). The Co-Sale Notice shall specify:

- (a) the identity of the proposed purchaser (the **Buyer**);
- (b) the price per Share which the Buyer is proposing to pay;
- (c) the manner in which the consideration is to be paid;
- (d) the number of Equity Shares which the Selling Shareholder proposes to sell; and
- (e) the address where the counter-notice should be sent.

20.3 For the purposes of this Article 20, it is acknowledged that Shares of different classes will be transferable at different prices, such price per class of Share being a sum equal to that to which they would be entitled if the consideration payable by the Buyer to the Selling Shareholder were used to determine the valuation of the entire issued share capital of the Company and such valuation was then allocated as between the Shares in accordance with Article 6.

20.4 Each Equity Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Shareholder that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Equity Holder wishes to sell. The maximum number of shares which an Equity Holder can sell under this procedure shall be:

$$\left(\frac{X}{Y} \right) \times Z$$

where:

X is the number of Equity Shares held by the Equity Holder;

Y is the total number of Equity Shares (excluding Treasury Shares) held by the Equity Holders and the Selling Shareholder;

Z is the number of Equity Shares the Selling Shareholder proposes to sell.

Any Equity Holder who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no shares.

20.5 Following the expiry of five Business Days from the date the Equity Holders receive the Co-Sale Notice, the Selling Shareholder shall be entitled to sell to the Buyer on the terms notified to the Equity Holders a number of Equity Shares not exceeding the number specified in the Co-Sale Notice less any Equity Shares which Equity Holders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Equity Holders the number of Equity Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Shareholder from the Buyer.

20.6 No sale by the Selling Shareholder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice.

20.7 Sales made in accordance with this Article 20 shall not be subject to Article 14.

21 Drag-along

- 21.1 If the holders of at least 50.1 per cent of the Equity Shares (excluding any Leavers or G Ordinary Shares) (the **Selling Shareholders**) wish to transfer all their interest in Shares (the **Sellers' Shares**) to a Proposed Purchaser, the Selling Shareholders shall, with Investor Consent, have the option (the **Drag Along Option**) to compel each other holder of Shares (the **Called Shareholders**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the **Drag Purchaser**) in accordance with the provisions of this Article 21.
- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Company, which the Company shall forthwith copy to the Called Shareholders, at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:
- (a) the Called Shareholders are required to transfer all their Shares (the **Called Shares**) under this Article 21;
 - (b) the person to whom they are to be transferred;
 - (c) the consideration (whether in cash or otherwise) for which the Called Shares are to be transferred (calculated in accordance with this Article 21);
 - (d) the proposed date of transfer, and
 - (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the **Sale Agreement**),
- (and, in the case of paragraphs 21.2(b) to 21.2(d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.
- 21.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid, allotted or transferred by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 6 (the **Drag Consideration**).
- 21.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his Shares with a title warranty from the Called Shareholder which has the equivalent effect of the meaning of full title guarantee under English law (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and a title warranty which has the equivalent effect of

the meaning of full title guarantee under English law in respect of the Shares held by such Called Shareholder.

- 21.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the **Drag Completion Date**), each Called Shareholder shall deliver:
- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
 - (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
 - (c) duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,
- (together the **Drag Documents**).
- 21.7 On the Drag Completion Date, the Company shall pay or transfer to each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid, allotted or transferred such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. Following the Company's receipt of the Drag Consideration, but pending its payment or transfer to the Called Shareholder, the Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 21.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid, allotted or transferred the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 21 in respect of their Shares.
- 21.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 21 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid, allotted or transferred the Drag Consideration to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty (if any is required) has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- 21.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 14.
- 21.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the

same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

22 General meetings

- 22.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 22.2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50 per cent in nominal value of the Equity Shares (excluding Treasury Shares), any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 22.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.
- 22.4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 22.5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 22.6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 22.7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver proxy notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

23 Proxies

- 23.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: is signed by or on behalf of the shareholder appointing the proxy and accompanied by the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the Directors).

- 23.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:
- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
 - (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director; or
 - (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

24 Directors' borrowing powers

The Directors may, with Investor Consent where required, exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party.

25 Alternate Directors

- 25.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the **Appointor**) may appoint any director or any other person as he thinks fit to be his alternate director to:

- (a) exercise that Director's powers; and
- (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

The appointment of an alternate Director shall not require approval by a resolution of the Directors.

- 25.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

- 25.3 The notice must:

- (a) identify the proposed alternate; and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

25.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.

25.5 Except as these 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,

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.

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

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
- (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).

No alternate may be counted as more than one Director for such purposes.

25.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision).

25.8 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

25.9 An alternate Director's appointment as an alternate shall terminate:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate's Appointor's appointment as a Director terminates.

26 Number of Directors

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than two.

27 Appointment of Directors

- 27.1 For so long as the Lead Investor and/or its Permitted Transferees holds any Equity Shares (excluding Treasury Shares) the Lead Investor shall be entitled to nominate one person to act as a non-executive Director by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. The Lead Investor shall be entitled to remove its nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place. The Lead Investor will seek to consult with the Company regarding any proposed appointment.
- 27.2 An appointment or removal of a Director under Article 27.1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors of the Company.
- 27.3 The Bank Nominated NED shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking.
- 27.4 For so long as the Lead Investor and/or its Permitted Transferees holds any Equity Shares (excluding Treasury Shares) the Lead Investor shall be entitled to appoint one person to act as an observer to the Board, to the board of directors of any Subsidiary Undertaking and any committee of the Board or board of directors of any Subsidiary Undertaking established from time to time. The observer shall be entitled to attend and speak at all such meetings and table items for discussion and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting.
- 27.5 For so long as the A Ordinary Shares (as a class) represent at least 20% of the total voting rights in the Company from time to time the holders of A Ordinary Shares shall have the right to appoint and maintain in office such natural person as the holders of a majority of the A Ordinary Shares then in issue may from time to time nominate as a director of the Company and any Subsidiary (**A Share Director**) (and as a member of each and any committee of the Board) and to remove any director so appointed (including appointing any temporary alternate) and, upon his or her removal whether by a decision of the holders of a majority of the A Ordinary Shares then in issue or otherwise, to appoint another director in his or her place.
- 27.6 In respect of any actions or matters requiring or seeking the acceptance, approval, agreement, consent or words having similar effect of a Bank Nominated NED under these Articles, if at any time a Bank Nominated NED has not been appointed or a Bank Nominated NED declares in writing to the Company and the Investors that he considers that providing such consent gives rise or may give rise to a conflict of interest to his duties as a Director, such action or matter shall require Investor Consent.

28 Disqualification of Directors

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if:

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or

- (b) in the case of Directors other than the Bank Nominated NED or the A Share Director, if a majority of his co-Directors (including Bank Nominated NED Consent) serve notice on him in writing, removing him from office.

29 Proceedings of Directors

29.1 The quorum for Directors' meetings shall be:

29.1.1 the Bank Nominated NED if one has been appointed; plus

29.1.2 one additional Director that is not the Bank Nominated NED,

or (in each case) any of their alternate directors appointed in terms of Article 25 and save in each case where a Relevant Interest of either a Bank Nominated NED, or another Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Bank Nominated NED and any other interested Director (as applicable) (or their alternate) shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting.

29.2 If the quorum referred to in Article 29.1 is not present within half an hour from the time appointed for the meeting (the "**Original Meeting**"), or if during a meeting such quorum ceases to be present during the Original Meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting and the Bank Nominated NED, subject to such meeting being scheduled for a date that is no less than three days after the Original Meeting and no more than seven days after the Original Meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

29.3 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.

29.4 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.

29.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

29.6 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.

- 29.7 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 29.8 A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

30 Directors' interests

Specific interests of a Director

- 30.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
 - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
 - (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
 - (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
 - (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
 - (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
 - (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (h) any other interest authorised by ordinary resolution (with Investor Consent).

Interests of a Bank Nominated NED

30.2 In addition to the provisions of Article 30.1, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is a Bank Nominated NED he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:

- (a) an Investor;
- (b) a Fund Manager which advises or manages an Investor;
- (c) any of the funds advised or managed by a Fund Manager who advises or manages an Investor from time to time; or
- (d) another body corporate or firm in which an Investor or a Fund Manager who advises or manages an Investor or any fund advised or managed by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.

Interests of which a Director is not aware

30.3 For the purposes of this Article 30, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

Accountability of any benefit and validity of a contract

30.4 In any situation permitted by this Article 30 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

Terms and conditions of Board authorisation

30.5 Subject to Article 30.6, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director (**Interested Director**) who has proposed that the Directors authorise his interest (**Relevant Interest**) pursuant to that section may, for the avoidance of doubt:

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
 - (iii) restricting the application of the provisions in Articles 30.7 and 30.8, so far as is permitted by law, in respect of such Interested Director;

- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and
- (c) subject to Article 30.6, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 30.

Terms and conditions of Board authorisation for a Bank Nominated NED

- 30.6 Notwithstanding the other provisions of this Article 30, it shall not (save with the consent in writing of a Bank Nominated NED) be made a condition of any authorisation of a matter in relation to that Bank Nominated NED in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 30.8.

Director's duty of confidentiality to a person other than the Company

- 30.7 Subject to Article 30.8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 30), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
- (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

- 30.8 Where such duty of confidentiality arises out of 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, Article 30.7 shall apply only if the conflict arises out of a matter which falls within Article 30.1 or Article 30.2 or has been authorised under section 175(5)(a) of the Act.

Additional steps to be taken by a Director to manage a conflict of interest

- 30.9 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:

- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
- (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

Requirement of a Director is to declare an interest

30.10 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 30.1 or Article 30.2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:

- (a) falling under Article 30.1(g);
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

Shareholder approval

30.11 Subject to section 239 of the Act, the Company may by ordinary resolution (with Investor Consent) ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 30.

30.12 For the purposes of this Article 30:

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

31 Notices

31.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),
- (d) or partly by one of these means and partly by another of these means.

- (e) Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 31.

Notices in hard copy form

- 31.2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):
- (a) to the Company or any other company at its registered office; or
 - (b) to the address notified to or by the Company for that purpose; or
 - (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
 - (d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or
 - (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
 - (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company.
- 31.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:
- (a) if delivered, at the time of delivery;
 - (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

Notices in electronic form

- 31.4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:
- (a) if sent by email (provided that an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
 - (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 31.2; or
 - (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address as the Company may specify:
 - (i) on its website from time to time; or
 - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time.

- 31.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:
- (a) if sent by email (where an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
 - (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
 - (c) if delivered in an electronic form, at the time of delivery; and
 - (d) if sent by any other electronic means as referred to in Article 31.4(c), at the time such delivery is deemed to occur under the Act.

- 31.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

Notice by means of a website

- 31.7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.

General

- 31.8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the **Primary Holder**). Notice so given shall constitute notice to all the joint holders.
- 31.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).
- 31.10 Any request for consent from the Bank pursuant to these Articles shall also be sent by email to reporting@thebank.scot.
- 31.11 Where the recipient of any notice given or document sent or supplied to or by any person under these Articles is the Bank or any of its Permitted Transferees, a notice must be given or served simultaneously under both Articles 31.11(a) and 31.11(b) (and the deemed date of receipt of both shall be as stated in Article 31.5(a)):
- (a) in hard copy, either delivered by hand or sent by first class post to its registered office for the attention of 'Head of Investment Legal'; and
 - (b) by email to notices@thebank.scot,

or in each such case such other address as the Bank may notify to the Company from time to time for such purpose.

32 Indemnities and insurance

32.1 Subject to the provisions of and so far as may be permitted by, the Act:

- (a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no current or former Director or current or former director of any associated company is indemnified by the Company against:
 - (i) any liability incurred by the director to the Company or any associated company; or
 - (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
 - (iii) any liability incurred by the director:
 - (A) in defending any criminal proceedings in which he is convicted;
 - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
 - (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 32.1(a)(i), 32.1(a)(iii)(B) and 32.1(a)(iii)(C) applying;
- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such current or former Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

32.2 The Company shall (at the cost of the Company) effect and maintain for each current or former Director or current or former director of any associated company policies of insurance insuring each such director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law

may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

33 Data Protection

- 33.1 Each of the Shareholders and Directors consent to the processing of their personal data by the Company, the Shareholders and Directors (each a **Recipient**) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group (**Recipient Group Companies**) and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

34 Secretary

Subject to the provisions of the Act, 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.

35 Authority to capitalise and appropriation of capitalised sums

- 35.1 The Board may, if authorised to do so by an ordinary resolution (with Investor Consent):
- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
 - (b) appropriate any sum which they so decide to capitalise (a **Capitalised Sum**) to such Shareholders and in such proportions as the Board may in their absolute discretion deem appropriate (the **Shareholders Entitled**).
 - (c) Article 36 of the Model Articles shall not apply to the Company.
- 35.2 Capitalised Sums may be applied on behalf of such Shareholders and in such proportions as the Board may (in its absolute discretion) deem appropriate.
- 35.3 Any Capitalised Sum may be applied in paying up new Shares up to the nominal amount equal to the Capitalised Sum, which are then allotted credited as fully paid to the Shareholders Entitled or as they may direct.
- 35.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are allotted credited as fully paid to the Shareholders Entitled or as they may direct.

35.5 Subject to the Articles the Board may:

- (a) apply Capitalised Sums in accordance with Articles 35.3 and 35.4 partly in one way and partly another;
- (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article 35; and
- (c) authorise any person to enter into an agreement with the Company on behalf of all of the Shareholders Entitled which is binding on them in respect of the allotment of Shares or debentures under this Article 35.

36 Lead Investor Option

36.1 For so long as any member of the Bank Group is a holder of any Shares, the consent of the Lead Investor shall be required in respect of any amendment to or repeal of this Article 36 or, otherwise, to remove any appointment right the Lead Investor has.

36.2 The Company and the other shareholders acknowledge that the Lead Investor is a mission-led development investor and, in line with its mission statements, provides patient capital to build a stronger, fairer and more sustainable Scotland in line with the missions set for it from time to time (which can be found at <https://www.thebank.scot/about/our-missions>) (the **Missions**).

36.3 In recognition of the Missions, the Company, with the approval of its shareholders, grants to the Lead Investor the option contained in this Article 36 (the **Lead Investor Option**). If the Lead Investor determines (acting reasonably) that any of the following events has occurred without having been approved in writing by the Lead Investor (and, if capable of remedy, have not been remedied within 10 Business Days of receiving notice of such breach):

- (a) the Group has failed to maintain its headquarters, principal place of business, registered office and/or the majority of its executive management based in Scotland;
- (b) the Group has failed to keep its main business critical operations, and the majority of its assets and the majority of the Group's high-skilled jobs in Scotland;
- (c) the Group or a company in which the Company has a Minority Interest has commenced, expanded into, or changed its operations to include the development, manufacture, distribution or sale of armaments, weapons, munitions, platforms for weaponry such as tanks and combat aircraft or equipment used for the delivery of such items;
- (d) the Group or a company in which the Company has a Minority Interest has done something (including changing the nature of the Business) or omitted to do something which would mean that the Bank's investment in the Company and/or the Group would no longer be deemed by the Bank (acting reasonably) to be compliant with its Missions;
- (e) the Company or a Group Company has done something (including changing the nature of the Business) or omitted to do something which would mean that the Bank's investment in the Group would become an investment that would be deemed an Excluded Investment by the Bank (acting reasonably);

- (f) the Company is in breach of its obligations pursuant to Clause 8.5 of the Investment Agreement that directly results in the Bank not being able to fulfil its reporting obligations; and/or
- (g) the Company, a Group Company or a company in which the Company has a Minority Interest has done something or omitted to do something that results in, or could result in, material adverse damage to the reputation of the Bank or any member of the Bank Group,

then the Lead Investor may (in its absolute discretion) serve written notice on the Company triggering the Lead Investor Option to transfer all of the Shares held by it and/or its Permitted Transferees in accordance with this Article 36 (such notice being referred to as the **Lead Investor Option Notice**).

- 36.4 Upon receipt by the Company of a Lead Investor Option Notice the Company and the Lead Investor shall use reasonable endeavours to, within 5 Business Days of service of the Lead Investor Option Notice, agree the price at which the Lead Investor will transfer its Shares (and any Shares held by its Permitted Transferees) pursuant to the Lead Investor Option (the **Option Transfer Price**) or, failing agreement within that period, the Option Transfer Price shall be deemed to be the Fair Value of the Lead Investor's Shares as determined in accordance with Article 15.
- 36.5 Within 5 Business Days following agreement, or final determination of, the Option Transfer Price pursuant to Article 36.4 the Company shall confirm in writing to the Lead Investor the maximum number of the Lead Investor's Shares (and any Shares held by its Permitted Transferees) that the Company is permitted by the Act to purchase at such Option Transfer Price (the **Maximum Buyback Amount**), such Maximum Buyback Amount being calculated after taking into account the distribution by each other Group Company of all profits it has available for distribution to the Company in accordance with Article 36.8 below.
- 36.6 Within 30 Business Days of receipt of written confirmation pursuant to Article 36.5, the Lead Investor may (in its absolute discretion) serve written notice to the Company (the **Buyback Notice**) requiring the Company to purchase from the Lead Investor and its Permitted Transferees such number of its Shares as does not exceed the Maximum Buyback Amount at a price per share equal to the Option Transfer Price. If the Lead Investor fails to serve a Buyback Notice within such 30 Business Day period, it shall be deemed to have elected not to have any of its Shares purchased by the Company.
- 36.7 The Buyback Notice will confirm:
- (a) the number of Shares that the Company is required to purchase (which, if the number stated is in excess of the Maximum Buyback Amount, shall automatically be scaled back to the Maximum Buyback Amount) (the **Buyback Shares**); and
 - (b) the proposed date of completion of the purchase of the Buyback Shares from the Lead Investor and/or its Permitted Transferees, which may not be less than 5 days nor longer than 20 days from the date of such notice (the **Buyback Completion Date**),

and be accompanied with the original share certificate in respect of the Buyback Shares (or an indemnity in respect of a lost share certificate (in a form acceptable to the Company (acting reasonably))).

36.8 After the Buyback Notice has been served the Company and the Named Directors shall procure that, prior to the Buyback Completion Date, each other Group Company that has profits available for distribution shall declare and pay to the Company (in one or pursuant to a series of dividends) such dividends as the relevant Group member may lawfully declare and pay provided that:

- (a) the amount of any such dividend shall not result in the relevant Group Company having insufficient working capital for its then present requirements (in line with the then current business plan in place), that is for the period of 12 months following the date of payment of the relevant dividend; and
- (b) the obligation of the Company in this Article 36.8 shall cease if and when the Company has sufficient distributable reserves (together with any other means of lawfully financing the buyback in accordance with the Act) to lawfully purchase all of the Lead Investor's Shares (and any Shares held by its Permitted Transferees) on the Buyback Completion Date.

36.9 On the Buyback Completion Date:

- (a) the Company will purchase the Buyback Shares subject to complying with applicable requirements of the Act (and the parties hereby agree to vote in favour of any resolution required to approve such buyback); and
- (b) the Company will pay the aggregate consideration due in respect of such Buyback Shares to the Lead Investor.

Following the Buyback Completion Date, the Company will (if applicable) deliver to the Lead Investor and/or its Permitted Transferees (as applicable) a balancing share certificate in respect of any Shares still held by the Lead Investor and/or its Permitted Transferees.

36.10 If the Maximum Buyback Amount is less than the total number of Shares held by the Lead Investor and its Permitted Transferees as at the date of service of the Lead Investor Option Notice or if the Company is not able to purchase any Shares owned by the Lead Investor and its Permitted Transferees for whatever reason:

- (a) the Company will proceed with the purchase the Shares owned by the Lead Investor and its Permitted Transferees up to the Maximum Buyback Amount;
- (b) the Company and the Named Directors will use reasonable endeavours to assist the Lead Investor and its Permitted Transferees in identifying a purchaser, who is acceptable to the Lead Investor and the Company, for the balance of Shares held by the Lead Investor and its Permitted Transferees after the buyback has completed in respect of the Shares up to the Maximum Buyback Amount; and
- (c) at any time following the date falling 12 months after the date of the Lead Investor Option Notice the Lead Investor and its Permitted Transferees may sell all of their Shares to any person the Lead Investor chooses at its sole discretion.

36.11 The provisions of Articles 14 (*Transfer of Shares subject to pre-emption*), 19 (*Mandatory offer on change of control*) and 20 (*Co-sale rights*) of the New Articles shall not apply to any transfer of Shares pursuant to this Article 36.

- 36.12 The Lead Investor may at any time by notice in writing to the Company revoke its exercise of the Lead Investor Option (without prejudice to its right to exercise such Lead Investor Option again in the future).

37 Bank entrenched provisions

- 37.1 For so long as any member of the Bank Group is a holder of any Shares and to the extent permitted by law, any article giving any rights or benefit to the Bank or any member of the Bank Group shall be provisions of entrenchment within the meaning of section 22 of the Companies Act 2006 and the written consent of the Bank shall be required in respect of any amendment to or repeal of any such articles including, without limitation, the following articles:

- (a) the definition of 'Bank' and 'Bank Group';
- (b) the definition of 'Investor Consent' and any provision requiring Investor Consent;
- (c) any Articles affecting the rights of the Preferred Ordinary Shares;
- (d) any Articles relating to the Bank's rights in respect of the Bank Nominated NED and the Bank's right to appoint an Bank Nominated Observer;
- (e) Articles 7.4 to 7.7 (inclusive) (*Public Sector Entity limitations on voting rights*);
- (f) the definition of 'Permitted Transferees' and Article 13 (*Permitted Transfers*);
- (g) Article 36 (*Lead Investor Option*); and
- (h) this Article 37 (*Bank entrenched provisions*).