

Company number 02565953

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED (Company)

25 November 2016 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company (**Directors**) propose that Resolution 1 below be passed as a special resolution and Resolution 2 below be passed as an ordinary resolution (**Resolutions**)

1. **ADOPTION OF NEW ARTICLES**

**THAT**, the draft articles of association attached to this resolution be adopted as the articles of association of the Company (**Articles**) in substitution for, and to the exclusion of, the existing articles of association

2. **AUTHORITY TO ALLOT**

**THAT**, subject to the passing of Resolution 1, in accordance with section 551 of the Companies Act 2006, the Directors be and are generally and unconditionally authorised to exercise all of the powers of the Company to allot 11,200 G ordinary shares of £0.10 each in the capital of the Company having the rights and restrictions set out in the Articles, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary hereof

This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities

**AGREEMENT**

Please read the notes at the end of this document before signifying your agreement to the Resolutions above

The undersigned, persons entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agree to the Resolutions

Approved by the shareholders on 1 December 2016

*John M. Gurney*

1 *Company Secretary*

TUESDAY



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A28 20/12/2016 #93  
COMPANIES HOUSE

Company No. 02565953

**Articles of Association of New England Seafood International Limited**

**Incorporated on 6 December 1990**

**Adopted by written resolution on 1 December 2016**

Joelson JD LLP

30 Portland Place

London W1B 1LZ

N119.1.PBS

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**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

OF

**NEW ENGLAND SEAFOOD INTERNATIONAL LIMITED**

Adopted by written resolution passed on 1 December 2016

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**1. PRELIMINARY**

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company ("**Model Articles**") apply to the Company except in so far as they are excluded or varied by these Articles.

**2. INTERPRETATION**

- 2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

" <b>2006 Act</b> "	the Companies Act 2006 (as amended from time to time),
" <b>Allocation Notice</b> "	a notice issued by the Company to a Vendor and each Ordinary Shareholder who has applied for Transfer Shares offered for sale by the Company on behalf of the Vendor, confirming the amount of the Shares to be allocated to the relevant applicant Shareholder, for the purposes of Article 12;
" <b>appointor</b> "	any director of the Company, for the purposes of Article 10 1 1,

<b>"Articles"</b>	these Articles of Association as amended from time to time;
<b>"A Shares"</b>	the class A shares of £0 10 each in the capital of the Company;
<b>"A Share Entitlement"</b>	a sum equal to the aggregate nominal value of each of the A Shares held by an A Shareholder;
<b>"Auditors"</b>	the auditors of the Company from time to time,
<b>"Auditors' Valuation"</b>	<p>the Auditors' valuation of the gross value of the Company (including cash), less the sum of its then current borrowings, with the Company's borrowings (which shall be the Company's bank borrowings and hire purchase liabilities) and cash position adjusted to reflect a normalised position (with reference to the Company's financial year), which valuation shall be carried out on the basis:</p> <ul style="list-style-type: none"> <li>(i) of a sale of the issued share capital of the Company taking place, between a willing buyer and a willing seller on the date of the Auditor's Valuation;</li> <li>(ii) the Auditor's calculation of the maintainable earnings of the Company and their application of an appropriate multiplier to such earnings; and</li> <li>(iii) such other reasonable factors which the Auditors consider are appropriate, given the circumstances of the Auditor's Valuation;</li> </ul>
<b>"Bad Leaver"</b>	any Departing Employee Shareholder who is not a Good Leaver;
<b>"Board"</b>	the board of directors of the Company,
<b>"B Shares"</b>	class 'B' ordinary shares of £0 10 each in the capital of the Company,
<b>"Business Day"</b>	a day (other than a Saturday, Sunday or public holiday) when clearing banks in the

City of London are open for the transaction of normal banking business,

**"Called Shareholders"**

the holders of Shares other than the Drag Holding offered for sale by Drag Along Vendors, who will be required to sell their Shares pursuant to the Drag Along Vendor's exercise of the Drag Along Option,

**"Control"**

has the meaning given in section 1124 of the Corporation Tax Act 2010,

**"Controlling Interest"**

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

**"C Shares"**

class 'C' ordinary shares of £0.10 each in the capital of the Company,

**"Departing Employee Shareholder"**

an Employee Shareholder who ceases to be an employee of the Company or any company under the Control of the Company,

**"Disposal"**

the disposal by the Company of all, or a substantial part of, its business and assets,

**"Dividend Hurdle"**

earnings before interest, tax, depreciation and amortisation (as recorded in the Company's annual accounts) exceeding £4,000,000;

**"Drag Along Acquiror"**

a party wishing to acquire a Drag Holding from Drag Along Vendors for the purposes of Article 15;

**"Drag Along Consideration"**

the price payable by a Drag Along Acquiror in respect of its acquisition of the Ordinary Shares comprised in a Drag Holding;

**"Drag Along Notice"**

the notice in writing to be served by the Drag Along Vendors to the Called Shareholders, stating the number of

	Ordinary Shares comprised in the Drag Holding, the Drag Along Consideration and which shall also include all the other material terms attaching to the relevant transfer;
<b>"Drag Along Option"</b>	the option to require the Called Shareholders to transfer their shareholdings to the Drag Along Acquiror or as that Drag Along Acquiror directs on the same financial terms and conditions as those accepted by the Drag Along Vendors, subject to Article 15;
<b>"Drag Along Vendors"</b>	any Ordinary Shareholder or Ordinary Shareholders wishing to transfer Ordinary Shares representing a Drag Holding to a Drag Acquiror;
<b>"Drag Holding"</b>	Ordinary Shares representing not less than 75% of the Ordinary Shares in issue which are offered for sale by Drag Along Vendors,
<b>"D Shares"</b>	class 'D' ordinary shares of £0.40 each in the capital of the Company;
<b>"E Shares"</b>	class 'E' ordinary shares of £0.40 each in the capital of the Company;
<b>"electronic means"</b>	has the meaning given in section 1168 of the 2006 Act,
<b>"eligible directors"</b>	has the meaning given in Model Article 8(3),
<b>"Employee Shareholder"</b>	a holder of ESS Shares who is an employee of the Company or any company under the Control of the Company;
<b>"ESS Fair Value"</b>	shall be the price payable per ESS Share by the Company in relation to its acquisition of the ESS Shares of a Good Leaver in the circumstances referred to in Article 12.16 2;
<b>"ESS Implied Exit Proceeds"</b>	the valuation of the Company, as calculated pursuant to the formula set out in Article 15.11.1,
<b>"ESS Share"</b>	a B Share, C Share, D Share, E Share, F Share, G Share or H Share,
<b>"ESS Shareholder"</b>	a holder of an ESS Share,



	Ordinary Shares comprised in the Drag Holding, the Drag Along Consideration and which shall also include all the other material terms attaching to the relevant transfer,
<b>"Drag Along Option"</b>	the option to require the Called Shareholders to transfer their shareholdings to the Drag Along Acquiror or as that Drag Along Acquiror directs on the same financial terms and conditions as those accepted by the Drag Along Vendors, subject to Article 15;
<b>"Drag Along Vendors"</b>	any Ordinary Shareholder or Ordinary Shareholders wishing to transfer Ordinary Shares representing a Drag Holding to a Drag Acquiror,
<b>"Drag Holding"</b>	Ordinary Shares representing not less than 75% of the Ordinary Shares in issue which are offered for sale by Drag Along Vendors,
<b>"D Shares"</b>	class 'D' ordinary shares of £0 40 each in the capital of the Company;
<b>"E Shares"</b>	class 'E' ordinary shares of £0 40 each in the capital of the Company;
<b>"electronic means"</b>	has the meaning given in section 1168 of the 2006 Act;
<b>"eligible directors"</b>	has the meaning given in Model Article 8(3);
<b>"Employee Shareholder"</b>	a holder of ESS Shares who is an employee of the Company or any company under the Control of the Company;
<b>"ESS Fair Value"</b>	shall be the price payable per ESS Share by the Company in relation to its acquisition of the ESS Shares of a Good Leaver in the circumstances referred to in Article 12.16 2,
<b>"ESS Implied Exit Proceeds"</b>	the valuation of the Company, as calculated pursuant to the formula set out in Article 15.11.1,
<b>"ESS Share"</b>	a B Share, C Share, D Share, E Share, F Share, G Share or H Share;
<b>"ESS Shareholder"</b>	a holder of an ESS Share;

<b>"Exercise Notice"</b>	a written notice of intention to exercise the Tag Along Option, which may be served by a Remaining Shareholder under Article 15 8,
<b>"Exit"</b>	a Share Sale, a Disposal, a Return of Capital or a Listing,
<b>"Exit Proceeds"</b>	means the following, or in each case, a bona fide estimation of the same, as prepared by the Auditors: <ul style="list-style-type: none"> <li>(i) following a Share Sale or a Listing, the gross proceeds received or receivable by shareholders as a result of the relevant Share Sale or Listing;</li> <li>(ii) following a Disposal or Return of Capital, the Exit Value,</li> </ul> <p>provided that any non-cash consideration or deferred consideration shall be included in any calculation of the relevant Exit Proceeds, by the conversion of the same into cash equivalent in value on the day of the relevant transaction,</p>
<b>"Exit Value"</b>	the total sum which is capable of being paid out to shareholders of the Company following an Exit (which is not a Share Sale or a Listing), once all the Company's costs in respect of the relevant transaction have been paid and all the Company's then existing liabilities settled;
<b>"F Shares"</b>	class 'F' ordinary shares of £0.10 each in the capital of the Company;
<b>"First Proceeds"</b>	the first £12,000,000 of any Exit Proceeds,
<b>"G ESS Entitlement"</b>	a portion of the Maximum ESS Entitlement equal to the amount of ESS Shares held by the relevant ESS Shareholder divided by 89,800;
<b>"G Proceeds"</b>	the first £22,000,000 of any Exit Proceeds;
<b>"G Shares"</b>	class 'G' ordinary shares of £0.10 each in the capital of the Company;
<b>"G Share Hurdle"</b>	the sum of £25,000,000;

<b>"Good Leaver"</b>	a Departing Employee Shareholder who becomes a Departing Employee Shareholder by reason of death, or who is determined to be Good Leaver by the Board, at their sole discretion,
<b>"H ESS Entitlement"</b>	a portion of the Maximum ESS Entitlement equal to the amount of ESS Shares held by the relevant ESS Shareholder divided by 93,900;
<b>"H Proceeds"</b>	the first £32,000,000 of any Exit Proceeds;
<b>"H Shares"</b>	class 'H' ordinary shares of £0.10 each in the capital of the Company;
<b>"H Share Hurdle"</b>	the sum of £35,000,000,
<b>"Implied Exit Proceeds"</b>	the valuation of the Company, as calculated pursuant to the formula set out in Article 15.1.2.1,
<b>"Initial ESS Entitlement"</b>	a portion of the Maximum ESS Entitlement equal to the amount of ESS Shares held by the relevant ESS Shareholder divided by 89,800;
<b>"Initial ESS Share"</b>	a B Share, C Share, D Share, E Share or F Share;
<b>"Initial ESS Shareholder"</b>	a holder of an Initial ESS Share;
<b>"Initial Hurdle"</b>	the sum of £15,000,000,
<b>"Listing"</b>	the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc , or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),
<b>"Majority Shareholder"</b>	a shareholder or shareholders together holding a majority of the voting rights in the Company (within the meaning of section 1159(1) of and paragraph (2) of Schedule 6 to the 2006 Act);

<b>"Maximum ESS Entitlement"</b>	(i) the maximum amount of the Remaining Proceeds which shall be available to the ESS Shareholders, for the purposes of Article 16.1.3.2(a), Article 16.1.4.3(a) and Article 16.1.5.4(a); (ii) the maximum amount of the G Proceeds which shall be available to the ESS Shareholders, for the purposes of Article 16.1.4.2(a) and Article 16.1.5.2(a), and (iii) the maximum amount of the H Proceeds which shall be available to the ESS Shareholders, for the purposes of Article 16.1.5.3(a),
<b>"Proposed Exit"</b>	an Exit approved by the Directors but which has not yet taken place;
<b>"Ordinary Shares"</b>	the ordinary shares of £0.10 each in the capital of the Company;
<b>"Ordinary Shareholder"</b>	a holder of an Ordinary Share;
<b>"Ord Sale Tag Along Acquiror"</b>	a party wishing to acquire Ord Sale Tag Along Shares from an Ord Sale Tag Along Vendor;
<b>"Ord Sale Tag Along Consideration"</b>	the consideration which the Ord Sale Tag Along Acquiror has agreed to pay in respect of its acquisition of the Ord Sale Tag Along Shares;
<b>"Ord Sale Tag Along Option"</b>	the option exercisable by ESS Shareholders, pursuant to which an ESS Shareholder is entitled to require the Ord Sale Tag Along Vendor to procure a transfer of a percentage of that ESS Shareholder's holding of ESS Shares which is equal to the percentage of the Ord Sale Tag Along Vendor's total holding of Ordinary Shares being offered for sale to the Ord Sale Tag Along Acquiror, to the Ord Sale Tag Along Acquiror on terms and conditions not less favourable than those which were set out in the Ord Sale Tag Along Notice and at a value calculated in accordance with Article 15.11,
<b>"Ord Sale Tag Along Shares"</b>	any Ordinary Shares offered for sale by an Ord Sale Tag Along Vendor;

<b>"Ord Sale Tag Along Vendor"</b>	any Ordinary Shareholder who proposes to transfer any Ord Sale Tag Along Shares to any Ord Sale Tag Along Acquiror;
<b>"Ord Sale Tag Along Notice"</b>	the notice required to be served by an Ord Sale Tag Along Vendor under Article 15.11 to each of the ESS Shareholders, which shall specify the terms under which the Ord Sale Tag Along Vendor and the Ord Sale Tag Along Acquiror have agreed for the Ord Sale Tag Along Acquiror's acquisition of the Ord Sale Tag Along Shares (including the Ord Sale Tag Along Consideration);
<b>"Ord Sale Exercise Notice"</b>	a written notice of intention to exercise the Ord Sale Tag Along Option, which may be served by an ESS Shareholder under Article 15.12;
<b>"Redemption Notice"</b>	a notice served by an ESS Shareholder on the Company confirming the ESS Shareholder's intention that the Company purchases all the ESS Shares held by that ESS Shareholder in accordance with Article 14;
<b>"Remaining Proceeds"</b>	the remainder of any Exit Proceeds, following (i), in respect of Article 16.1.3.2, the deduction of the First Proceeds; (ii) in respect of Article 16.1.4.3, the deduction of the G Proceeds; and (iii) in respect of Article 16.1.5.3, the deduction of the H Proceeds;
<b>"Remaining Shareholders"</b>	the holders of Ordinary Shares other than a Tag Holding offered for sale by Tag Along Vendors, who will be entitled to exercise the Tag Along Option on the Tag Along Vendors serving a Tag Along Notice;
<b>"Return of Capital"</b>	a return of the Company's assets on a liquidation, capital reduction or otherwise (other than a conversion, redemption or purchase of Shares);
<b>"Shares"</b>	the Ordinary Shares, the A Shares and the ESS Shares and <b>"Share"</b> shall mean any one of them,
<b>"Share Sale"</b>	the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one

transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except in circumstances of the death of a shareholder and the subsequent transmission or other transfer of his shares to his personal representatives, family members or a family trust, or where the identities of the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale;

**"Statutes"**

the Companies Acts as defined in section 2 of the 2006 Act and every other statute, order, regulation or other subordinate legislation for the time being in force relating to companies and affecting the Company;

**"Tag Along Acquiror"**

a party wishing to buy a Tag Holding from Tag Along Vendors;

**"Tag Along Notice"**

the notice required to be served by Tag Along Vendors under Article 15.7 to each of the Remaining Shareholders, which shall specify the terms under which the Tag Along Vendors and the Tag Along Acquiror have agreed for the Tag Along Acquiror's acquisition of the Tag Holding;

**"Tag Along Option"**

the option to require the Tag Along Vendors to procure a transfer of the entire shareholding of such Remaining Shareholder(s) (other than any ESS Shares held by such Remaining Shareholder(s)) to the Tag Along Acquiror or some other party for a consideration and on terms and conditions not less favourable than those set out in the Tag Along Notice,

**"Tag Along Vendors"**

An Ordinary Shareholder or Ordinary Shareholders wishing to transfer a Tag Holding;

<b>"Tag Holding"</b>	Ordinary Shares representing not less than 50% of the Ordinary Shares in issue which are offered for sale to any person by Tag Along Vendors;
<b>"Termination Date"</b>	The date on which the Employee Shareholder's employment with the Company or any company under the Control of the Company terminates,
<b>"Transfer Notice"</b>	a notice to be given by a Vendor to the Company in accordance with Article 12.6, notifying the Company of that Vendor's wish to sell Shares;
<b>"Transfer Shares"</b>	the Shares set out in a Transfer Notice as Shares that a Vendor wishes to sell,
<b>"United Kingdom"</b>	Great Britain and Northern Ireland, and
<b>"Vendor"</b>	a holder of Shares in the Company who desires to transfer any Share or Shares other than ESS Shares.

- 2.2 Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Statutes but excluding any statutory modification of the same not in force when these Articles become binding on the Company.
- 2.3 References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision

### **3. UNANIMOUS DECISIONS OF DIRECTORS**

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 Model Article 8(2) shall not apply to the Company

### **4. NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be the subject to any maximum but shall not be less than one. Whenever the minimum number of the Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions expressed by these Articles to be vested in the Directors generally, and Model Article 11 shall be modified accordingly.

### **5. PARTICIPATION IN DIRECTORS' MEETINGS**

- 5.1 Model Article 9(2)(c) shall be amended by the insertion of the word "simultaneously" after the words "how it is proposed that they should" and before the words "communicate with each other during the meeting"

## **6. QUORUM FOR DIRECTORS' MEETINGS**

The following shall be added as paragraph (4) to Model Article 11

"(4) If, as a consequence of section 175(6) of the 2006 Act, a director cannot vote or be counted in the quorum at a directors' meeting then the following shall apply.-

- (a) if the eligible directors participating in the meeting do not constitute a quorum then the quorum for the purposes of the meeting shall be reduced by one for each director who cannot vote or be counted in the quorum, and
- (b) if despite sub-paragraph (a) the eligible directors participating in the meeting still do not constitute a quorum or there are no eligible directors then the meeting must be adjourned to enable the shareholders to authorise any situation in which a director has a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company "

## **7. DIRECTORS' INTERESTS**

- 7.1 Subject to these Articles and the 2006 Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director.

7.1 1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,

7 1 2 may hold any other office or employment with the Company (other than the office of auditor),

7.1.3 may be a director or other officer of, or employed by, or be a party to any transaction or arrangement with or otherwise interested in any body corporate in which the Company is in any way interested,

7 1.4 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested (other than as auditor),

7 1 5 shall not be accountable to the Company for any benefit which he receives or profits made as a result of anything permitted by Articles 7.1 1 to 7 1 4 and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit

- 7.2 Except for a vote under section 175(4) of the 2006 Act authorising any conflict of interest which a director or any other interested director may have or where the terms of authorisation of such conflict provide that a director may not vote in situations prescribed by the directors when granting such authorisation, a director will be entitled to participate in the decision making process for voting



- and quorum purposes on any of the matters referred to in Articles 7.1 1 to 7 1 4 and in any of the circumstances set out in Model Articles 14(3) and 14(4).
- 7 3 For the purposes of these Articles references to decision making process includes any directors' meeting or part of a directors meeting
- 7.4 For the purposes of Article 7 1:
- 7 4 1 a general notice given in accordance with the 2006 Act is to be treated as a sufficient declaration of interest,
- 7 4 2 a director is not required to declare an interest either where he is not aware of such interest or is not aware of the transaction or arrangement in question, and
- 7 4 3 an interest of a director who appoints an alternate director shall be treated as an interest of the alternate director.
- 7.5 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company.

## **8. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 8 1 In addition to the powers granted by Model Article 17(1), the Majority Shareholder may at any time, and from time to time, appoint any person to be a director, either as an additional director or to fill a vacancy and may remove from office any director however appointed. Any such appointment or removal shall be effected by notice in writing to the Company signed by the Majority Shareholder or, if the Majority Shareholder is a body corporate, signed by one of its directors or duly authorised officers or by its duly authorised attorney
- 8 2 In addition to the circumstances set out in Model Article 18 (a) to (f) (inclusive) person ceases to be a director as soon as that person is removed from office as a director pursuant to Article 8.1.

## **9. DIRECTORS' PENSIONS AND GRATUITIES**

In addition to the provisions of Model Article 19(3)(b), the directors may exercise all the powers of the Company to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for present or former directors or employees (or their dependants) of the Company or any subsidiary undertaking (as defined in section 1162 of the 2006 Act) or associated undertaking (as defined in section 497(4) of the 2006 Act) of the Company and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

## **10. ALTERNATE DIRECTORS**

### **10 1 Appointment and removal of alternates**

- 10.1.1 Any appointor may appoint as an alternate any other director, or any other person approved by the directors, to
- 10.1.1.1 exercise that director's powers, and
- 10.1 1 2 carry out that director's responsibilities, in relation to participation in directors' meetings and the taking of

decisions by the directors in the absence of the alternate's appointor

10 1.2 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

10 1 3 The notice must -

10.1.3.1 identify the proposed alternate, and

10 1 3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

## **10.2 Rights and responsibilities of alternate directors**

10.2 1 An alternate director has the same rights, in relation to participation in directors' meetings and the taking of decisions by the directors and in relation to directors' written resolutions, as the alternate's appointor.

10 2 2 An alternate director may act as an alternate director for more than one appointor.

10.2 3 Except as these Articles specify otherwise, alternate directors:

10 2 3 1 are deemed for all purposes to be directors,

10 2 3 2 are liable for their own acts and omissions;

10 2.3.3 are subject to the same restrictions as their appointors, and

10 2 3 4 are not deemed to be agents of or for their appointors

and, 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

10 2 4 A person who is an alternate director but not a director -

10.2.4 1 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

10.2.4 2 may participate in a unanimous decision of the directors (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.

10.2.5 A director who is also an alternate director is entitled, in his absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not

count as more than one director for the purposes of determining whether a quorum is present

10.2 6 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.

### **10 3 Termination of alternate directorship**

10.3.1 An alternate director's appointment as alternate terminates:-

10 3.1.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

10.3.1.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director.

10 3 1 3 on the death of the alternate's appointor, or

10.3 1 4 when the alternate's appointor's appointment as a director terminates

## **11. ALTERNATE DIRECTORS' EXPENSES**

Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".

## **12. SHARES**

12 1 The Ordinary Shares, the A Shares and each class of the ESS Shares shall constitute separate classes of Shares for the purpose of these Articles and the 2006 Act. Except as otherwise provided in these Articles, the Ordinary Shares, the ESS Shares and the A Shares rank equally in all respects.

12 2 The A Shares shall not entitle its holder(s) to any dividend or any other right to participate in the profit of the Company. The Initial ESS Shares shall not entitle Initial ESS Shareholders to receive dividends in respect of their holdings of Initial ESS Shares until the Company has in any financial year achieved earnings equal to or in excess of the Dividend Hurdle. Once the Dividend Hurdle has been achieved in any one financial year, then the Company shall be entitled to pay dividends to Initial ESS Shareholders in respect of their Initial ESS Shares in that year and any subsequent financial year, if the directors consider the Company has sufficient distributable profits and then only entirely at the sole discretion of the directors. No G Share nor H Share shall entitle its holder to any dividend or any other right to participate in the profit of the Company until the date which falls on the third anniversary of the date on which the relevant G Share or H Share was issued and allotted

(“**Dividend Date**”) Once the Dividend Date has passed in respect of a G Share or H Share, then the Company shall be entitled to pay dividends to the holders of such G Shares and H Shares in respect of their holdings of such G Shares and H Shares in that year and any subsequent financial year, if the directors consider the Company has sufficient distributable profits and then only entirely at the sole discretion of the directors

- 12.3 Subject to any other provisions in these Articles concerning voting rights, each ESS Share shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company. The voting rights attached to the ESS Shares, in respect of a poll vote or otherwise, shall be as follows

<b>Class of ESS Share</b>	<b>Votes per ESS Share</b>
B Share	0.218181818
C Share	0.722197
D Share	2.916667
E Share	3 5000011
F Share	0 0625
G Share	0 036713287
H Share	0 036713287

- 12.4 For the purposes of this Article, where any person is unconditionally entitled to be registered as the holder of a Share he and not the registered holder of such Share shall be deemed to be a member of the Company in respect of that Share
- 12.5 No Share other than an ESS Share shall be transferred, save in accordance with the provisions of this Article, Article 14, Article 15 or Article 16 No ESS Share shall be transferred or otherwise disposed of by an ESS Shareholder other than in the manner set out in Article 12.14, Article 12.15, Article 12.16, Article 15 or Article 16 without the prior written approval of the directors If the directors approve any transfer of an ESS Share, such transfer shall be carried out in such manner and on such terms as the directors may reasonably require. In accordance with section 567(1) of the 2006 Act, sections 561 and 562 of the 2006 Act shall not apply to an allotment of ESS Shares made by the Company and in no circumstances shall any ESS Shareholder have any rights of pre-emption in respect of any issue of any Shares, whether pursuant to statute or otherwise. No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint

election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

- 12.6 Every Vendor shall give to the Company a Transfer Notice and shall at the same time deposit with the Company the share certificate(s) in respect of such Share or Shares. Subject as hereinafter mentioned, a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the Transfer Shares in one or more lots at the discretion of the Directors to Ordinary Shareholders other than the Vendor at (a) a price equal to the nominal value of the Shares if the Transfer Shares are A Shares, or (b) if the Transfer Shares are Ordinary Shares at a price to be agreed upon by the Vendor and the Directors, or, in case of no agreement, for the consideration the Vendor would have been entitled to pursuant to clause 16 if there had been a Share Sale on the date the Vendor served his or her Transfer Notice, involving the sale of the entire issued share capital of the Company for a consideration equal to the Auditor's Valuation, as at the relevant date;
- 12.7 If the Auditors are asked to certify the fair value of the Ordinary Shares which are Transfer Shares as aforesaid, the Company shall, as soon as it receives the Auditors' certificate, furnish a certified copy thereof to the Vendor and the Vendor shall be entitled, by notice in writing given to the Company within ten days of the service upon him of the certified copy, to cancel the Company's authority to sell the said Transfer Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case the cost shall be borne by the Vendor.
- 12.8 Upon the price being fixed as aforesaid and provided the Vendor shall not have given notice of cancellation as aforesaid the Company shall forthwith by notice in writing inform each Ordinary Shareholder other than the Vendor of the number and price of the Transfer Shares and invite each such Ordinary Shareholder to apply in writing to the Company within twenty-one days of the date of despatch of the notice (which date shall be specified therein) for such maximum number of the transfer shares (being all or any thereof) as he shall specify in such application
- 12.9 A Transfer Notice may stipulate that unless all the Transfer Shares specified therein are applied for pursuant to Article 12.8 of this Article none shall be sold, and if the Transfer Notice does so provide, and if some of the Transfer Shares are not so applied for, the Directors shall on expiration of the said period of twenty-one days return the share certificate in respect of the Transfer Shares to the Vendor and advise the Ordinary Shareholders who had made application therefor
- 12.10 Subject to the provisions of Article 12.9 of this Article if the said Ordinary Shareholders shall within the said period of twenty-one days apply for all or any of the said Transfer Shares, the directors shall allocate the said Transfer Shares (or so many of them as shall be applied for as aforesaid) to or amongst the applicants and in case of competition pro rata (as nearly as possible) according to the number of Ordinary Shares in the Company of which the

applicants are registered or unconditionally entitled to be registered as holders, provided that no applicant shall be obliged to take more than the maximum number of Transfer Shares specified by him as aforesaid; and the Company shall forthwith give Allocation Notices to the Vendor and to the persons to whom the Transfer Shares have been allocated and shall specify in such notice the place and time (being not earlier than fourteen and not later than twenty-eight days after the date of the notice) at which the sale of the Shares so allocated shall be completed.

- 12.11 The Vendor shall be bound to transfer the Transfer Shares comprised in an Allocation Notice to the purchaser named therein at the time and place therein specified; and if he shall fail to do so, the Chairman of the Company or some other person appointed by the directors shall be deemed to have been appointed attorney of the Vendor with full power to execute, complete and deliver, in the name and on behalf of the Vendor, transfers of the relevant Transfer Shares to the purchasers thereof against payment of the price to the Company. On payment of the price to the Company, the purchaser shall be deemed to have obtained a good receipt for such payment and on execution and delivery of the transfer the purchaser shall be entitled to insist upon his name being entered in the register of members as the holder by transfer of the Transfer Shares. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price in trust for the Vendor.
- 12.12 During the six months following the expiry of the said period of twenty-one days referred to in Article 12.9, the Vendor shall be at liberty to transfer to any persons and at any price (not being less than the price fixed under Article 12.7) any Transfer Share not allocated by the Directors in an Allocation Notice, provided that, if the Vendor stipulated in his Transfer Notice that unless all the Transfer Shares were applied for pursuant to Article 12.6 none should be sold, the Vendor shall not be entitled to sell hereunder a lesser number of Transfer Shares than the number specified in his Transfer Notice
- 12.13 With the consent in writing of all the Ordinary Shareholders for the time being the preceding provisions of this Article may be waived in whole or in part in any particular case.
- 12.14 Subject to the provisions of Article 12.18, any Ordinary Share belonging to a shareholder or any ESS Share of a Good Leaver may be transferred by a member to or for the benefit of the spouse, child or remoter issue or parent, brother or sister of that member, and any Ordinary Share or ESS Share of a deceased member may be transferred by his personal representatives to or for the benefit of any widow, widower, child or remoter issue or parent, brother or sister of such deceased member, and Ordinary Shares or ESS Shares standing in the names of the representatives of any deceased member may be transferred upon any change of the said representatives to the representatives for the time being of such deceased member, and the rights of pre-emption

hereinbefore conferred in this Article shall not arise on the occasion of any such transfer.

12.15 A person entitled to an A Share or an ESS Share in consequence of the bankruptcy (or equivalent procedure in any jurisdiction outside England and Wales) of a holder of A Shares or ESS Shares shall be deemed to have:

12.15.1 given a Transfer Notice in respect of any such A Share at such time as the directors may determine; and

12.15.2 agreed to sell such ESS Share to the Company at its nominal value immediately upon becoming entitled to the same. The Company to that effect shall be entitled to complete the purchase of such as ESS Share at such time as it may decide by paying the relevant ESS Shareholder the applicable price in respect of its acquisition of that party's ESS Share in cash and the relevant ESS Shareholder shall provide to the Company a completed and executed stock transfer form in respect of the transfer and any share certificate in its possession in respect of the relevant ESS Share (or a suitable indemnity for any lost share certificate) immediately upon receipt of the purchase price paid by the Company in accordance with this Article. If the relevant ESS Shareholder does not co-operate with the Company in respect of the completion of the sale of the relevant ESS Share in accordance with this Article 12.15.2, Article 12.11 shall apply mutatis mutandis.

12.16 If an Employee Shareholder becomes a Departing Employee Shareholder, unless the Board otherwise direct in writing prior to or within 20 days after the Termination Date.

12.16.1 if the Departing Employee Shareholder is a Bad Leaver, the Company shall be entitled to purchase or procure the purchase by a third party nominated by the Board of the Departing Employee Shareholder's ESS Shares at a price of £0.01 per share, on it notifying the relevant Departing Employee Shareholder of its intention to do so, and

12.16.2 if the Departing Employee Shareholder is a Good Leaver, the Company shall be entitled to purchase or procure the purchase by a third party nominated by the Board of the ESS Shares held by the relevant Departing Employee Shareholder for a price equal to;

12.16.2.1 the ESS Fair Value per ESS Share, if the Departing Employee Shareholder has died; or

12.16.2.2 in all other circumstances, the ESS Fair Value per Share as adjusted by the Board in their sole discretion to reflect the circumstances prevailing at the time the Company serves notice of its intention to complete the acquisition of the relevant Good Leaver's ESS Shares,

by serving written notice of its intention to complete such acquisition within 18 months of the relevant Departing Employee Shareholder's Termination Date (which notice shall also include the Auditors calculation of the relevant ESS Fair Value and any adjustment thereto applied by the Board in the circumstances referred to in clause 12.16.2 (if applicable)).

12.17 The relevant Departing Employee Shareholder shall be obliged to sell and the Company shall be obliged to purchase the relevant ESS Shares to be acquired by the Company under Articles 12.16.1 or 12.16.2

12.17.1 in the case of ESS Shares to be purchased under Article 12.16.1, within 60 Business Days of the relevant Departing Employee Shareholder's Termination Date, and

12.17.2 in the case of ESS Shares to be purchased under Article 12.16.2, within 60 Business days of the date upon which the relevant Departing Employee Shareholder receives or is deemed to have received its notice served in accordance with Article 12.16.2,

and on the completion of such transfer, the Departing Employee Shareholder shall provide to the Company a completed and executed stock transfer form in respect of the sale of the relevant ESS Shares and applicable share certificates (or a suitable indemnity for any lost share certificate) in exchange for the Company's payment of the consideration due. If the relevant ESS Shareholder does not co-operate with the Company in respect of the completion of the sale of the relevant ESS Share in accordance with this Article 12.17.2, Article 12.11 shall apply mutatis mutandis.

12.18 The Directors may (subject to the provisions of Article 14 below, when applicable) in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any Share, whether or not it is a fully paid. Model Article 26(5) shall be amended accordingly

### **13. CONSEQUENCES OF COMPULSORY TRANSFERS**

13.1 Forthwith upon:

13.1.1 the Company notifying a Departing Employee Shareholder who is a Bad Leaver of its intention to purchase his or her ESS Shares in accordance with Article 12.16.1; or

13.1.2 the Company notifying a Departing Employee Shareholder (or his personal representatives or transmitters) who is a Good Leaver of its wish to purchase his or her ESS Shares in accordance with clause 12.16.2,

the relevant ESS Shares shall cease to confer on the holder of them any rights:

13.1.3 to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,



13.1.4 to receive dividends or other distributions otherwise attaching to those Shares; or

13.1.5 to participate in any future issue of Shares issued in respect of those Shares.

The directors may at their sole discretion resolve to reinstate the rights referred to in this Article 13 at any time.

#### **14. REDEMPTION OF ESS SHARES AND TRANSMITTEES BOUND BY PRIOR NOTICES**

14.1 Any ESS Shareholder shall be entitled to require that the Company purchases the ESS Shares held by him or her, by serving a Redemption Notice prior to the expiry of the 90 days following the issue of the relevant ESS Shares to the relevant ESS Shareholder. Subject always to the Company having sufficient profits in order to complete the relevant transaction, the Company shall complete its purchase of the relevant ESS Shares within 10 Business Days of its receipt of the ESS Shareholder's Redemption Notice, by paying the relevant ESS Shareholder in cash the relevant consideration, which shall be calculated, save in respect of the G Shares and H Shares, by multiplying the value in column 2 of the table below by the amount of each of the relevant class of ESS Shares held by the relevant ESS Shareholder, and the relevant ESS Shareholder shall return to the Company any relevant share certificates held by him in respect of the ESS Shares sold by him to the Company. The relevant consideration payable to any ESS Shareholder holding G Shares or H Shares shall be the sum of £2,250 for all the G Shares or H Shares held by such ESS Shareholder.

<b>Class of ESS Share</b>	<b>Consideration due in respect of each ESS Share to be purchased.</b>
B Share	£0.13
C Share	£0.16
D Share	£0.17
E Share	£0.20
F Share	£1.22

14.2 Model Article 29 shall be amended by the insertion of the words ", or the name of any person nominated under Model Article 27(2)," after the words "the transmittee's name"

#### **15. DRAG ALONG AND TAG ALONG RIGHTS**

## Drag Along Rights

15.1 If at any time any Drag Along Vendors wish (and are permitted by these Articles of Association) to transfer a Drag Holding to a Drag Along Acquiror then, provided all the conditions in Article 15 2 below are met, the Drag Along Vendors shall be entitled to exercise the Drag Along Option save that:

15.1 1 in respect of any A Shares held by the Called Shareholders, the applicable price payable for any A Share shall be its normal value; and

15.1 2 the applicable price payable for each ESS Share shall be as follows:

15.1.2.1 the formula set out below will be applied to calculate the Implied Exit Proceeds:

$$\text{Implied Exit Proceeds} = \text{Ordinary Share Value} + (\text{Ordinary Share Value} \times \text{ESS}\%V)$$

Where:

**Ordinary Share Value** = DC/PS;

**DC** = Drag Along Consideration;

**ESS%V** = The value of the ESS Shares in issue, as a percentage of the Ordinary Share Value, as set out in the table below, expressed as a number (by way of example, if the ESS%V is 20%, the ESS%V for the purposes of this formula will be 0.20),

### ESS%V Calculation Table

Range of achieved Ordinary Share Value		ESS%V
From (£)	To (£)	
0	14,400,000	nil
14,400,000	17,600,000	4.16667% rising to 13.63636%
17,600,000	19,800,000	13.63636% rising to 26.26263%

19,800,000	22,800,000	26.26263% rising to 31.57895%
22,800,000	26,260,000	31.57895% rising to 33.28256%
26,260,000	29,920,000	33.28256% rising to 33.68984%
29,920,000	33,780,000	33.68984% falling to 33.21492%
33,780,000	37,080,000	33.21492% rising to 34.84358%
37,080,000	70,080,000	34.84358% rising to 42.69406%
70,080,000		42.69406%

Where in the table above, the ESS%V is referred to as rising or falling with the range of Ordinary Share Value referred to, it shall rise or fall on a straight line basis.

**PS** = The percentage of the total number of Ordinary Shares in issue comprised in the Drag Holding, expressed as a number (by way of example, if the number of Ordinary Shares in the Drag Holding represent 80% of the total number of issued Ordinary Shares, PS will be 0.80); and

15.1.2.2 if the Implied Exit Proceeds are

- (a) less than the Initial Hurdle, the price per ESS Share to be paid to the Called Shareholders who are ESS Shareholders for each ESS Share held by them shall be 0.01p per ESS Share;
- (b) equal to or more than the Initial Hurdle but less than the G Share Hurdle, the price per Initial ESS Share to be paid to the Called Shareholders who are Initial

ESS Shareholders shall be the sum which such Initial ESS Shareholders would have been entitled to in respect of each Initial ESS Share held by them if an Exit had taken place on the date of the Drag Along Notice (as defined below) served by the Drag Along Vendors and the relevant Exit Proceeds was the same value as the Implied Exit Proceeds and the price per G Share and per H Share to be paid to the Called Shareholders who are holders of G Shares or H Shares for each such G Share and/or H Share held by them shall be 0.01p per G Share or H Share;

- (c) equal to or more than the G Share Hurdle but less than the H Share Hurdle, the price per ESS Share other than the H Shares to be paid to the Called Shareholders who are ESS Shareholders shall be the sum which such ESS Shareholders other than the holders of H Shares would have been entitled to in respect of each ESS Share other than H Shares held by them if an Exit had taken place on the date of the Drag Along Notice (as defined below) served by the Drag Along Vendors and the relevant Exit Proceeds was the same value as the Implied Exit Proceeds and the price per H Share to be paid to the Called Shareholders who are holders of H Shares for each such H Share held by them shall be 0.01p per H Share,
- (d) equal to or more than the H Share Hurdle, the price per ESS Share to be paid to the Called Shareholders who are ESS Shareholders shall be the sum which such ESS Shareholders would have been entitled to in respect of each ESS Share held by them if an Exit had taken place on the date of the Drag Along Notice (as defined below) served by the Drag Along Vendors and the relevant Exit Proceeds was the same value as the Implied Exit Proceeds.

15.2 The conditions mentioned in 15.1 above are that:-

- 15.2.1 the Drag Along Acquiror is not an existing shareholder or connected with any existing shareholder,
- 15.2.2 the terms of the transfers of Shares to the Drag Along Acquiror are at arms' length and financially the same for all shareholders (subject to Article 15.1), and

- 15.2.3 within 14 days of the Drag Along Vendors agreeing to sell their Shares, a Drag Along Notice is delivered to the Company and to each Called Shareholder.
- 15.3 Within 10 Business Days of the Drag Along Vendors serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 10 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Drag Along Acquiror, the amounts they are due pursuant to Article 15.1 to the extent that the Drag Along Acquiror has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Drag Along Acquiror. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 15.1 in trust for the Called Shareholders without any obligation to pay interest.
- 15.4 To the extent that the Drag Along Acquiror has not, on the expiration of the 10 Business Day period referred to in Article 15.3, put the Company in funds to pay the consideration due pursuant to Article 15.1, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Shares held by him and the Called Shareholders shall have no further rights or obligations under this Article 15 in respect of their Shares.
- 15.5 If any Called Shareholder does not, on completion of the sale of his Shares which are the subject of a Drag Along Notice, execute transfer(s) in respect of all of such shares, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Drag Along Vendors to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the relevant Shares held by the defaulting Called Shareholder, deliver such transfer(s) to the Drag Along Acquiror (or as they may direct) as the holder thereof. After the Drag Along Acquiror (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this Article 15.
- 15.6 A Drag Along Notice once given is irrevocable but both the notice and all the obligations under the Drag Along Notice will lapse after the expiry of six calendar months from issue if the Drag Along Vendors do not complete the transfer of the Drag Holding to the Drag Along Acquiror.

### **Tag Along Rights**

- 15.7 If at any time Tag Along Vendors propose to transfer a Tag Holding to a Tag Along Acquiror then such Tag Along Vendors shall serve a Tag Along Notice on the Remaining Shareholders. Any Remaining Shareholder shall then be entitled to exercise the Tag Along Option subject to this Article 15 save that in respect

of any A Shares held by a Remaining Shareholder, the price for such A Share shall be its nominal value. Subject to this Article 15.7, if different Tag Along Vendors have accepted different terms then the Tag Along Option shall relate to the most favourable of those terms.

- 15.8 If any Remaining Shareholders wish to exercise their Tag Along Option, they shall serve an Exercise Notice on the Tag Along Vendors within 10 Business Days of the date of their receipt of the Tag Along Vendor's Tag Along Notice. If any Remaining Shareholders serve an Exercise Notice in accordance with this Article 15.8, the completion of the sale of the Shares offered for sale by the Tag Along Vendor shall be conditional upon the completion of the sale and purchase of all the Shares (other than ESS Shares) held by the Remaining Shareholders who have served an Exercise Notice in accordance with this Article 15.8.
- 15.9 The Exercise Notice once given is irrevocable but the Exercise Notice will lapse after the expiry of six calendar months from issue if the Tag Along Vendor does not complete the transfer of the relevant holding of Shares offered for sale to the Tag Along Acquiror.
- 15.10 The Directors shall register a transfer of shares made in compliance with the provisions of this Article 15. Model Article 26(5) shall be amended accordingly. Articles 12.2 to 12.9 shall not apply to transfers of Shares pursuant to this Article 15.
- 15.11 If at any time any Ord Sale Tag Along Vendor proposes to transfer any Ord Sale Tag Along Shares to any Ord Sale Tag Along Acquiror, he or she shall serve an Ord Sale Tag Along Notice on the ESS Shareholders and the Company. Any ESS Shareholder shall then be entitled to exercise the Ord Sale Tag Along Option subject to this Article 15, save that the price for each ESS Share held shall be calculated as follows.

- 15.11.1 The formula set out below will be applied to calculate the ESS Implied Exit Proceeds:

$$\text{ESS Implied Exit Proceeds} = \text{Ordinary Share Value} + (\text{Ordinary Share Value} \times \text{ESS}\%V)$$

Where:

$$\text{Ordinary Share Value} = \text{TC/PS};$$

**ESS%V** = The value of the ESS Shares in issue, as a percentage of the Ordinary Share Value, as set out in the table below, expressed as a number (by way of example, if the ESS%V is 20%, the ESS%V for the purposes of this formula will be 0.20);;

#### **ESS%V Calculation Table**

Range of achieved Ordinary Share Value		ESS%V
From (£)	To (£)	From
0	14,400,000	nil
14,400,000	17,600,000	4.16667% rising to 13.63636%
17,600,000	19,800,000	13.63636% rising to 26.26263%
19,800,000	22,800,000	26.26263% rising to 31.57895%
22,800,000	26,260,000	31.57895% rising to 33.28256%
26,260,000	29,920,000	33.28256% rising to 33.68984%
29,920,000	33,780,000	33.68984% falling to 33.21492%
33,780,000	37,080,000	33.21492% rising to 34.84358%
37,080,000	70,080,000	34.84358% rising to 42.69406%
70,080,000		42.69406%

Where in the table above, the ESS%V is referred to as rising or falling with the range of Ordinary Share Value referred to, it shall rise or fall on a straight line basis.

**PS** = The percentage of the total number of Ordinary Shares in issue comprised in the Tag Holding, expressed as a number (by way of example, if the number of Ordinary Shares in the Tag Holding represent 80% of the total number of issued Ordinary Shares, PS will be 0.80),

**TC** = Ord Sale Tag Along Consideration; and

15.11 2 if the ESS Implied Exit Proceeds is:

- 15.11 2.1 less than the Initial Hurdle, the price per ESS Share to be paid to the ESS Shareholders shall be £0 01 per ESS Share;
- 15.11.2.2 equal to or more than the Initial Hurdle but less than the G Share Hurdle, the price per Initial ESS Share to be paid shall be the sum which an Initial ESS Shareholder would have been entitled to in respect of each Initial ESS Share if an Exit had taken place on the date of the Ord Sale Tag Along Notice served by the Ord Sale Tag Along Vendor and the relevant Exit Proceeds was the same value as the ESS Implied Exit Proceeds and the price per G Share and per H Share to be paid to the holders of G Shares or H Shares for each such G Share and/or H Share held by them shall be 0.01p per G Share or H Share;
- 15 11 2 3 equal to or more than the G Share Hurdle but less than the H Share Hurdle, the price per ESS Share other than the H Shares to be paid shall be the sum which such ESS Shareholders other than the holders of H Shares would have been entitled to in respect of each ESS Share other than H Shares held by them if an Exit had taken place on the date of the Ord Sale Tag Along Notice served by the Ord Sale Tag Along Vendor and the relevant Exit Proceeds was the same value as the Implied Exit Proceeds and the price per H Share to be paid to the holders of H Shares for each such H Share held by them shall be 0 01p per H Share,
- 15.11.2.4 equal to or more than the H Share Hurdle, the price per ESS Share to be paid shall be the sum which such ESS Shareholders would have been entitled to in respect of each ESS Share held by them if an Exit had taken place on the date of the Ord Sale Tag Along Notice served by the Ord Sale Tag Along Vendor and the relevant Exit Proceeds was the same value as the Implied Exit Proceeds.
- 15.12 If any ESS Shareholders wish to exercise their Ord Sale Tag Along Option, they shall serve an Ord Sale Exercise Notice on the Ord Sale Tag Along Vendor within 14 days of the date of their receipt of the Ord Sale Tag Along Vendor's Ord Sale Tag Along Notice.
- 15 13 The Ord Sale Exercise Notice once given is irrevocable but the Ord Sale Exercise Notice will lapse after the expiry of six calendar months from issue if the Ord Sale Tag Along Vendors do not complete the transfer of the relevant holding of Ordinary Shares to the Ord Sale Tag Along Acquiror within such period



## **16. EXIT PROVISIONS**

16.1 The Exit Proceeds shall be distributed in the following manner

16.1.1 In all circumstances, each holder of A Shares shall receive the A Share Entitlement;

16.1.2 If the Exit Proceeds are less than the Initial Hurdle, the Exit Proceeds less the A Share Entitlement shall be distributed between the Ordinary Shareholders pro rata to the number of Ordinary Shares held; and

16.1.3 If the Exit Proceeds exceed the Initial Hurdle but are less than the G Share Hurdle

16.1.3.1 the First Proceeds less the A Share Entitlement shall be distributed between the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them;

16.1.3.2 the Remaining Proceeds shall be shared between the Ordinary Shareholders and the Initial ESS Shareholders as follows:

- (a) the Maximum ESS Entitlement shall be calculated by multiplying the Remaining Proceeds by the ESS Percentage (as determined in accordance with the table below),
- (b) each Initial ESS Shareholder shall receive the Initial ESS Entitlement, and
- (c) the Remaining Proceeds which remain after each Initial ESS Shareholder has received his or her Initial ESS Entitlement, shall be shared between the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them.

16.1.4 If the Exit Proceeds exceed the G Share Hurdle but are less than the H Share Hurdle:

16.1.4.1 the First Proceeds less the A Share Entitlement shall be distributed between the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them;

16.1.4.2 the G Proceeds less the First Proceeds shall be shared between the Ordinary Shareholders and the Initial ESS Shareholders as follows

- (a) the Maximum ESS Entitlement shall be calculated by multiplying the G Proceeds less the First Proceeds by the ESS Percentage (as determined in accordance with the table below),
- (b) each Initial ESS Shareholder shall receive the Initial ESS Entitlement; and
- (c) the G Proceeds which remain after each Initial ESS Shareholder has received his or her Initial ESS Entitlement, shall be shared between the

Ordinary Shareholders pro rata to the number of Ordinary Shares held by them; and

16.1.4.3 the Remaining Proceeds shall be shared between the Ordinary Shareholders and the ESS Shareholders other than the holders of H Shares as follows:

- (a) the Maximum ESS Entitlement shall be calculated by multiplying the Remaining Proceeds by the ESS Percentage (as determined in accordance with the table below);
- (b) each ESS Shareholder other than the holders of H Shares shall receive the G ESS Entitlement; and
- (c) the Remaining Proceeds which remain after each ESS Shareholder other than a holder of H Shares has received his or her G ESS Entitlement, shall be shared between the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them.

16.1.5 If the Exit Proceeds exceed the H Share Hurdle

16.1.5.1 the First Proceeds less the A Share Entitlement shall be distributed between the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them,

16.1.5.2 the G Proceeds less the First Proceeds shall be shared between the Ordinary Shareholders and the Initial ESS Shareholders as follows

- (a) the Maximum ESS Entitlement shall be calculated by multiplying the G Proceeds less the First Proceeds by the ESS Percentage (as determined in accordance with the table below);
- (b) each Initial ESS Shareholder shall receive the Initial ESS Entitlement; and
- (c) the G Proceeds less the First Proceeds which remain after each Initial ESS Shareholder has received his or her Initial ESS Entitlement, shall be shared between the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them,

16.1.5.3 the H Proceeds less the G Proceeds shall be shared between the Ordinary Shareholders and the ESS Shareholders other than the holders of H Shares as follows:

- (a) the Maximum ESS Entitlement shall be calculated by multiplying the H Proceeds by the ESS Percentage (as determined in accordance with the table below),
- (b) each ESS Shareholder other than the holders of H Shares shall receive the G ESS Entitlement; and
- (c) the H Proceeds less the G Proceeds which remain after each ESS Shareholder other than the holders of H Shares has received his or her

G ESS Entitlement, shall be shared between the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them, and

16 1.5 4 the Remaining Proceeds shall be shared between the Ordinary Shareholders and the ESS Shareholders as follows:

- (a) the Maximum ESS Entitlement shall be calculated by multiplying the Remaining Proceeds by the ESS Percentage (as determined in accordance with the table below);
- (b) each ESS Shareholder shall receive the H ESS Entitlement, and
- (c) the Remaining Proceeds which remain after each ESS Shareholder has received his or her H ESS Entitlement, shall be shared between the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them

<b>Range of Exit Proceeds</b>	<b>ESS Percentage</b>
Up to £14,999,999	nil
From £15,000,000 to £19,999,999	20%, rising to 30%
From £20,000,000 to £24,999,999	30%, rising to 40%
From £25,000,000 to £29,999,999	40%
From £30,000,000 to £34,999,999	40%, falling to 38%
From £35,000,000 to £39,999,999	38%, falling to 36%
From £40,000,000 to £44,999,999	36%, falling to 34%
Over £45,000,000 to £49,999,999	34%
Over £50,000,000 to £99,999,999	34%
Over £100,000,000	34%

Where in the table above, the ESS Percentage is referred to as rising or falling with the range of Exit Proceeds referred to, it shall rise or fall on a straight line basis.

16.2 The directors shall not register any transfer of Shares pursuant to a Share Sale if the Exit Proceeds are not distributed in the manner set out in Article 16 1.3 provided that, if the Exit Proceeds are not settled in their entirety upon completion of the Share Sale:

- 16.2.1 the directors may register the transfer of the relevant Shares, provided that the Exit Proceeds due on the date of completion of the Share Sale have been distributed in accordance with Article 16.1.3, and
- 16.2.2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 16.1.3
- 16.3 On a Disposal, 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 the manner set out in Article 16.1.3, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles.
- 16.4 In the event of a Proposed Exit, all ESS Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are required by the directors to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this article 16.4:
- 16.4.1 the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit;
- 16.4.2 the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents, and
- 16.4.3 the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest).
- 15.4 In the event of a Proposed Exit being agreed by the Board, each Employee Shareholder shall provide such reasonable warranties as it may be appropriate, given the extent of their role in the management of the business of the Company and shall not act in a manner designed or likely to adversely affect the completion of the Proposed Exit

## **17. VALUATION**

17.1 The ESS Fair Value shall be determined by the Auditors as follows

- 17.1.1 the Auditors shall calculate the Auditors' Valuation as at the date of the Company's notice to the relevant Departing Employee Shareholder which confirms that it wishes to acquire the ESS Shares of the relevant Good Leaver;

17 1 2 if the Auditors' Valuation as calculated by the Auditors in accordance with Article 17.1.1 is:

17.1.2.1 less than the Initial Hurdle, the ESS Fair Value shall be the nominal value of the relevant ESS Shares;

17.1.2.2 equal to or more than the Initial Hurdle, the ESS Fair Value shall be the sum which the relevant Departing Employee Shareholder would have been entitled to if an Exit had taken place on the date referred to in clause 17.1.1 and the relevant Exit Proceeds was the same sum as the Auditors' Valuation;

17 1.3 the Auditors determination of the Auditors' Valuation shall be final and binding on the parties (in the absence of fraud or manifest error) (subject to Article 12.16.2.1); and

17 1 4 the costs of the Auditors shall be borne by the Company.

## **18. NOTICE OF GENERAL MEETINGS**

Every notice convening a general meeting shall:

18.1 comply with section 325(1) of the 2006 Act as to giving information to shareholders relating to their right to appoint proxies; and

18 2 be given in accordance with section 308 of the 2006 Act, that is in hard copy form, electronic form or by means of a website

## **19. PROCEEDINGS AT GENERAL MEETINGS**

19 1 If a quorum is not present within half an hour of the time at which a general meeting is due to start or if, during a general meeting, a quorum ceases to be present the chairman of the meeting must adjourn it.

19.2 When adjourning the general meeting the chairman of the meeting must specify that the meeting is adjourned either

19.2 1 to the same day, place and time the following week, or

16.9.2 to another day, place and time to be decided by all the directors.

19 3 If a quorum is not present within half an hour of the time at which the adjourned meeting is due to start the shareholder or shareholders present in person or by proxy or by corporate representative and who are entitled to vote shall.

19 3.1 constitute a quorum, and

19 3.2 have power to decide on all matters which could have been transacted at the meeting which was adjourned

19.4 Model Article 41 shall not apply to the Company

## **20. WRITTEN RESOLUTIONS**

20.1 A written resolution, proposed in accordance with section 288(3) of the 2006 Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date

20 2 For the purposes of this Article "circulation date" is the date on which copies of the written resolution are sent or submitted to shareholders or, if copies are sent or submitted on different days, to the first of those days.

## **21. COMPANY COMMUNICATION PROVISIONS**

21.1 Where:-

21.1.1 a document or information is sent by post (whether in hard copy or electronic form) to an address in the United Kingdom and

21.1.2 the Company is able to show that it was properly addressed, prepaid and posted

It is deemed to have been received by the intended recipient 24 hours after it was posted

21.2 Where:-

21 2 1 a document or information is sent or supplied by electronic means, and

21.2.2 the Company is able to show that it was properly addressed,

It is deemed to have been received by the intended recipient immediately after it was sent.

21 3 Pursuant to section 1147(6) of the 2006 Act, subsections (2) (3) and (4) of that section shall be deemed modified by Articles 21.1 and 21.2.

21 4 Subject to any requirements of the 2006 Act, documents and notices may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified

## **22. DIRECTORS' INDEMNITY AND INSURANCE**

- 22.1 Subject to, and so far as may be permitted by, the 2006 Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or of any such associated company and against any such liability incurred by him in connection with the Company's activities as trustee of an occupational pension scheme as defined in section 235(b) of the 2006 Act
- 22.2 Subject to the 2006 Act the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the 2006 Act) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or associated company
- 22.3 Subject to, and so far as may be permitted by, the 2006 Act, the Company shall be entitled to fund the expenditure of every director, former director, alternate director, secretary, or other officer of the Company incurred or to be incurred
- 22.3.1 in defending any criminal or civil proceedings, or
- 22.3.2 in connection with any application under sections 661(3), 661(4) or section 1157 of the 2006 Act.

### **23. REGISTERED OFFICE**

The Company's registered office is to be situated in England and Wales

### **24. LIMITED LIABILITY OF MEMBERS**

The liability of the members is limited.