

**Company Number: 3851811**

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**PRIVATE COMPANY LIMITED BY SHARES**

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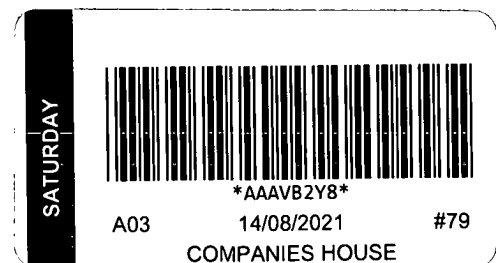
**ARTICLES OF ASSOCIATION**

**of**

**BABY COW PRODUCTIONS LIMITED**

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**(Adopted by written resolution passed  
on 6 August 2021)**



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## ARTICLES OF ASSOCIATION

- of -

### BABY COW PRODUCTIONS LIMITED (the "Company")

(Adopted by written resolution passed  
on 6 August 2021)

#### 1. DEFINITIONS AND INTERPRETATION

- 1.1 The regulations contained in Table A apply to the Company except to the extent that they are excluded or modified by these Articles, and those regulations (so far as applicable) and the following provisions of these Articles together constitute the Articles of Association of the Company.
- 1.2 References in these Articles to any Regulation are to the relevant numbered regulation of Table A.
- 1.3 Table A shall apply as if the words "these regulations" were deleted (wherever appearing) and were replaced by the words "these Articles".

- 1.4 In these Articles, the following words and expressions have the following meanings:

<b>"1985 Act"</b>	the Companies Act 1985;
<b>"Acceptance Notice"</b>	a notice accepting an offer made in a Sale Notice;
<b>"Accountants"</b>	means the firm of accountants appointed as valuers under Article 12;
<b>"Act"</b>	the Companies Act 2006, as the same may be amended, extended, consolidated or re-enacted by or under any other enactment from time to time;
<b>"A Director"</b>	a director appointed by the holder(s) of the majority of the A Shares in accordance with Article 18.3 and including, unless otherwise stated, the duly appointed alternate of such a director;
<b>"A Shares"</b>	A ordinary shares of 1p each in the capital of the Company, having the rights set out in these Articles;
<b>"Associate"</b>	in relation to any person, a person who is connected to that person within the meaning of section 839 of the Income and Corporation Taxes Act 1988;

<b>"Business Day"</b>	a day on which banks are open for business in London, other than Saturday and Sunday;
<b>"company"</b>	a body corporate, wherever incorporated;
<b>"Compulsory Transfer Event"</b>	one of the events referred to in Article 7.1;
<b>"Compulsory Transfer Notice"</b>	(in relation to a member referred to in Article 7.3) a notice offering to sell all the shares registered in that member's name or, if the member holds shares by reason of a Connected Person Transfer and the Compulsory Transfer Event has not occurred in relation to that member, all the shares so transferred to it and any additional shares issued to it by virtue of the holding of the shares so transferred, in each case so far as still registered in that member's name;
<b>"Connected Person Transfer"</b>	a transfer to an Associate;
<b>"Connected Person Transferor"</b>	in relation to a Connected Person Transfer, the transferor or (in the case of a series of Connected Person Transfers) the first transferor in the series;
<b>"control"</b>	in relation to a company, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that company, whether through the ownership of voting securities in that or any other company, by contract or otherwise;
<b>"Entitled Members"</b>	means: (i) all holders of A Shares; (ii) the Founder for so long as he holds Ordinary Shares; and (iii) all other members holding Ordinary Shares as a result of a Connected Person Transfer where the Connected Person Transferor is the Founder;
<b>"Fair Value"</b>	such price as the transferor and the Company shall agree or, failing such agreement, such price as the Accountants shall determine pursuant to Article 13;
<b>"Founder"</b>	Stephen Coogan;
<b>"Group Companies"</b>	the Company and its subsidiary undertakings (as defined in section 742 of the 1985 Act) from time to time, and a reference to a <b>"Group Company"</b> shall be a reference to any one of them;

<b>"Ordinary Shares"</b>	ordinary shares of 1p each in the capital of the Company;
<b>"Relevant Matter"</b>	means a matter which may constitute or give rise to a breach by a director of his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the Company (including a breach which would arise by virtue of his appointment as a director);
<b>"Sale Notice"</b>	a notice to the Company offering to sell the entire legal and beneficial interest in all or any of the shares registered in the name of the member giving that notice to each Entitled Member who is not an Associate of the member giving that notice;
<b>"Sale Price"</b>	the cash price per share at which the Sale Shares are offered for sale, being as specified in the relevant Sale Notice;
<b>"Sale Shares"</b>	the number of shares registered in the Seller's name which the Seller wishes to transfer, being as specified in the relevant Sale Notice;
<b>"Seller"</b>	a member who gives a Sale Notice;
<b>"share"</b>	a share in the capital of the Company from time to time, unless otherwise specified;
<b>"shareholders' agreement"</b>	any agreement binding on each member which relates (in whole or in part) to the management of the business of the Company and/or the rights and obligations of each member in its capacity as member; and
<b>"Table A"</b>	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, SI 1985/805, as in force on 27 November 2008..

## **2. SHARE CAPITAL**

The share capital of the Company shall consist only of A Shares and Ordinary Shares. At the date of adoption of these Articles, the issued share capital of the Company comprises A Shares and Ordinary Shares. Regulation 2 of Table A shall not apply.

### **3. SHARE RIGHTS**

- 3.1 The A Shares and the Ordinary Shares shall constitute separate classes of shares but, except as expressly provided otherwise in these Articles, shall rank *pari passu* in all respects.

#### **3.2 Income**

Any dividend paid or declared shall be distributed equally between the A Shares and Ordinary Shares (by reference to the numbers of shares in issue) as if they constituted one and the same class of shares.

#### **3.3 Voting**

On a show of hands every holder of A Shares and Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy unless the proxy in either case or the representative is himself a holder of A Shares or Ordinary Shares shall have one vote, and on a poll every holder of A Shares and Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for every share of which he is the holder.

### **4. ALLOTMENTS OF SHARES**

- 4.1 Before any equity securities (within the meaning set out in Article 4.11) are allotted, they shall all be offered to all the members. Every offer shall be made by notice and shall specify the number of equity securities offered, the price payable for each equity security and when it is payable, the offer period (being not less than seven days and not more than 28 days) at the end of which the offer, if or to the extent not taken up, will be deemed to have been declined, the people (if already identified) to whom the Company intends to allot all or any of the equity securities if they are not applied for by the members, and whether or not the offer is conditional on all or a specified minimum number of equity securities being taken up. Where shares are held by two or persons jointly, the offer may be made to the joint holder first named in the register of members in respect of the shares.

- 4.2 Article 4.1 shall not apply if the equity securities to be allotted are to be paid up wholly or partly otherwise than in cash, and for these purposes, if the equity securities in question comprise the grant of a right to subscribe for, or to convert securities into, any share in the Company, then they shall be regarded as paid up in the same way in which those shares would be paid up on exercise of that right.

- 4.3 Applications for equity securities offered in accordance with Article 4.1 shall be made by notice to the Company, received by the Company within the offer period set out in the Company's notice, and shall specify the number of equity securities applied for. No member may revoke an application which it makes.

- 4.4 Unless the offer to members lapses in accordance with Article 4.6, each member applying for equity securities shall be allotted the number applied for or, if the aggregate number

applied for exceeds the number on offer, the number allocated to it in accordance with Article 4.5.

- 4.5 If the aggregate number of equity securities applied for exceeds the number on offer, the equity securities on offer shall be allocated to the applying members in proportion to the number of shares held by them at the date of the offer, provided that no member shall be allocated more equity securities than it has applied for, and any equity securities which cannot therefore be allocated to any applying member shall be allocated to the other applying members on the basis set out above until all equity securities are allocated. Fractional entitlements to equity securities shall be ignored.
- 4.6 In the event that an offer made under Article 4.1 fails to become unconditional because the aggregate number of equity securities applied for is less than any minimum number of equity securities specified in the offer, then the offer shall lapse.
- 4.7 For the purposes of this Article 4, a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of an offer made under Article 4.1 shall be deemed to be a member of the Company and to hold those shares on that date.
- 4.8 Any equity securities offered under Article 4.1 which are not applied for or are the subject of an offer which has lapsed, and equity securities comprised of fractions ignored as provided in Article 4.5, may be allotted by the directors to the people (if any) specified in the Company's offer or (if none) to such people as the directors may determine, provided that:
- 4.8.1 no equity securities shall be so allotted more than three months after the end of the offer period referred to in Article 4.1 unless the procedure set out in Article 4.1 is repeated in respect of those equity securities, with this Article 4.8.1 applying equally to any repetition of that procedure;
- 4.8.2 no equity securities shall be allotted at a price less than that at which they were offered to the members in accordance with Article 4.1.
- 4.9 No person entitled to the allotment of any equity securities may assign its entitlement to any other person.
- 4.10 Section 561(1) of the Act shall not apply to any allotment by the Company of equity securities.
- 4.11 For the purposes of this Article 4, references to "equity securities" shall be construed in accordance with section 560 of the Act, save that shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution shall constitute equity securities.

**5. SHARE CERTIFICATES, LIENS AND FORFEITURE**

Regulation 6 shall apply as if the words "or executed by the Company and signed by a



director and the secretary of the Company or by two directors of the Company in accordance with the Act" were inserted after the word "seal" in the second sentence of that Regulation.

## **6. TRANSFER AND TRANSMISSION OF SHARES**

6.1 Subject to the terms of any shareholders' agreement, no member may transfer any share except in accordance with Article 7 (Compulsory Transfers), Article 8 (Pre-emption on the Transfer of Shares), Article 9 (Tag Rights), Article 10 (Drag Rights) and any purported transfer in breach of this Article 6.1 shall be of no effect.

6.2 References in Article 6.1 to a transfer of any share include a transfer or grant of any interest in any share or of any right attaching to any share, whether by way of sale, gift, holding on trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also include an agreement to make any such transfer or grant or to exercise the voting rights attaching to a share at the direction of any third party.

6.3 The directors shall refuse to register a transfer of shares prohibited by or not effected in accordance with these Articles, and a transfer of shares to a minor, a bankrupt or a person of unsound mind.

6.4 The directors may, notwithstanding any provisions of these Articles, refuse to register a transfer of shares to someone reasonably believed by the directors to be a competitor of the Company, or an Associate of such a competitor, or a nominee for any such competitor or Associate of such competitor.

6.5 The directors may from time to time require any member, or any person becoming entitled to shares on a transmission of those shares, or in the case of any proposed transfer, any Proposed Transferee, to supply to the Company such information as they may reasonably think relevant for the purpose of determining whether (a) there has been a breach of the Articles, (b) a Compulsory Transfer Event has occurred or (c) (as the case may be) the proposed transfer is permitted under the Articles. Unless that information is supplied within 30 days of the date of the request, the directors may declare the shares in question to be subject to the restrictions set out in section 454 of the 1985 Act or (as the case may be) may refuse to register the relevant transfer.

6.6 Unless under these Articles the directors have an express discretion or are obliged to refuse to register the transfer of any share, the directors shall register any transfer permitted by or effected in accordance with these Articles within 30 days of the following being lodged at the office or such other place as the directors may appoint:

6.6.1 the duly stamped transfer;

6.6.2 the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors; and

- 6.6.3 evidence that each Proposed Transferee has first agreed to be bound, in accordance with its terms, by any applicable provisions of any shareholders' agreement then in force with effect from the date of the transfer.
- 6.7 Any share transferred to a holder of Ordinary Shares shall, on the registration of that transfer and without the need for any further resolution of the directors or the Company, be redesignated as an Ordinary Share and any share transferred to a holder of A Shares shall, on the registration of that transfer and without the need for any further resolution of the directors or the Company, be redesignated as an A Share.
- 6.8 A person becoming entitled to a share by transmission may, upon such evidence being produced as the directors may properly require, elect by notice received by the Company to become the holder of that share (subject always to the right of any director to deem a Compulsory Transfer Notice to have been given under Article 7.3) but shall have no right to have any person nominated by him registered as the transferee.
- 6.9 Regulations 24, 26 and 30 shall not apply.

## **7. COMPULSORY TRANSFERS**

- 7.1 For the purposes of these Articles, a Compulsory Transfer Event shall occur in relation to a person:

if that person being a company:

- 7.1.1 passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986) or is wound up by the court;
- 7.1.2 is the subject of an administration order or an administrator is appointed in respect of that company;
- 7.1.3 makes any proposal under Part I Insolvency Act 1986 for a composition in satisfaction of its debts or a scheme of arrangement of its affairs or under section 425 of the 1985 Act for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with its creditors generally or ceases to carry on all or substantially all of its business;
- 7.1.4 has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets;
- 7.1.5 is the subject of any occurrence analogous to those in Articles 7.1.1 to 7.1.4 in any jurisdiction other than England and Wales;

or if that person being an individual:

- 7.1.6 makes any proposal under Part VIII Insolvency Act 1986 for a composition in satisfaction of his/her debts or a scheme of arrangement of his/her affairs, or makes any arrangement or compromise with his/her creditors generally;

7.1.7 is adjudicated bankrupt; or

7.1.8 becomes a patient within the meaning of section 145(1) Mental Health Act 1983 or a person in relation to whom an order has been made or a deputy has been appointed (where such order or appointment has not been discharged or revoked) under section 16 Mental Capacity Act 2005.

7.2 If:

7.2.1 a Compulsory Transfer Event occurs:

7.2.1.1 in relation to a member; or

7.2.1.2 where a member holds shares by reason of a Connected Person Transfer, in relation either to that member or to the Connected Person Transferor,

then the member in question (or any person becoming entitled to that member's shares on a transmission of those shares) shall promptly notify the directors that the Compulsory Transfer Event has occurred.

7.3 The directors may declare that any member or person, who is required to give notice under Article 7.2, shall be deemed to have given a Compulsory Transfer Notice. Such declaration shall be made by notice given to all the members (or to such member(s) having rights of first refusal, as contained in any shareholders' agreement, over the shares which are subject to the Compulsory Transfer Notice) during the period of 60 days starting on: (i) the date on which the directors receive a notice under Article 7.2; or (ii) if no such notice is received during the period of 14 days starting on the date of the relevant Compulsory Transfer Event, the date when that directors become aware of that Compulsory Transfer Event. The directors may declare that any member (or person entitled to become a member) shall be deemed to have given more than one Compulsory Transfer Notice and the provisions of this Article shall apply independently to the shares which are the subject of each such Compulsory Transfer Notice so deemed to have been given.

7.4 The Company and the person to whom the Compulsory Transfer Event applies shall negotiate in good faith to agree the Fair Value for the shares which are the subject of the Compulsory Transfer Notice, taking into consideration the individual's departure from the Company where relevant. In the event that a Fair Value is not agreed within 14 days of the date on which the directors declared the relevant Compulsory Transfer Notice to be given, the Company shall appoint a firm of accountants in accordance with Article 12 to determine, in accordance with Article 13, the Fair Value of the shares which are the subject of the Compulsory Transfer Notice. The Company shall instruct such accountants to determine the Fair Value within 15 Business Days.

7.5 Any Compulsory Transfer Notice deemed to have been given shall be irrevocable and shall be deemed to offer unconditionally to sell all of the shares in question for their Fair Value.

Any such offer shall be deemed to have been made to all members (other than any member also deemed to give a Compulsory Transfer Notice), who shall have the right to accept any or all of the shares offered to them by notice to the Company received by the Company within 21 days of the determination of the sale price in accordance with Article 7.4 (and, if applicable, Article 13). A person shall be deemed to have declined an offer made to it under the preceding provisions of this Article 7.5 to the extent that acceptance of the offer is not received (or, in the case of the Company, lawful acceptance is not received) in accordance with this Article within the relevant period of time. An accepting person's notice shall specify the number of shares applied for.

7.6 Each notice received by the Company under Article 7.5 shall be irrevocable, and shall give rise to a legally binding and unconditional agreement between the person giving it and the member deemed to have given the Compulsory Transfer Notice. Under each such agreement, the relevant member shall be bound to buy, and the member deemed to have given the Compulsory Transfer Notice shall be bound to sell, a number of shares determined in accordance with the provisions of Articles 7.7 and 7.8 on and subject to the provisions of Article 7.6. If the aggregate number of shares so to be sold does not comprise all the shares the subject of the Compulsory Transfer Notice, each agreement to which a notice given by a member under Article 7.5 gives rise shall immediately lapse. For the purposes of this Article 7.6, Articles 8.6 to 8.10 shall apply as if references to "Acceptance Notice" were to "notice under Article 7.5", to "Sale Shares" were to "shares", to "Sale Notice" were to "Compulsory Transfer Notice", to "Sale Price" were to the price determined in accordance with Article **Error! Reference source not found.** (and, if applicable, Article 13) and to "Seller" were to "member deemed to have given the Compulsory Transfer Notice".

7.7 If any member is deemed to have given a Compulsory Transfer Notice, the shares held by that member shall be subject to the restrictions set out in section 454 of the 1985 Act, notwithstanding Article 6, until sold under Article 7.6 or otherwise agreed by the directors and, until so sold or otherwise agreed, that member shall have no right to appoint any director under Article 18 and any director so appointed by that member then holding office shall automatically cease to hold office.

7.8 This Article 7 shall not apply to any share in respect of which a transfer in accordance with Article 8 (Pre-emption on the Transfer of Shares), Article 9 (Tag Rights) or Article 10 (Drag Rights) has been lodged for registration before a Compulsory Transfer Notice in relation to that share is deemed to be given under Article 7.3.

## **8. PRE-EMPTION ON THE TRANSFER OF SHARES**

8.1 A member who wishes to transfer the entire legal and beneficial interest in any shares registered in its name, other than:

8.1.1 under Article 7 (Compulsory Transfers); or

8.1.2 by a holder of shares (other than the Selling Shareholder) under Article 9 (Tag Rights) or under Article 10 (Drag Rights); or

- 8.1.3 where the terms of any shareholders' agreement in force for the time being permit the transfer (and if subject to the prior written consent of certain members, where the written consent of all such members has been given)

shall first give a Sale Notice to the Company.

8.2 The Sale Notice shall specify:

- 8.2.1 the number of Sale Shares;
- 8.2.2 a cash price per share at which the Sale Shares are offered for sale (which, if so notified by the Seller, may be their fair value as determined by such firm of accountants as the Company shall appoint under Article 12 within the period of seven days starting on the date on which the Company receives notice from the Seller that it wishes a fair value to be determined under Article 13);
- 8.2.3 whether any third party has indicated a willingness to buy any of the Sale Shares within the period of three months prior to the date of the Sale Notice and if so, the number of shares concerned and the date of that indication;
- 8.2.4 the identity of any such third party and (if it is a company) the person(s) believed by the Seller to control that company; and
- 8.2.5 details of the nature and amount of the consideration and the date on which it would be payable.

The Sale Notice shall also state whether or not the Seller's offer is conditional on acceptances being received for all (or any other specified percentage) of the Sale Shares, but may not otherwise be conditional.

8.3 The Sale Notice shall not be revocable except with the consent of the directors, and shall constitute the Company the agent of the Seller for the sale of the entire legal and beneficial interest in the Sale Shares to all Entitled Members on the date of the Sale Notice (other than (i) the Seller and (ii) any Associate of the Seller and (iii) any member deemed to give or to have given a Compulsory Transfer Notice and (iv) any member from whom the Company has received a Sale Notice in respect of all the shares registered in his name) in accordance with this Article 8 at the Sale Price. If the Sale Price is specified by the Seller, under Article 8.2.2, to be the Fair Price as determined under Article 13 the Company shall take all reasonable steps to ensure the Accountants make that determination as soon as reasonably practicable after the Sale Notice has been received by it. Notwithstanding the previous provisions of this Article 8.3, the Seller may within three days of receiving the notice containing details of the determination of the Sale Price by the Accountants revoke the Sale Notice by written notice to the directors. Until the Seller's offer lapses or is declined or deemed declined by all members to whom it is made, and notwithstanding Article 6, the Seller may not make a Connected Person Transfer.

8.4 Promptly after the Sale Notice is received (or, where the Sale Price is certified by the Accountants under Article 13, promptly after that certificate is received) the directors shall

send a copy of the Sale Notice to each member to whom the Sale Shares are to be offered. Each such member shall have the right to buy Sale Shares at the Sale Price by providing the Company with an Acceptance Notice (with a copy to the Seller) within 60 days of the date of the directors' communication enclosing the copy Sale Notice, specifying the number of Sale Shares applied for. In the event that the Company does not receive an Acceptance Notice from a member within that 60 days' period, that member shall be deemed to have declined the offer made to it.

- 8.5 Each Acceptance Notice received by the Company shall be irrevocable, and shall give rise to a legally binding agreement between the member giving it and the Seller. That agreement shall be conditional upon acceptances being received for all or any other specified percentage of the Sale Shares only if so provided by the Sale Notice, but shall not otherwise be conditional. Under each such agreement, the relevant member shall be bound to buy, and the Seller shall be bound to sell, a number of Sale Shares determined in accordance with the provisions of Articles 8.7 and 8.8. If the aggregate number of Sale Shares so to be sold does not satisfy any acceptance condition contained in the Sale Notice, each agreement to which an Acceptance Notice gives rise shall immediately lapse.
- 8.6 The Sale Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the Sale Price, and together with all rights attaching to the Sale Shares on or after the date of the Sale Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Sale Shares.
- 8.7 Each member from whom an Acceptance Notice is received by the Company shall be allocated the number of Sale Shares applied for in that Acceptance Notice, except where the aggregate number of Sale Shares applied for by all members to whom the offer is made exceeds the number of Sale Shares. In those circumstances, the Sale Shares shall be allocated to the applying members in proportion to the number of shares held by them on the date of the Sale Notice, provided that no member shall be allocated more Sale Shares than it has applied for, and any Sale Shares which cannot therefore be allocated to any applying member shall be allocated to the other applying members on the basis set out above until all Sale Shares are allocated. Fractional entitlements to Sale Shares shall be ignored.
- 8.8 Fractions of shares which would otherwise be allocated to members under Article 8.7 shall be consolidated and allocated by the drawing of lots in any manner thought appropriate by the directors, provided that no member shall be allocated more shares than it has applied for. For the purposes of Article 8.3, a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of the Sale Notice shall be deemed to be a member of the Company and to hold those shares on that date.
- 8.9 The Company shall specify by notice given to the relevant members a time and place for completion of the sale and purchase of the Sale Shares, being not less than three and not more than 14 days after the date of receipt of the final Acceptance Notice. Completion of that sale and purchase shall take place at the time and place specified in the Company's notice, when:

- 8.9.1 each buying member shall pay the Seller in cash the purchase price for the Sale Shares bought by that member; and
- 8.9.2 the Seller shall deliver to each such member a transfer in respect of the Sale Shares bought by it, duly executed in its favour by the Seller, together with the certificate(s) for the Sale Shares or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors.
- 8.10 If the Seller does not, on the relevant date specified by the Company in accordance with Article 8.9, execute and deliver transfers in accordance with Article 8.9.2 and deliver the certificate(s) for the Sale Shares (or an indemnity in lieu of those certificate(s) in accordance with Article 8.9.2), then any director shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) on behalf of the Seller and, against receipt by the Company on trust for the Seller of the consideration payable for the Sale Shares, deliver those transfer(s) and certificate(s) (or indemnities) to the buying member(s). Following receipt by the Company of the consideration payable for the Sale Shares, the Company shall (subject to the payment of any stamp duty) cause the buying member(s) to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person. Sections 982 (1) to (5), (7), and (9) of the Act shall apply *mutatis mutandis* in relation to any consideration held on trust in accordance with this Article 8.10.
- 8.11 If in respect of all or any Sale Shares the Seller's offer lapses, or is declined or deemed declined by all the members to whom it is made, then the directors shall promptly give notice to the Seller (with copies to all other members, save for Connected Persons of the Seller) specifying the number of Sale Shares concerned. The Seller shall then be entitled, in pursuance of a bona fide sale, and subject to Articles 6.3 and 6.4 and to the provisions of any shareholders' agreement, to transfer the entire legal and beneficial interest in any of those Sale Shares or (if the Sale Notice stated that the Seller's offer was conditional on acceptances being received for all or any other specified percentage of the Sale Shares) not less than all or that specified percentage of the Sale Shares, to the buyer(s) named in the Sale Notice, in accordance with, and within the period referred to in, Article 8.12.
- 8.12 The consideration per share payable on a transfer of Sale Shares under Article 8.11 (after allowing for any deduction, rebate or allowance to the buyer other than one equal to any dividend or distribution declared, paid or made after the date of the Sale Notice and which is not to be received by the buyer):
- 8.12.1 (where the Sale Shares are being sold solely for a consideration which is payable in cash, including by means of a loan note) shall be not less than the Sale Price; or
- 8.12.2 (in any other case) shall have a value which before that transfer is made shall have been agreed or determined under Article 8.13 to be not less than the Sale Price.

The relevant transfer(s) shall be lodged for registration during the period of 30 days starting on the date of the directors' notice under Article 8.11 or, if applicable, on the date of any agreement or determination under Article 8.13.

- 8.13 If the Sale Shares are not being sold solely for a consideration which is payable in cash, then the value of that consideration shall be determined by the Accountants who shall be appointed by the Company under Article 12 by no later than the date falling 14 days after the date of the directors' notice under Article 8.11, unless the value of that consideration is agreed between the Seller and the directors before the date falling seven days after the date of the directors' notice under Article 8.11.

## 9. TAG RIGHTS

- 9.1 If any holder or holders of A Shares ("**Selling Shareholder(s)**") wish(es) to transfer the beneficial (or the legal and beneficial) interest in an aggregate number of A Shares to any person then the Selling Shareholder(s) shall notify the Company of the intended transfer not less than 21 days prior to the date on which the transfer is proposed to be made. That notice ("**Prospective Seller's Notice**") shall set out:

- 9.1.1 the number and class of shares which the Selling Shareholder(s) propose(s) to transfer;
- 9.1.2 the details surrounding the nature and amount of the consideration payable per share;
- 9.1.3 the identity of the proposed transferee (the "**Proposed Transferee**") and (if it is a company or partnership) the person(s) believed by the Selling Shareholder(s) to control that company;
- 9.1.4 details of any conditions to which the transfer is subject; and
- 9.1.5 the date on which the transfer is proposed to be made.

- 9.2 For as long as any holder of Ordinary Shares holds at least 3 per cent. of the issued share capital of the Company, the Prospective Seller's Notice shall be accompanied by an irrevocable offer by the Proposed Transferee, complying with the requirements of Articles 9.3 to 9.8, to buy from each such holder of Ordinary Shares a proportion of such holder's Ordinary Shares equal to the proportion which the total number of A Shares proposed to be transferred by the Selling Shareholders bears to the aggregate holding of A Shares of the Selling Shareholders.

- 9.3 The offer referred to in Article 9.2 shall be expressed to be capable of acceptance by notice given to the Company, shall remain open for acceptance for not less than 31 days after the date of the Prospective Seller's Notice and shall provide for the sale and purchase of any shares to which it relates to be completed (and for the purchase price to be paid in full) at the same time as completion of the purchase of the shares held on the date of the Prospective Seller's Notice by the Selling Shareholder(s), which may not be earlier than the first Business Day falling not less than two Business Days after (i) the end of the period



during which the offer is open for acceptance, or (ii) if later and if applicable, the date of the notification of the value of the consideration in accordance with Articles 9.4 and 12.

- 9.4 The consideration per share to be offered by the Proposed Transferee in the offer referred to in Article 9.2 shall be the same consideration per share as offered by the Proposed Transferee to the Selling Shareholder(s) and set out in the Prospective Seller's Notice.
- 9.5 The offer referred to in Article 9.2 may not require any holder of Ordinary Shares to give any warranties, representations, indemnities, covenants or other assurances (including any which restrict it from carrying on any business) in respect of the number of shares to be transferred by it other than those which relate to title to those shares and the aggregate liability of each such holder of Ordinary Shares under any warranties, representations, indemnities, covenants or other assurances it may give shall be limited to the consideration payable by the Proposed Transferee to that holder of Ordinary Shares for such shares.
- 9.6 The requirement in Article 9.4 regarding the minimum amount of consideration to be paid for the shares shall not be regarded as not being satisfied merely because:
- 9.6.1 that offer is made to the holders of Ordinary Shares after it is made to the Selling Shareholder(s); or
- 9.6.2 some or all of the Selling Shareholders give or make warranties, representations, indemnities, covenants or other assurances which are not to be given or made by the holders of Ordinary Shares.
- 9.7 The Company shall send a copy of the Prospective Seller's Notice and a copy of the offer referred to in Article 9.2 to each relevant holder of Ordinary Shares, and each such holder of Ordinary Shares may, within the period during which the offer remains open for acceptance, notify the Company that it wishes to accept that offer. If any notice is so given, the Proposed Transferee and the holders of Ordinary Shares in question (the "**Transferring Shareholders**") shall each, at the time or times set in its offer for the completion of the sale and purchase of the shares, comply with the provisions of Articles 8.9 and 8.10 *mutatis mutandis* in relation to the completion of the sale and purchase of the relevant shares and for this purpose references to "buying member" shall be deemed to refer to the "Proposed Transferee", references to "Seller" shall be deemed to refer to "Transferring Shareholders" and references to "Sale Shares" to the shares which are subject to a Prospective Seller's Notice and which are to be transferred to the Proposed Transferee by such Transferring Shareholder.
- 9.8 If the Proposed Transferee does not, at the time set in its offer for completion of the sale and purchase of the shares, pay the consideration for the relevant number of shares in respect of which notice has been received from a Transferring Shareholder under Article 9.7, other than by reason of any failure by that Transferring Shareholder to discharge its obligations in relation to the completion of the sale and purchase of the relevant shares, no Selling Shareholder may sell any of the shares registered in its name to the Proposed Transferee. The directors shall refuse to register any transfer prohibited by this Article 9.

9.9 The provisions of this Article 9 shall not apply where the transfer which would otherwise cause this Article to apply is made by the Selling Shareholder(s) under Article 7 (Compulsory Transfers) or Article 10 (Drag Rights).

9.10 Transfers of shares by the Transferring Shareholders in accordance with this Article 9 are not subject to the provisions of Article 8 (Pre-emption on the Transfer of Shares) but for the avoidance of doubt, no transfer of A Shares by the Selling Shareholder(s) in accordance with this Article 9 may be made without the provisions of Article 8 first having been applied.

## 10. DRAG RIGHTS

10.1 For the purposes of this Article 10 (save as provided in Article 10.2 below):

10.1.1 **"Qualifying Offer"** means an offer on arm's length terms to buy the entire issued share capital of the Company:

(a) at the same consideration per share and where the aggregate consideration offered for such entire issued share capital is not less than £6,000,000; or

(b) at a consideration per A Share that is less than the consideration per Ordinary Share where the aggregate consideration offered for the Ordinary Shares, when divided by the total number of Ordinary Shares and then multiplied by the total number of shares in issue (including all A Shares), is not less than £6,000,000.

10.1.2 **"Qualifying Offeror"** means a person who makes an offer such as is referred to in Article 10.1.1;

10.1.3 **"Accepting Shareholders"** means the holder(s) of A Shares and any other member who agrees in writing with the holder(s) of A Shares to be an "Accepting Shareholder" for the purposes of this Article 10;

10.1.4 **"Non-Accepting Shareholder"** mean any person who is not an Accepting Shareholder, but is either a member of the Company or (whether or not a member) has a right (whether or not contingent or then exercisable) to acquire shares in the Company; and

10.2 Save for the covenant of full title guarantee set out in Article 10.4.2, no Non-Accepting Shareholders shall be required to give or make any warranties, representation, indemnities, covenants or other assurances. The requirement in Article 10.1 regarding the minimum amount of consideration to be paid for the shares shall not be regarded as not being satisfied merely because:

10.2.1 the dates on which the Qualifying Offer is made to persons may differ;

- 10.2.2 the dates on which the persons who accept or who are required to accept the Qualifying Offer are required to transfer their shares may differ from the dates applicable to the Accepting Shareholders; or
  - 10.2.3 some or all of the Accepting Shareholders give or make warranties, representations, indemnities, covenants or other assurances which are not to be given or made by the Non-Accepting Shareholders.
- 10.3 If a Qualifying Offer is made, the Company shall if requested to do so by the Accepting Shareholders give notice to all Non-Accepting Shareholders. The notice shall have attached to it a copy of the Qualifying Offer and any certificate such as is referred to in Article 10.2, and shall give details of:
  - 10.3.1 the identities of the Accepting Shareholders and the percentage of shares of each class held by them;
  - 10.3.2 the means and by when the Qualifying Offer is to be accepted, and for these purposes, more than one date may be specified in the notice to ensure that rights to acquire shares in the Company become exercisable, provided that no date may be so specified which is less than 14 days after the date of the Company's notice or which is earlier than the date on which the Qualifying Offer becomes unconditional (or would do so but for the transfer of shares (whether or not in issue on the date of the Company's notice) in accordance with Article 10.4.2);
  - 10.3.3 any choice of consideration offered under the terms of the Qualifying Offer and which consideration so offered will be taken as applying in default of a Non-Accepting Shareholder indicating a choice.
- 10.4 Each Non-Accepting Shareholder shall, on the receipt of a notice given by the Company under Article 10.3:
  - 10.4.1 cease to be entitled (if then entitled to do so) to give a Sale Notice under Article 8.1 (Pre-emption) or to transfer the legal or beneficial interest in any share under Article 9 (Tag Rights); and
  - 10.4.2 sell to the Qualifying Offeror (or its nominee) with full title guarantee and free from all encumbrances at the consideration per share payable by the Qualifying Offeror under the Qualifying Offer all shares registered in his name on the date for acceptance of the Qualifying Offer specified in the Company's notice (and/or the last such date if more than one date is so specified), and shall on that date (or each such date as the case may be) execute and deliver to the Company transfers in respect of those shares, any other documents necessary to accept the Qualifying Offer and the certificate(s) in respect of those shares (or an indemnity in lieu of those certificate(s) in a form satisfactory to the directors).

Further, the provisions of Article 7 (Compulsory Transfers) shall cease to apply.

10.5 If any Non-Accepting Shareholder, whether or not a member on the date of the notice given to him under Article 10.3, does not cause the Company to receive on any relevant date specified by the Company in accordance with Article 10.3 any of the documents referred to in Article 10.4.2, then any director shall be entitled to:

10.5.1 execute the documents in question on that Non-Accepting Shareholder's behalf;

10.5.2 against receipt by the Company on trust for that Non-Accepting Shareholder of the consideration payable for the relevant shares, deliver those documents to the Qualifying Offeror.

Following receipt by the Company of the consideration payable for those shares, the Company shall (subject to the payment of any stamp duty by the Qualifying Offeror) cause the Qualifying Offeror to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person. Sections 982 (1)-(5), (7) and (9) of the 2006 Act shall apply *mutatis mutandis* in relation to any consideration held on trust in accordance with Article 10.5.2.

10.6 Subject to the terms of any shareholders' agreement, transfers of shares, whether by Accepting Shareholders (or Non-Accepting) Shareholders, in accordance with this Article 10, are not subject to the provisions of Article 8 (Pre-emption on the Transfer of Shares).

## 11. PURCHASE OF OWN SHARES

11.1 Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

11.1.1 £15,000; and

11.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

## 12. ACCOUNTANTS

12.1 Where these Articles provide for a valuation to be determined by a firm of accountants who are to be appointed by the Company under this Article 12 within a specified period of time:

12.1.1 the Company shall appoint an independent firm of chartered accountants and determine their terms of engagement within the specified period of time; or

12.1.2 if no such firm is appointed within the period of time specified, a firm of chartered accountants shall be appointed on the application of any director or member by the President for the time being of the Institute of Chartered Accountants in England and Wales who shall decide the terms of engagement of such firm.

12.2 The Company shall use all reasonable efforts to ensure that the valuation is determined by the Accountants and their certificate issued to all the members as quickly as possible. The

Accountants shall act as experts and not as arbitrators, their certificate shall, save in the case of manifest error, be final and binding on the Company and all members, and their costs shall be borne by the Company. The Company shall ensure that a notice containing details of any determination under this Article 12 is promptly given to each member.

**13. FAIR VALUE DETERMINATION**

- 13.1 Where the fair value of any share is to be determined under this Article, it shall be its open market value as certified by the Accountants as at the date when the Sale Notice is received by the Company or, as the case may be, the Compulsory Transfer Notice is deemed to be given. In giving any such certificate, the Accountants shall apply no premium or discount in relation to the size of any holding, shall assume a willing seller and buyer at arm's length, shall further assume, if the Company is then carrying on business as a going concern, that it will continue to do so and shall ignore any restrictions on transfer contained in these Articles.

**14. GENERAL MEETINGS**

- 14.1 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall be two members including at least one holder of A Shares, present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy. Regulation 40 shall not apply.
- 14.2 Regulation 44 shall apply as if the words "and at any separate meeting of the holders of any class of share in the Company" were deleted.
- 14.3 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such time and place as the directors may determine. At least five clear days notice shall be given of every adjourned meeting, specifying the time and the place of the adjourned meeting and the general nature of the business to be conducted. Regulation 41 shall not apply. Regulation 45 shall apply as if the last two sentences were deleted.
- 14.4 The quorum at any adjourned meeting shall be any two members present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy.
- 14.5 Any member or other person entitled to attend and speak at general meetings may participate in any general meeting by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to see, hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of that meeting is located.
- 14.6 Regulation 37 shall apply as if the words "eight weeks" were deleted and replaced by the words "twenty-eight days".

- 14.7 Save as otherwise provided by the Acts, the provisions of these Articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of the shares of any class required to take place by the Acts or these Articles, except that the necessary quorum at any such meeting shall be one member holding shares of the relevant class present (in the case of an individual) in person or by proxy or (in the case of a company) by a duly authorised representative or by proxy.

**15. VOTES OF MEMBERS**

- 15.1 Article 3.3 applies as regards voting. Regulation 54 shall not apply.
- 15.2 Regulations 60 and 61 shall apply as if the following sentence was added at the end of each of those Regulations: "Any such instrument shall be deemed to confer authority to demand or join in a demand for a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit".
- 15.3 Regulation 62 shall apply as if:
- 15.3.1 the words "not less than forty-eight hours" in each of paragraphs 62(a) and 62(aa) were deleted and replaced by the words "at any time";
- 15.3.2 paragraphs 62(b) and (c) were deleted and replaced with the words:
- "(b) in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll"; and
- 15.3.3 the words: "Any valid appointment of proxy shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting" were inserted at the end of that Regulation.
- 15.4 A special resolution shall be effective for any purpose for which an ordinary or an extraordinary resolution is required.
- 15.5 Regulation 57 shall not apply.

**16. ALTERNATE DIRECTORS**

- 16.1 Subject to clause 15.2, any director (other than an alternate director) may appoint any other director, or any other person who is willing to act, to be an alternate director and may remove from office any alternate appointed by him. Regulation 65 shall not apply.
- 16.2 Any appointment of an alternate Founder Director shall be subject to board consent.
- 16.3 Regulation 66 shall apply as if the words "to receive notice" in the first sentence of that Regulation were deleted and replaced by the words "to be given notice" and as if the last sentence were deleted. An alternate director who is absent from the United Kingdom shall be entitled to be given notice of all meetings of directors and committees of directors.

- 16.4 An alternate director shall cease to be an alternate director if his appointor ceases to be a director. Regulation 67 shall not apply.
- 16.5 Regulation 68 shall apply as if the following words were added at the end of that Regulation: "and shall take effect when the notice is received or at any later time specified for the purpose in the notice".
- 16.6 The appointment of any alternate director shall terminate automatically on the happening of any event which, if he were a director, would cause him to vacate his office as a director.
- 16.7 A person may be appointed as the alternate director of more than one director, and in those circumstances that alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote in respect of every director by whom he has been appointed in addition to his own vote (if any) as a director. Any such person may be counted more than once for the purpose of determining whether or not a quorum is present.

**17. DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such individuals (whether directors or not) as they think fit. The first sentence of Regulation 72 shall not apply.

**18. APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

- 18.1 The Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. Regulation 78 shall not apply.
- 18.2 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. Regulation 79 shall not apply.
- 18.3 The holder(s) of a majority of the A Shares may from time to time appoint up to three persons willing to act as a director and remove from office any person so appointed.
- 18.4 Any appointment or removal of a director under Article 18.3 shall be made by notice to the Company signed or confirmed electronically by any one or more of the member(s) entitled to appoint or remove that director. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice.
- 18.5 Any director appointed for the time being under Article 18.3 may make such disclosures in relation to the Company to the member(s) appointing that person (and those of its Associates which hold any shares) as that director thinks appropriate in that director's sole discretion provided that all such members retain such information on a confidential basis.
- 18.6 Notwithstanding any other provisions of these Articles, on any resolution which is proposed in general meeting to remove a director appointed in accordance with Article 18.3 from office or to alter the Articles so as to result in the deletion or amendment of Article 18.3, the shares held by the members entitled to appoint and remove any director(s) under that

Article shall, if voting against that resolution, in aggregate carry a number of votes equal to 50.01% of the number of votes capable of being so cast.

- 18.7 For so long as the Founder (and/or any of his Associates) holds more than 5% of the issued shares in the Company, the Founder shall be entitled to be a director. Notwithstanding any other provisions of these Articles, on any resolution which is proposed in general meeting to remove the Founder as a director whilst he and/or his Associates holds more than 5% of the issued shares in the Company, or to alter the Articles so as to result in the deletion or amendment of this Article 18.7, the shares held by the Founder (or such Associates) shall, if voting against that resolution, in aggregate carry a number of votes equal to 50.01% of the number of votes capable of being so cast.
- 18.8 A person may be appointed a director whatever his age, and no director shall be required to vacate his office by reason of attaining or having attained the age of 70 or any other age.
- 18.9 The post of chairman of the directors will be held by an A Director. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any board meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting.
- 18.10 Regulations 73 to 77 and 80 shall not apply.

**19. DIRECTORS: PERMITTED INTERESTS**

- 19.1 This Article 19.1 shall apply to a director provided that: (a) he has declared the nature and extent of any interest of his in accordance with and to the extent required by the provisions of Article 19.4 (and for the avoidance of doubt where Article 19.4 does not require any declaration of interest to be made then this Article 19.1 is still capable of applying notwithstanding the fact that no declaration has been made); and (b) the directors or the member(s) have not (upon request) refused to give specific authorisation pursuant to Article 20 for the particular situation or matter in question; and (c) the directors or the members have not otherwise resolved pursuant to Article 20.3 that such situation or matter shall no longer be authorised. Where this Article 19.1 applies, a director, notwithstanding his office, shall be authorised:

19.1.1 to enter into, or otherwise be interested in, any transaction or arrangement with the Company or any other Group Company or in which the Company or any other Group Company is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as seller, buyer or otherwise;

19.1.2 to hold any other office or place of profit (except that of auditor) with, or to be employed by or a consultant to or otherwise interested (including by way of the holding of shares or any right to subscribe for or to convert securities into shares) in the Company or any other Group Company or in any member or in any Associate of a member;



19.1.3 to act by himself or by any firm of which he is a partner, director employee or member in a professional capacity (except as auditor) for the Company or any other Group Company or for any member or any Associate of a member and he or his firm shall be entitled to remuneration for professional services as if he were not a director of the Company; and

19.1.4 to be a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his appointment as a director of the Company or that other company (whichever is the later);

and such authorisations shall extend to any direct or indirect interest that conflicts or possibly may conflict with the interests of the Company and which may reasonably be expected to arise out of the situations and matters so authorised and is capable of being authorised at law. Save as may be specifically provided by any contrary resolution of the directors or members in relation to any particular matter or situation, no authorisation of any matter or situation referred to in this Article 19.1 shall be required pursuant to Article 20 and no director shall, by reason of his holding office as director of the Company (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this Article 19.1 and no transaction or arrangement shall be liable to be avoided by reason of any director having any interest or having received any benefit permitted by this Article 19.1.

19.2 The authorisations given pursuant to and the other provisions of Article 19.1 shall extend to and include, in particular but without limitation, direct or indirect interests of a director which arise or which may potentially arise due to:

19.2.1 any agreement, transaction or arrangement entered into by the director or by any member who appointed the director pursuant to Article 18.3 or Article 18.7, in relation to shares (or any right to subscribe for or to convert securities into shares) debentures or other securities in (a) the Company or any other Group Company or in (b) any member which is a company or in any Associate of any such member;

19.2.2 any guarantee, security or indemnity given or proposed to be given by any Group Company to, or to any person for the benefit of, (a) any other Group Company or (b) the member who appointed the director pursuant to Article 18.3;

19.2.3 the recommendation, declaration and payment of any dividend or other distribution by the Company; and

19.2.4 any agreement, transaction or arrangement proposed, made, terminated or varied between: (a) the Company and any other Group Company; or (b) any Group Company and the member who appointed the director pursuant to Article 18.3, including without limitation agreements, transactions or arrangements relating to the sale and supply of goods and services, the borrowing or advancing of money and the use of property and other assets and any claims asserted or

rights exercised by one party against another arising out of any such agreement, transaction or arrangement or any action taken by one party against another to defend, compromise, settle or negotiate with regard to any such claim asserted or right exercised.

**19.3 For the purposes of Articles 19.1 and 19.2:**

19.3.1 an interest of (a) a person who is connected with a director (within the meaning of section 252 of the Act); (b) a person who appointed a director to office under Article 18.3; (c) in the case of a director that is a company, any individual nominated to perform the duties of that director; and (d) the Appointor in relation to any alternate; shall be treated as an interest of the director or the alternate (as appropriate) in each case in addition to any interest which the director or alternate otherwise has;

19.3.2 any authorisation of a situation or matter pursuant to those Articles relating to a Group Company or to any member shall be effective only for so long as the relevant Group Company remains a Group Company, the relevant member remains a member of the Company or the Associate of a member remains an Associate of that member.

**19.4** In relation to transactions or arrangements with the Company, the director shall declare the nature and extent of any interest authorised under Article 19.1 and Article 19.2 in any way permitted by the Act and shall only be required to make such disclosure to the extent required to do so under the Act. In relation to other situations of actual or potential conflict of interest, the director shall declare the nature of that situation and the nature and extent of his interest in it at a meeting of the directors, or as otherwise determined by the directors, but shall not be required to make such declarations to the extent that the other directors are already aware of the situation and/or interest and its extent.

**20. DIRECTORS AUTHORISATION OF CONFLICTS OF INTEREST**

**20.1** Any Relevant Matter may be authorised by the directors to the fullest extent permitted by law in accordance with the provisions of Articles 20.2 to 20.4.

**20.2** Any director or member may propose that a Relevant Matter be authorised by the directors. Such proposal and any authorisation given by the directors shall be effected in the same way as any other matter may be proposed to, and resolved upon by, the directors (or in such other manner as the directors may approve) in accordance with these Articles, except that no authorisation shall be effective unless the requirements of section 175(6) Act have been complied with.

**20.3** Any authorisation of a matter by the directors under this Article 20 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised and shall be subject to such terms, conditions and limitations as the directors may specify, whether at the time of giving the authorisation or subsequently. The directors may at any time in relation to a particular director and a particular matter or situation terminate or vary (including by imposing new

terms, conditions and limitations in relation to) any authorisation of a Relevant Matter (whether given under Articles 19.1 and 19.2 or this Article 20 or otherwise) provided that no such termination or variation shall have retrospective effect and further provided that such matter is not one described in Article 19.1.2 that relates to an A Director and his office or place of profit or employment with or engagement by any A Shareholder or its Associate. The director concerned must act in accordance with any terms, conditions or limitations specified by the directors in accordance with this Article 20.3.

20.4 No director shall, by reason of his office as director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised in accordance with this Article 20. No transaction or arrangement shall be liable to be avoided by reason of any interest of a director to the extent that it has been so authorised.

20.5 Notwithstanding the other provisions of this Article 20 the members of the Company shall be entitled, by ordinary resolution or by any higher majority as is required by law, to authorise a Relevant Matter (whether or not authorisation has previously been requested from and/or refused by the directors pursuant to this Article 20) or to terminate or vary the terms and conditions of, or procedures for managing conflicts attaching to, any authorisation previously given either by the directors or members. The provisions of Articles 20.3 to 20.4 and Article 21 shall apply *mutatis mutandis* to any authorisation given by the members, save that references to any procedures for managing conflicts laid down by the directors and to any authorisation given, varied or terminated by the directors and any terms and conditions specified, imposed, varied or terminated by the directors in relation to any such authorisation, shall be interpreted as though they were references to procedures laid down, authorisation given, varied or terminated or terms and conditions specified, imposed, varied or terminated by the members.

## 21. DIRECTORS: MANAGING CONFLICTS OF INTEREST

21.1 Where this Article 21.1 applies, a director shall be authorised, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 of the Act to take, and shall (if so requested by the other directors or the shareholders) take, such steps as may be necessary or desirable for the purpose of managing any conflict of interest to which this Article 21.1 applies, including (without limitation) by:

21.1.1 complying with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally or any specific procedures approved by the directors in relation to the situation, matter or interest in question;

21.1.2 excluding himself from attending and voting at board meetings or otherwise participating in directors' decision making to the extent relating to such situation, matter or interest or from participating in discussions (whether at meetings of the board or otherwise), or receiving documents or information, relating to any such situation, matter or interest (including without limitation, notice of meetings,

directors' written resolutions, board papers, minutes or draft minutes and legal advice given to any Group Company);

21.1.3 arranging for documents or information relating to any such situation, matter or interest 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; and/or

21.1.4 not disclosing to the Company, or not using in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a director of the Company which relates to a situation, matter or interest and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party.

21.2 Article 21.1 shall apply, where a director has or could have:

21.2.1 a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company, provided that the interest or the existence of the situation or relationship leading to the interest has been authorised pursuant to Article 19.1, Article 19.2 or Article 20 and the terms and conditions of such authorisation do not provide otherwise; or

21.2.2 a direct or indirect interest in an agreement, transaction or arrangement (or a proposed agreement, transaction or arrangement) with the Company and such interest has been declared to the other directors to the extent required by the Act.

21.3 Where a director obtains or has obtained information, otherwise than through his position as a director, which is confidential to a third party other than the Company, then provided that the duty of confidentiality does not arise out of a situation in which the director has or may have a direct or indirect conflict of interest, the director shall not be required to disclose such information to the Company or use it in relation to the Company's affairs. This Article is without prejudice to the ability of a director to withhold such information from the Company in accordance with the provisions of Article 21.1.

21.4 Articles 21.1 and 21.3 are without prejudice to any equitable principle or rule of law which may otherwise excuse or release the director from any requirement to disclose information or use information in relation to the Company's affairs, participate in discussions or receive documents or information.

21.5 For the purposes of Articles 19 to 21 (inclusive), references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

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

The directors may exercise any power conferred by the Acts to make provision for the benefit of any employees or former employees of the Company or any of its subsidiary undertakings in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary undertaking.

## **23. PROCEEDINGS OF DIRECTORS**

- 23.1 Regulation 88 shall apply as if the third sentence were deleted and replaced by the following: "Subject always to Article 23.7, notice of every meeting of the directors and of every meeting of a committee of the directors shall be given to every director and alternate director, whether or not he is for the time being absent from the United Kingdom, provided that any one or more of the directors or alternate directors may waive his right to be given notices either generally or in respect of any particular meeting or while absent from the United Kingdom, and prospectively or retrospectively (in the latter case within seven days of the start of the meeting or any longer period determined by the Company by ordinary resolution)".
- 23.2 No business may be transacted at any meeting of the directors or a committee of the directors unless a quorum is present. Save as set out in Article 23.7, the quorum for the transaction of the business of the directors or a committee of the directors shall be two directors including at least one A Director and a director who is not an A Director. If any quorum is not present within thirty minutes of the time appointed for the meeting of the directors, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other time and place as the directors may determine. If at the reconvened meeting a quorum is not present within thirty minutes of the time appointed for the meeting, then any two directors present shall constitute a quorum. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Regulation 89 shall not apply.
- 23.3 Unless otherwise stated in these Articles, at any meeting of the directors or a committee of the directors each director present (in person or by alternate) shall have one vote. Resolutions put to the vote of a meeting shall be passed by simple majority. Regulation 70 shall be qualified accordingly and Regulation 88 shall apply as if the fifth sentence was deleted.
- 23.4 At any meeting of the directors or a committee of the directors where the number of A Directors present is less than the number of other directors present and subject to Article 23.7, the A Directors present (in person or by alternate) shall together be entitled to exercise on any resolution proposed at any such meeting 51% of the total votes capable of being cast by all directors present at such meeting.
- 23.5 Unless otherwise agreed by all the directors entitled to vote at that meeting, or in the case of emergency, not less than seven days' prior notice shall be given of each meeting of the directors or a committee of the directors, accompanied by a written agenda specifying in reasonable detail the matters to be discussed at that meeting and accompanied by copies of all documents which are to be discussed at that meeting.
- 23.6 Detailed minutes of every meeting of the directors or a committee of the directors shall be kept by the secretary, and shall be circulated to each director within one week of each such meeting and shall be tabled for approval at the next meeting.
- 23.7 If:

23.7.1 any Group Company has or may have any claim or right against a member or any of that member's Associates (other than an Associate that is a Group Company) ("**Relevant Associates**"), including a right to terminate any agreement, transaction or arrangement with that member or any of its Relevant Associates; or

23.7.2 it is necessary or desirable that any Group Company should defend, compromise, settle or negotiate with regard to any claim or right brought, threatened or asserted against any Group Company by a member or any of its Relevant Associates,

no director appointed by such member shall be entitled to vote on any resolution relating to such matter or attend, speak or be counted in the quorum at any meeting of the directors or any committee of the directors to the extent considering or discussing any such matter. Nor shall any such director be entitled to access or to receive notice of board meetings or to receive or see copies of any board papers (including board minutes and draft minutes) or other papers or legal advice provided to any Group Company in connection with any such matter. The quorum at any meeting of the directors or a committee of the directors, to the extent considering and voting on any resolution in relation to which a director is not entitled to vote by virtue of this Article 23.7, shall be any one director who is entitled to vote, and the directors who are entitled to vote shall exercise all the powers of the Company in relation to the matter in question and Regulation 70 shall be amended accordingly. The provisions of this Article 23.7 shall apply notwithstanding any other provision of these Articles.

23.8 Notice of a meeting of the directors may be given to a director either personally or by word of mouth or in writing or by electronic communication, or by any other means authorised by the director concerned.

23.9 All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and/or be counted in a quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is located.

23.10 A resolution in writing signed or confirmed electronically by each director (or his alternate) entitled to vote on that resolution or by each member of a committee of the directors (whether as one instrument or as several identical instruments) shall be as valid as if it had been passed at a duly convened and held meeting of the directors or (as the case may be) that committee. Regulation 93 shall not apply.

23.11 If any question arises at any meeting of directors or of a committee of directors as to the right of any director to vote, and that question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting (or, if the

director concerned is the chairman, to the other directors at the meeting). The ruling of the chairman in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and binding. Regulation 98 shall not apply.

**24. OFFICIAL SEAL**

The Company may exercise all the powers conferred by the Acts with regard to having any official seal, and those powers shall be vested in the directors. Subject to the provisions of the Acts, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

**25. ACCOUNTS**

Regulation 109 shall apply as if the words "or under any shareholders' agreement or other legally binding obligation entered into by the Company with that member from time to time" were inserted at the end of that Regulation.

**26. CAPITALISATION OF PROFITS**

Regulation 110(c) shall apply as if the words "or ignore fractions altogether" were inserted after the words "distributable under this regulation in fractions".

**27. NOTICES**

27.1 Notwithstanding anything to the contrary in the remainder of this Article 27, a notice, consent, approval, offer or other communication (each a "notice" for the purpose of the remainder of this Article) given under Articles 4, 6, 7, 8, 9, 10, 12, 16 and 18.4 may only be given if it is given:

27.1.1 personally in writing;

27.1.2 in writing by prepaid, first class post or (in the case of a registered address outside the United Kingdom by prepaid airmail) addressed to the person to whom it is to be given and in the case of a person that is not an individual also marked for the attention of the Company Secretary or any other person notified for the time being in accordance with this Article for the purpose; or

27.1.3 in writing by electronic communication to an address specified for that purpose,

Regulations 111, 112 and 115 shall not apply to notices given under this Article 27.1, and such notices shall be given only when received.

27.2 Save as set out in Article 27.1, Regulation 111 shall apply as if the words "given personally or by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail" were inserted after the words "in writing" in the first sentence of that Regulation.

27.3 Notices given by a company under these Articles may be signed or confirmed electronically on its behalf by an officer of the company or by its duly appointed attorney.

27.4 Notices to the Company shall be sent to the office, marked for the attention of the secretary.

27.5 Save as set out in Article 27.1, Regulation 112 shall apply as if the words "first class" were inserted after the word "prepaid" in the first sentence of that Regulation and, in the same sentence, as if the words "or (in the case of a registered address outside the United Kingdom) by airmail in a prepaid envelope" were inserted after the words "sending it by post in a prepaid envelope" and as if the words "for that purpose" were added to the end of the first sentence of that Regulation. The words "but otherwise no such member shall be entitled to receive any notice from the Company" shall be deemed deleted from the end of the last sentence of the Regulation.

27.6 Save as set out in Article 27.1, Regulation 115 shall apply as if:

27.6.1 the words "first class" were inserted after the word "prepaid" in the first sentence of that Regulation;

27.6.2 the words "or properly addressed and delivered by hand" were inserted after the words "properly addressed, prepaid and posted" in the first sentence of that Regulation; and

27.6.3 the last sentence of that Regulation was deleted and was replaced with the words:

"A notice given by any person under these Articles shall be deemed to be given: (i) in the case of a notice delivered by hand, when sent; (ii) in the case of a notice sent by post within the United Kingdom or sent by airmail outside the United Kingdom, when posted; (iii) in the case of a notice contained in a electronic communication, when the electronic communication is first transmitted."

For the avoidance of doubt Regulation 115 shall not apply where these Articles refer to a notice, consent or other communication needing to be "received" in which case actual receipt of the notice, consent or other communication shall be required for the notice, consent or other communication to take effect.

27.7 Regulation 116 shall apply as if the words "within the United Kingdom" were deleted.

## **28. INDEMNITY AND INSURANCE**

28.1 Subject to the provisions of, and so far as may be consistent with, the Acts, every director, alternate director and officer (other than an auditor) of the Company and of any associated company (as defined in section 309A of the 1985 Act) of the Company shall be indemnified out of the assets of the Company against all liabilities attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company of the Company other than any liability as is referred to in section 309B(2)(3) or (4) of the 1985 Act.



28.2 Regulation 118 shall not apply.

28.3 Without prejudice to Article 28.1 the directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was at any time:

28.3.1 a director, alternate director or other officer of any Relevant Company (as defined in Article 28.4 below) or

28.3.2 a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of any Relevant Company or employees' share scheme in which employees of any Relevant Company are interested,

including (without limitation) insurance against any liability within Article 28.1 attaching to him in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme.

28.4 For these purposes "Relevant Company" shall mean the Company or any other undertaking which is or was at any time:

28.4.1 the holding company of the Company; or

28.4.2 a subsidiary of the Company or of such holding company; or

28.4.3 a company in which the Company has an interest (whether direct or indirect).

## 29. **FUNDING OF DIRECTOR'S EXPENDITURE ON DEFENDING PROCEEDINGS**

Subject to the provisions of, and so far as may be consistent with, the 1985 Act, the directors may exercise all the powers of the Company to:

29.1 provide a director with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under any of the provisions mentioned in section 337A(2) of the 1985 Act; or

29.2 do anything to enable a director to avoid incurring expenditure of the kind referred to in article 29.1,

provided that any loan or other thing done under Article 29 shall be made or done on terms which result in the loan falling to be repaid, or any liability of the Company under any transaction connected with the thing in question falling to be discharged, in the circumstances set out in section 337A(4)(a) (b) and (c) of the 1985 Act, not later than the date referred to in the relevant part of that section, as interpreted in accordance with section 337A(5) and (6) of the 1985 Act.