

Company number 03879220

PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS
of
THE BLACK DRESS COMPANY (UK) LIMITED
Circulation date: 18th April 2016

In accordance with the provisions of Chapter 2 of Part 13 Companies Act 2006, the following resolutions are proposed as ordinary or special resolutions of the Company (as indicated)

ORDINARY RESOLUTION

- 1 **THAT** the sub-division of the each of the 100 ordinary shares of £1 00 each in the capital of the Company into 100,000 ordinary shares of £0 001 each in the capital of the Company, such shares having the rights and being subject to the obligations set out in the articles of association of the Company to be adopted pursuant to resolution 2 below, be authorised

SPECIAL RESOLUTION

- 2 **THAT** the articles of association of the Company attached to this written resolution be adopted as the new articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company

The persons named below, being the only persons eligible to vote on the above resolutions on the circulation date, irrevocably agree to each of those resolutions



David Walter

Date 18th April 2016



Mark Evans

Date 18th April 2016



Ian Langley

Date 18th April 2016

SATURDAY



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A57XE0S2

28/05/2016

#191

COMPANIES HOUSE

Alesha Dixon

Date

2016

NOTE

- 1 If you agree with the resolutions, please sign and date this document and return it to the Company. If you do not agree with the resolutions, you do not need to do anything; you will not be deemed to agree if you fail to reply.
- 2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement.
- 3 The resolutions set out above will lapse if the required majority of eligible members have not signified their agreement to them by the end of the period of 28 days beginning with the circulation date set out above. If you agree to the resolutions, please ensure that your agreement reaches us before that date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document.

◊ Gateley Plc

ARTICLES OF ASSOCIATION

of

THE BLACK DRESS COMPANY (UK) LIMITED

Adopted by Special Resolution on 18th April 2016

Company number: 03879220

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

THE BLACK DRESS COMPANY (UK) LIMITED (the "Company")

1 INTERPRETATION

1 1 In these Articles the following words and expressions have the following meanings unless the context otherwise requires

"Act"	the Companies Act 2006,
"acting in concert"	has the meaning set out in the City Code on Takeovers and Mergers in force for the time being;
"Adoption Date"	the date of the adoption of these Articles;
"Asset Sale"	the disposal by any one or more Group Companies of assets (whether together with associated liabilities or otherwise and as part of an undertaking or otherwise) which represent 50% or more (by book value) of the consolidated gross tangible assets of the Group at that time;
"Associated Company"	any of the Company's subsidiaries, its holding company or any subsidiaries of its holding company;
"Auditors"	the auditors of the Company for the time being, or if no auditors are appointed, the Company's reporting accountants for the time being,
"Bad Leaver"	a Member (not being a Founder Shareholder) who ceases to be an employee of and/or consultant or service provider under a Commercial Contract to or with the Company or an Associated Company in any circumstance who is not a Good Leaver,
"Board"	the board of directors of the Company from time to time,
"Business Day"	a day other than a Saturday or Sunday or public holiday in England;
"Change of Control"	the acquisition (by any means) by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser together with any person connected with or acting in concert with that Third Party Purchaser (other than any such person who was a party to the Shareholders' Agreement on the Adoption Date) would be entitled to exercise more than 50% of the total voting rights normally exercisable at any general meeting of the Company,
"Commercial Contract"	has the meaning given in Article 15.1 9
"Compulsory Transfer Shares"	in relation to a Relevant Member, any Shares (a) held by the Relevant Member at the time of the

relevant Transfer Event;

- (b) held at the time of the relevant Transfer Event by any Family Member or Family Trust of the Relevant Member (which Shares were acquired by that Family Member or Family Trust directly or indirectly from the Relevant Member); and
- (c) acquired by the Relevant Member, his Family Members, Family Trusts and/or personal representatives after the occurrence of the Transfer Event pursuant to scheme or arrangement entered into prior to the Transfer Event,

together with, in any case, any further Shares received by any person referred to in paragraphs (a), (b) and (c) above at any time after the relevant Transfer Event which are derived from any such Shares, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise,

"Deferred Shares"

a deferred share of £0 001 in the capital of the Company, created in accordance with the provisions of article 10 and having the rights and being subject to the restrictions set out in these Articles;

"Director"

a duly appointed director of the Company for the time being,

"Eligible Director"

a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter),

"Employee Trust"

any trust, approved by a Shareholder Majority which is established for the benefit of the employees of the Company or any Associated Company and/or any of the persons referred to in section 1166 of the Act,

"Encumbrance"

any mortgage, charge (fixed or floating), pledge, lien, option, hypothecation, restriction, right to acquire, right of pre-emption or interest (legal or equitable) including any assignment by way of security, reservation of title, guarantee, trust, right of set off or other third party right or any other encumbrance or security interest having a similar effect howsoever arising,

"Fair Value"

the price which the Expert states in writing to be their opinion of the fair value of the Shares concerned, calculated on the basis that

- (a) the fair value is the sum which a willing buyer would agree with a willing seller on an arm's length sale to be the purchase price for the Shares concerned on a Share Sale,
- (b) no account shall be taken of the size of the holding which the relevant Shares comprise or whether those Shares represent a majority or

minority interest,

- (c) no account shall be taken of the fact that the transferability of the relevant Shares is restricted under these Articles;
- (d) if the Company is then carrying on business as a going concern, it will continue to do so, and
- (e) any difficulty in applying any of the bases set out above shall be resolved by the Expert as they, in their absolute discretion, think fit,

"Family Member"

in relation to any Member or deceased or former individual member, the husband or wife or the widower or widow of such member and all the lineal descendants and ascendants in direct line of such member and the brothers and sisters of such member and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant,

"Family Trust"

a trust under which the only persons being (or capable of being) beneficiaries are

- (a) the settlor (being a Member); and/or
- (b) the Family Members of that settlor, and
- (c) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income from that property when the trust is created but may become so interested if there are no other beneficiaries for the time being except other charities),

and under which no power of control over the voting powers conferred by any Share is exercisable at any time by, or subject to the consent of, any person other than the trustees, the settlor or the Family Members of that settlor For the purposes of this definition

- (i) **settlor** shall include a testator or an intestate in relation to a Family Trust arising under a testamentary disposition or an intestacy of a deceased Member (as the case may be), and
- (ii) Family Member shall include the widow or widower of the settlor or the surviving civil partner of such settlor at the date of his death;

"Finance Documents"

has the meaning given in the Loan Agreement, but excluding the Loan Offer Letter (and the Loan Offer Letter shall have the meaning given in the Loan Agreement);

"Financial Year"	has the meaning given in section 390 of the Act,
"Founder Shareholders"	David Walter, Ian Langley and Mark Evans,
"GMCA"	Greater Manchester Combined Authority,
"Good Leaver"	a Member (not being a Founder Shareholder) who ceases to be an employee of and/or consultant or service provider under a Commercial Contract to the Company or an Associated Company (A) as a result of (i) death or (ii) permanent incapacity due to ill-health (except where such ill-health arises as a result of an abuse of drink or drugs) which, in the opinion of the Board is sufficiently serious to prevent him from carrying out his normal duties, or (B) who the Board (with the consent of a Shareholder Majority) shall otherwise determine is a Good Leaver,
"Group"	the Company and its subsidiaries from time to time and member of the Group and Group member shall be construed accordingly,
"Issue Price"	in relation to any Share, the amount paid up or credited as paid up on such Share, including the full amount of any premium at which such Share was issued,
"KPI Targets"	such performance targets for the Company as agreed in writing with GMCA from time to time,
"KPI Period"	the period starting on the Adoption Date and ending on 31 December 2020,
"Listing"	either: <ul style="list-style-type: none"> (a) the admission of all or any part of the Shares to listing on the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange's market for listed securities, (b) the admission of all or any part of the Shares to trading on AIM, a market operated by London Stock Exchange, or (c) the admission of all or any part of the Shares to listing and/or trading on any other Recognised Investment Exchange, and, in any such case, such admission becoming unconditionally effective,
"Loan Agreement"	the facility agreement between the Company and GMCA dated on or around the Adoption Date,
"Member"	a registered holder for the time being of Shares;
"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Adoption Date,
"Ordinary Shares"	an ordinary share of £0.001 in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

"Realisation"	a Share Sale or a Listing;
"Realisation Date"	<p>(a) in respect of a Listing, the date on which dealings in the Company's shares are permitted to commence, and</p> <p>(b) in respect of a Share Sale or an Asset Sale, the date of receipt from the buyer(s) of the consideration first payable on completion of that Share Sale or Asset Sale,</p>
"Recognised Stock Exchange"	has the meaning given in section 285(1) Financial Services and Markets Act 2000,
"Relevant Members"	a Member in respect of whom a Shareholder Majority has notified the Company that an event shall be treated as a Transfer Event in accordance with article 15 1,
"Relevant Number"	such number of Ordinary Shares in the capital of the Company to be converted into Deferred Shares following the achievement of KPI Targets in a Financial Year during the Financial Period, as agreed between the Company and GMCA in writing, from time to time,
"Relevant Securities"	any Shares, or any right to subscribe for or convert any securities into any Shares;
"Sale Shares"	has the meaning given in article 14.1.2(a),
"Share"	any share of any class in the capital of the Company;
"Shareholder Majority"	two or three of the Founder Shareholders,
"Shareholders' Agreement"	the shareholders and subscription agreement dated on or around the date of the adoption of these Articles between the Members at the Adoption Date and the Company (as amended, varied or supplemented from time to time);
"Share Sale"	the transfer of any interest in any Shares (whether by one transaction or a series of transactions), other than a transfer in accordance with article 13, which results in a Change of Control;
"Third Party Purchaser"	an individual or body corporate being a bona fide arms-length purchaser not being a Member or an "associate" (within the meaning of section 435 Insolvency Act 1986) of a Member; and
"Transfer Event"	each of the events set out in article 15 1, and
"Transfer Notice"	a notice in accordance with Article 14.1 that a Member desires to transfer his Shares

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles

1 3 In these Articles a reference to

- 1 3 1 a statutory provision includes a reference to the statutory provision as replaced, modified or re-enacted from time to time before or after the Adoption Date and any subordinate legislation made under the statutory provision before or after the Adoption Date,
- 1 3 2 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists), and
- 1 3 3 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated therein), and a reference to an article is to an article of these Articles, in each case as amended from time to time in accordance with the terms of these Articles and the Act
- 1 4 The contents table and headings in these Articles are for convenience only and do not affect their interpretation
- 1 5 Words importing the singular include the plural and vice versa and words importing a gender include every gender
- 1 6 Any question as to whether a person is "connected" with another shall be determined in accordance with section 1122 of the Corporation Tax Act 2010
- 1 7 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force
- 1 8 All consents or approvals to be given by a Shareholder Majority in respect of any provision of these Articles must be given in writing
- 1 9 The Contracts (Rights of Third Parties) Act 1999 shall not apply to any rights under these Articles
- 2 **MODEL ARTICLES**
- 2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 2 2 Articles 6(2), 11 to 14 (inclusive), 16, 26(5), 38, 43, 44(2), 49 and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company
- 2 3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur"
- 2 4 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"
- 3 **DIRECTORS' MEETINGS**
- 3 1 Any decision of the Directors must be taken at a meeting of the Board in accordance with these Articles or must be a decision taken in accordance with Article 4
- 3 2 Subject as provided in these Articles, the Directors may participate in Board meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit
- 3 3 All decisions made at any meeting of the Directors or of any committee of the Directors shall be made only by resolution, and no such resolution shall be passed unless there is a majority vote for it Each Director has one vote at a meeting of the Board
- 3 4 The provisions of Article 5 2 shall apply equally to meetings of any committee of the Board as to meetings of the Board
- 4 **DECISIONS OF DIRECTORS**
- 4 1 A decision of the Directors is taken in accordance with this Article when sufficient Eligible Directors indicate to each other by any means that they share a common view on a matter

4 2 Such a decision 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. A proposed directors' written resolution is adopted when each of the Eligible Directors who would have been entitled to vote on the resolution at a directors' meeting have signed at least one copy or duplicate copy.

4 3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter.

4 4 The chairman shall not have a second or casting vote at a meeting of the Board.

4 5 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

5 NUMBER OF DIRECTORS AND QUORUM

5 1 Unless and until determined otherwise by a Members resolution, the minimum number of Directors shall be one and the maximum number of Directors shall be six. No shareholding qualification for Directors shall be required.

5 2 The quorum at any meeting of the Directors shall be three directors, unless

5 2 1 only two Directors shall have been appointed in which case the quorum shall be two Directors only, or

5 2 2 only one Director shall have been appointed in which case the quorum shall be one Director.

5 3 No business shall be conducted at any meeting of the Directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time specified for the relevant meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned for 5 Business Days at the same time and place or to such time and place as the Directors determine. If at any adjourned meeting such quorum is not present within 30 minutes from the time appointed, then any one Eligible Director shall be a quorum.

6 DIRECTORS' INTERESTS

6 1 The Directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any Director which would, if not so authorised, involve a Director (the "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest (a "Conflict").

6 2 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently)

6 2 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

6 2 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,

6 2 3 provide that the Interested Director may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution related to the Conflict,

6 2 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,

6 2 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and

6 2 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from

reviewing papers prepared by, or for, the Directors to the extent they relate to such matters

- 6 3 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Members in relation to the Conflict
- 6 4 The Directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation
- 6 5 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 6 6 Subject to sections 177(5) and 177(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Act
- 6 7 Subject to sections 182(5) and 182(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 6 6
- 6 8 Subject, where applicable, to any terms and conditions imposed by the Directors in accordance with Article 6 2, and provided a Director has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company
- 6 8 1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested,
- 6 8 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
- 6 8 3 shall be entitled to vote at a meeting of Directors (or of a committee of Directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
- 6 8 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,
- 6 8 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- 6 8 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

7 **ALTERNATE DIRECTORS**

7 1 Any Director (the "appointor") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to

7 1 1 exercise that Director's powers, and

7 1 2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor

7 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

7 3 The notice must

7 3 1 identify the proposed alternate, and

7 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

7 4 An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor

7 5 Except as these Articles specify otherwise, alternate directors

7 5 1 are deemed for all purposes to be Directors,

7 5 2 are liable for their own acts and omissions,

7 5 3 are subject to the same restrictions as their appointors, and

7 5 4 are not deemed to be agents of or for their appointors,

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

7 6 A person who is an alternate director but not a Director

7 6 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating), and

7 6 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)

7 7 A Director who is also an alternate director is entitled, in the 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)

7 8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the appointor's remuneration as the appointor may direct by notice in writing made to the Company

7 9 An alternate director's appointment as an alternate terminates

7 9 1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,

7 9 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director,

7 9 3 on the death of the alternate's appointor, or

7 9 4 when the alternate's appointor's appointment as a Director terminates

8 SECRETARY

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors

9 SHARE RIGHTS

9.1 Dividends

9.1.1 Subject to article 10.4.1, as regards dividends, the Company shall apply distributable profits amongst the holders of the Shares in respect of their holding of such Shares *pari passu* and *pro rata* to the number of such Shares held by each of them

9.2 Return of Capital

9.2.1 On a return of capital, whether on liquidation, capital reduction or otherwise (but excluding a purchase of own shares or redemption of shares made in accordance with the provisions of these Articles), any surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority

Order	Class of Share	Amount
1	Ordinary Shares	The Issue Price
2	Ordinary Shares	£10,000,000 per share
2	Deferred Shares	£0.001 per share
4	Ordinary Shares	The balance (if any) of any surplus assets

9.3 Where the surplus assets available for distribution to any particular class of share in accordance with article 9.2 is less than the total amount specified to be distributed to that class in that article, the available assets shall be distributed amongst the holders of Shares of that class *pro rata* according to the number of Shares of the relevant class held by each of them respectively

9.4 Voting

9.4.1 Subject to articles 10.4.3 and 15.6 and the provisions of the Act, each Member shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company, on a show of hands every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every Member so present shall have one vote for each Share held by him

10 CONVERSION OF GMCA ORDINARY SHARES

10.1 Subject to article 10.3, in the event that the Company meets its KPI Targets in any Financial Year during the KPI Period, the Relevant Number of Ordinary Shares registered in the name of GMCA shall be converted and re-designated as the same number of Deferred Shares, credited as fully paid up. Such conversion of Ordinary Shares into Deferred Shares shall take place automatically and immediately upon the agreement or determination of the Relevant Number of Ordinary Shares registered in the name of GMCA to be converted to Deferred Shares (such process for agreement or determination of the Relevant Number of Ordinary Shares to be converted into Deferred Shares being the process agreed between the Company and GMCA in writing, from time to time)

10.2 As soon as reasonably practicable after any Ordinary Shares have been converted and re-designated into Deferred Shares, GMCA shall deliver to the Company at its registered office the certificate(s) in respect of the Ordinary Shares that have been converted and re-

- designated into Deferred Shares and the Company shall issue to GMCA a certificate(s) for the Deferred Shares arising on conversion, together with a balancing certificate in respect of any unconverted Ordinary Shares comprised in the certificates delivered to the Company
- 10 3 No conversion of Ordinary Shares into Deferred Shares shall take place in accordance with this article 10
- 10 3 1 following a Change of Control, or
- 10 3 2 if there is a breach of any provision of the Finance Documents provided that no breach shall be deemed to have occurred if such breach is capable of remedy and is remedied within 30 Business Days of the earlier of (i) GMCA giving notice to the Company or (ii) the Company becoming aware of the breach
- 10 4 Notwithstanding any other provision of these Articles, the Deferred Shares shall carry no right to
- 10 4 1 receive any dividends,
- 10 4 2 participate in any return on capital, save to the extent specified in the table in article 9 2 1,
- 10 4 3 receive notice of, or attend, speak or vote at, any general meeting of the Company, or
- 10 4 4 participate in, or receive notice of, an offer for Shares under articles 12, 15 or 16
- 10 5 If a Shareholder Majority so directs in writing, the Deferred Shares resulting from a conversion pursuant to article 10 1 shall be purchased by the Company provided it is lawful for the Company to purchase them at that time The Company shall pay on each Deferred Share so purchased an amount equal to the Issue Price of such Deferred Share For the avoidance of doubt, the provisions of article 14 shall not apply to the purchase of any Deferred Shares by the Company pursuant to this article 10 5
- 11 **ISSUE OF SHARES**
- 11 1 Any Relevant Securities which the Directors propose to allot, grant or otherwise dispose of from time to time shall only be allotted, granted or otherwise disposed of following a resolution of the Board that such allotment/issue is in the best interests of the Company and the Members as a whole and before they are issued, allotted, granted or otherwise disposed of, be offered to all the Members and each such Member's entitlement to Shares shall be the proportion that their holding of Shares bears to the total number of Shares held by those Members to whom the offer is made (and such offer shall be at the same price and on the same terms to each such Member) Such offer shall be made by notice (a "**Subscription Notice**") specifying the number of Shares offered, the proportionate entitlement of the relevant Member, the price per Share and limiting a period (being not less than 50 Business Days) within which the offer, if not accepted, will be deemed to be declined After the expiration of such period the Directors shall offer the Shares so declined to the persons who have, within the said period, accepted all the Shares offered to them in the same manner as the original offer (save that each Member's entitlement to Shares shall be the proportion that their holding of Shares bears to the total number of Shares held by those Members to whom the further offer is made) and limited by a period of not less than 20 Business Days If any Shares comprised in such further offer are declined or deemed to be declined such further offer shall be withdrawn in respect of such Shares At the expiration of the time limited by the notice(s) the Directors shall allot the Shares so offered to or amongst the Members who have notified their willingness to take all or any of such Shares in accordance with the terms of the offer No Member shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take
- 11 2 In respect of any Shares not accepted pursuant to Article 11 above or not capable of being so offered except by way of fractions or in respect of any Shares released from the provisions of Article 11 by special resolution as therein specified, shall be at the disposal of the Company and the Directors may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no Shares shall be issued at a discount and provided further that, in the case

of Shares not accepted as aforesaid, such Shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the Members, or at a discount. No Share shall be issued more than 3 months after the end of the period for the acceptance of the last offer made under Article 11 unless the procedure in Article 11 and this Article 11 2 is repeated in relation to that Share

- 11 3 The discretion of the Directors contained in this Article as to the allotment and disposal of and the granting of any option over the Shares shall in any event be subject to the provisions of any agreement relating thereto binding on the Company from time to time and any directions contained in any resolution creating such Shares
- 11 4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act)
- 11 5 Notwithstanding any other provision of these Articles, no Share shall be allotted to a person who is not already a party to the Shareholders' Agreement unless that person has entered into a deed of adherence to, and in the form required by, the Shareholders' Agreement
- 11 6 A Subscription Notice shall not be sent to, and no Shares shall be treated as offered to, any Relevant Shareholder upon whom a Compulsory Transfer Notice has been served in accordance with Article 15 2

12 TRANSFER OF SHARES

- 12 1 Notwithstanding any other provision of these Articles, the Directors shall not register a transfer of any interest in a Share

- 12 1 1 if it is to a minor, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of a Shareholder Majority) lacks capacity, or

- 12 1 2 unless

- (a) the transfer is permitted by article 13, or

- (b) the transfer is made in accordance with articles 14, 15, 16 or 17,

and in either case (other than in respect of a transfer to a Third Party Purchaser under article 16 or 17) the transferee, if not already a party to the Shareholders' Agreement, has entered into a deed of adherence to, and in the form required by, the Shareholders' Agreement

- 12 2 The Directors may only refuse to register a transfer of Shares which is either permitted under article 13 or made in accordance with articles 14, 15, 16 or 17 if

- 12 2 1 the transfer has not been lodged at the Company's registered office (or such other place as the Directors may nominate for this purpose),

- 12 2 2 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for a lost, stolen or damaged certificate in such form as is reasonably required by the Directors) and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer,

- 12 2 3 the transfer is in respect of more than one class of Shares,

- 12 2 4 the transfer is in favour of more than four transferees, or

- 12 2 5 the transfer has not been properly stamped or certified as being not liable to stamp duty

In all other cases, the Directors must register such a transfer of Shares. Article 26(5) of the Model Articles shall not apply to the Company

- 12 3 For the purposes of ensuring that

- 12 3 1 a transfer of any Share is in accordance with these Articles, or

- 12 3 2 no circumstances have arisen whereby a Member is required to give or may be deemed to have given a Transfer Notice in respect of any Share, or

- 12 3 3 no circumstances have arisen whereby the provisions of article 16 are required to be or ought to have been triggered,
- the Directors may from time to time (and shall, if so requested to do by a Shareholder Majority) require any Member to provide, or to procure that any person named as the transferee in any transfer lodged for registration or any other person whom the Directors or reasonably believes to have information relevant to such purpose provides, such information and evidence as the Directors may reasonably require for such purpose. Pending such information or evidence being provided, the Directors are entitled (and shall, if so requested to do by a Shareholder Majority) to refuse to register any relevant transfer of Shares.
- 12 4 If any information or evidence provided pursuant to article 12 3 discloses to the reasonable satisfaction of the Directors that circumstances have arisen whereby a Member may be required to give or be deemed to have given a Transfer Notice the Directors may with the consent of a Shareholder Majority (and shall, if so requested to do so by a Shareholder Majority) by notice in writing to the relevant Member require that a Transfer Notice be given in respect of the Shares concerned.
- 12 5 In any case where a Member is required to give a Transfer Notice in accordance with the provisions of these Articles and such Transfer Notice is not duly given within a period of 10 Business Days of written notice from the Directors to the relevant Member requesting that such Transfer Notice be duly given, such Transfer Notice shall be deemed to have been given immediately upon the expiry of that period of 10 Business Days. Notwithstanding any other provision of these Articles, unless a Shareholder Majority resolves otherwise, any Shares which are the subject of a Transfer Notice deemed to have been served in accordance with this article 12 5 (and any Shares received after the date of service, or deemed service, of any such Transfer Notice which are derived from any Share which is the subject of that Transfer Notice, whether by conversion, consolidation or sub-division, or by way of capitalisation, rights or bonus issue or otherwise) shall with effect from the date of the relevant deemed Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer upon the holder of such shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Shares.
- 12 6 Notwithstanding any other provision of these Articles, an obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any Encumbrance.
- 12 7 Where any Shares are the subject of a Transfer Notice (including a Compulsory Transfer Notice deemed to have been given in accordance with article 15 2), no transfer of any such Shares shall be permitted pursuant to article 13.
- 13 PERMITTED TRANSFERS**
- 13 1 Transfer to a Family Member**
- 13 1 1 Subject to article and 13 1 2, any Founder Shareholder may at any time transfer any of the Shares held by him to one or more of his Family Members.
- 13 1 2 Where any Founder Shareholder (in this article 13 1 2 the **transferor**) transfers Shares to a Family Member (in this article 13 1 2 the **transferee**) the transferor shall procure, before the transfer is presented for registration, that he is appointed, on terms reasonably satisfactory to a Shareholder Majority, as the attorney of the transferee to exercise, in the name of and on behalf of the transferee, all or any of the rights in relation to the Shares transferred to him with full (unconditional and irrevocable) authority to sell those Shares on behalf of the transferee on a Realisation. For that purpose the transferee authorises the Company to send any written resolutions, notices or other communications in respect of the Shares registered in the name of the transferee to the transferor.
- 13 1 3 Where, following a transfer of Shares pursuant to article 13 1 1, the transferee of those Shares ceases for any reason to be a Family Member of the original

transferor of those Shares or one of the events specified in articles 15 1 1 to 15 1 7 occurs in relation to the transferee, such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) shall within 20 Business Days of a written request so to do from the Directors or the Investor Director, transfer all the Shares held by them to the original transferor failing which the Directors may (and shall, if so requested to do by a Shareholder Majority) at any time either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) and register the original transferor of those Shares as the holder of such Shares or require such transferee (or his trustee in bankruptcy, personal representatives, executors or attorney, as the case may be) to serve a Transfer Notice in respect of all the Shares held by him and the provisions of article 13 shall apply

13 1 4 A Family Member to whom Shares have been transferred pursuant to this article 13 1 may transfer those Shares back to the original transferor at any time but may not otherwise transfer such Shares pursuant to this article 13 1 or article 13 2

13 1 5 For the avoidance of doubt, the provisions of article 13 1 3 shall apply in priority to the provisions of article 15 in relation to a transfer of Shares required following the occurrence of one of the events in articles 15 1 1 to 15 1 7 in relation to a transferee

13 2 Transfer to a Family Trust

13 2 1 Subject to article 13 2 2, any Founder Shareholder may at any time transfer any of the Shares held by him to one or more trustees to be held on a Family Trust

13 2 2 No transfer of Shares shall be permitted pursuant to article 13 2 1 unless a Shareholder Majority is satisfied

- (a) with the terms of the instrument constituting the Family Trust,
- (b) with the identity of the proposed trustee(s) of the Family Trust, and
- (c) that no costs incurred in the setting up or administration of the Family Trust are to be paid by the Company or any Associated Company

13 2 3 Where any Shares are held by a trustee(s) on a Family Trust, those Shares may be transferred to

- (a) any new trustee(s) of the Family Trust appointed on a change in trustee(s),
- (b) the settlor of such Family Trust,
- (c) the trustees of another Family Trust which has the same settlor, or
- (d) any Family Member of the settlor of such Family Trust on their becoming entitled to such Shares under the terms of the Family Trust

13 2 4 Where any Shares are held by a trustee(s) on a Family Trust and either

- (a) the relevant trust ceases to be a Family Trust in relation to the settlor, or
- (b) there ceases to be any beneficiaries of the Family Trust other than charities,

the trustee(s) shall forthwith, and in any event within 20 Business Days of the date on which the trust ceased to be such a Family Trust or there ceased to be any beneficiaries as above, transfer all the Shares held by them to the original transferor failing which the Directors may (and shall, if so requested to do by a Shareholder Majority) at any time either authorise and instruct any Director to execute a transfer of the Shares on behalf of the relevant transferee and register the original transferor of those Shares as the holder of such Shares or require such trustee(s) to serve a Transfer Notice in respect of all the Shares held by them and the provisions of article 10 shall apply

13 3 Transfer by GMCA to a public sector body

GMCA may at any time transfer any of the Shares held by it to one or more public sector bodies

14 PRE-EMPTION ON TRANSFER

14 1 Transfer Notice

14 1 1 Except as permitted under article 13 (Permitted Transfers) or as provided for in articles 16 (Drag Along) and 17 (Tag Along), any Member (a **Seller**) who wishes to transfer any Share (or any interest in any Share) shall, before transferring or agreeing to transfer such Share (or interest), give notice in writing (a **Transfer Notice**) to the Company of his wish

14 1 2 Subject to article 14 1 3, a Transfer Notice shall

- (a) state the number and class of Shares (the **Sale Shares**) which the Seller wishes to transfer,
- (b) state the name of the person (if any) to whom the Seller wishes to transfer the Sale Shares,
- (c) state the price per Share (the **Proposed Price**) at which the Seller wishes to transfer the Sale Shares,
- (d) state if the Transfer Notice is conditional upon all (and not only part) of the Sale Shares being sold pursuant to this article 14 (a **Total Transfer Condition**),
- (e) relate to only one class of Share,
- (f) constitute the Company as the agent of the Seller in relation to the sale of the Sale Shares in accordance with this article 14, and
- (g) not be capable of variation or cancellation without the consent of a Shareholder Majority

14 1 3 Where a Transfer Notice is one which is deemed to have been given by virtue of any provision of these Articles (including a Compulsory Transfer Notice deemed to have been served in accordance with article 15 2)

- (a) it shall relate to all the Shares registered in the name of the Seller,
- (b) it shall not contain a Total Transfer Condition,
- (c) subject to article 15 3, the Transfer Price shall be such price as may be agreed between the Seller and the Directors, with the consent of a Shareholder Majority, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice or if either no price is agreed within such period or a Shareholder Majority directs at any time during that period, the Fair Value determined in accordance with article 14 2 2,
- (d) it shall be irrevocable, and
- (e) subject to articles 12 4 and 15 6, the Seller may retain any Sale Shares for which Buyers (as defined in article 14 5 2) are not found

14 2 Transfer Price

14 2 1 The Sale Shares will be offered for sale in accordance with this article 14 at the following price (the **Transfer Price**)

- (a) subject to the consent of a Shareholder Majority, the Proposed Price, or
- (b) such other price as may be agreed between the Seller and the Directors, with the consent of a Shareholder Majority, within 10 Business Days of the date of service (or deemed service) of the Transfer Notice, or

- (c) if no price is agreed pursuant to article (b) within the period specified in that article, or if a Shareholder Majority directs at any time during that period, whichever is the lower of (i) the Proposed Price and (ii) the Fair Value
 - 14 2 2 If the Seller and the Directors are unable to agree on the Transfer Price in accordance with article 14 2 1(b) or if a Shareholder Majority directs in accordance with article 14 2 1(c) (or article 14 1 3(c) in the case of a Transfer Notice which is deemed to have been given by virtue of any provision of these Articles), the Directors shall instruct the Expert to determine and certify the Fair Value of the Sale Shares in accordance with article 25
 - 14 2 3 Where the Fair Value is less than the price proposed by the Directors to the Seller not less than 5 Business Days prior to receipt of the Expert's report by the Company then the Expert's fees shall be borne wholly by the Seller
- 14 3 **Board Invitees**

In these Articles, the expression **Board Invitee** shall mean any of

 - 14 3 1 the Company (subject to compliance by the Company with the provisions of the Act), and/or
 - 14 3 2 the trustees of any Employee Trust, and/or
 - 14 3 3 any person(s) (being a current or future employee or officer of the Company or an Associated Company) nominated by a Shareholder Majority),

as selected by the Directors with the consent of a Shareholder Majority in the period of 6 months after the date on which the Transfer Price is agreed or determined in accordance with these Articles or, if no such persons are selected in accordance with this article 14 3 within that period, as selected by a Shareholder Majority within a further period of 3 months
- 14 4 **Offer Notice**
 - 14 4 1 Subject to article 14 4 2, the Directors shall serve a notice (an **Offer Notice**) on all Members (other than GMCA who shall have no entitlement to apply for any Sale Shares) and any Board Invitees (as the case may be) to whom the Sale Shares are to be offered in accordance with these Articles as soon as reasonably practicable after (and in any event within 20 Business Days of) whichever is the first to occur of
 - (a) the period prescribed in article 14 3 for the selection of Board Invitees having expired, or
 - (b) the identity of all Board Invitees having been determined with the consent of a Shareholder Majority, or
 - (c) the Directors determining, with the consent of a Shareholder Majority, that none of the Sale Shares are to be offered to a Board Invitee

or, if later, on the Transfer Price being agreed or determined in accordance with these Articles
 - 14 4 2 An Offer Notice shall not be sent to, and no Sale Shares shall be treated as offered to, the Seller or any Member who, at the date of the Offer Notice, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name
 - 14 4 3 An Offer Notice shall
 - (a) state the Transfer Price,
 - (b) contain the other relevant information set out in the Transfer Notice,
 - (c) invite the relevant offerees to respond in writing to the Company stating the number of Sale Shares which they wish to purchase, and

- (d) expire, and the offer made in that Offer Notice shall be deemed to be withdrawn, on a date which is not less than 10 nor more than 20 Business Days after the date of the Offer Notice
- 14 4 4 For the purposes of allocating the Sale Shares amongst the Members and any Board Invitees, Sale Shares will be treated as offered
 - (a) firstly, to Board Invitees,
 - (b) secondly, to the extent not already accepted by Board Invitees, Founder Shareholders, and
 - (c) thirdly, to the extent not already accepted by Board Invitees or Founder Shareholders, to all Members other than GMCA
- 14 5 **Allocation of Sale Shares**
 - 14 5 1 After the expiry of the period specified in the Offer Notice or, if sooner, upon all the persons specified in article 14 4 4 having responded to the Offer Notice and the Company having received valid applications for all the Sale Shares (in either case the **Allocation Date**), the Directors shall allocate the Sale Shares in accordance with the applications received in the priorities and in respect of each class of persons as set out in article 14 4 4 provided that
 - (a) if there are applications from any class of offerees for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to the relevant applicants in proportion (as nearly as practicable but without allocating to any applicant more Sale Share than he applied for) to the number of Shares of the class entitling them to receive such offer held by each of them respectively,
 - (b) the allocation of any fractional entitlements to Sale Shares amongst the members of a particular class of Shares shall be dealt with by the Directors, with the consent of a Shareholder Majority, in such manner as they see fit,
 - (c) the allocation of Sale Shares between two or more Board Invitees shall be at the absolute discretion of the Directors, subject to the approval of a Shareholder Majority, and
 - (d) no Sale Shares shall be allocated to any Member who, at the Allocation Date, is bound to give, or has given or is deemed to have given, a Transfer Notice in respect of any Shares registered in his name
 - 14 5 2 Within 5 Business Days of the Allocation Date the Directors shall give notice in writing (an **Allocation Notice**) to the Seller and each Member or Board Invitee to whom Sale Shares have been allocated pursuant to article 14 5 1 (each a **Buyer**) An Allocation Notice shall state
 - (a) the number and class of Sale Shares allocated to that Buyer,
 - (b) the name and address of the Buyer,
 - (c) the aggregate purchase price payable by the Buyer in respect of the Sale Shares allocated to him,
 - (d) the information (if any) required pursuant to article 14 5 4, and
 - (e) subject to article 14 5 4, the place, date and time (being not less than 2 nor more than 5 Business Days after the date of the Allocation Notice) at which completion of the sale and purchase of the relevant Sale Shares shall take place
 - 14 5 3 Subject to article 14 5 4, completion of a sale and purchase of Sale Shares pursuant to an Allocation Notice shall take place at the place, date and time specified in the Allocation Notice when the Seller will, upon payment of the Transfer Price in respect of the Sale Shares allocated to a Buyer, transfer those Sale Shares, and deliver the relevant share certificate(s) in respect of such Sale Shares, to that Buyer

- 14 5 4 If the Transfer Notice contained a Total Transfer Condition and the total number of Shares applied for and allocated to the Buyers in accordance with article 14 5 1 is less than the total number of Sale Shares then
- (a) the Allocation Notice will refer to the Total Transfer Condition and will contain a further offer (the **Further Offer**) to the Buyers inviting them to apply for further Sale Shares at the Transfer Price,
 - (b) the Further Offer shall expire, and shall be deemed to be withdrawn, upon the expiry of the period (being not more than 10 Business Days) specified in the Allocation Notice,
 - (c) any Sale Shares accepted by the Buyers pursuant to the Further Offer shall be allocated amongst them in accordance with the provisions of articles 14 5 1(a) to (c), and
 - (d) following the allocation of any Sale Shares amongst the Buyers in accordance with article (c), and provided all the Sale Shares have then been allocated, the Directors shall issue revised Allocation Notices in accordance with article 14 5 2 but omitting article 14 5 2(d) of that article
- 14 5 5 Subject to article 14 5 6, the service of an Allocation Notice (or a revised Allocation Notice in accordance with article 14 5 4) shall constitute the acceptance by a Buyer of the offer to purchase the number of Sale Shares specified in that Allocation Notice on the terms offered to that Buyer
- 14 5 6 If after following the procedure set out in this article 14 the total number of Shares applied for and allocated to the Buyers remains less than the total number of Sale Shares, then
- (a) if the Transfer Notice contained a Total Transfer Condition, then notwithstanding any other provision of this article 14 no Sale Shares shall be deemed to have been allocated to any Buyer and the Seller and the Buyers shall not be bound to sell or purchase any Sale Shares in accordance with this article 14, and
 - (b) the Company shall notify the Seller that it has failed to find Buyers for all or some (as the case may be) of the Sale Shares
- 14 6 Default by the Seller**
- 14 6 1 If a Seller shall fail for any reason (including death) to transfer any Sale Shares to a Buyer when required by this article 14, the Directors may (and will if requested to do so by a Shareholder Majority) authorise any Director to execute each necessary transfer of Sale Shares on the Seller's behalf and to deliver that transfer to the relevant Buyer
- 14 6 2 The Company may receive the purchase money from a Buyer on behalf of the Seller and shall then, subject to due stamping, enter the name of that Buyer in the register of members of the Company as the holder of the Sale Shares so transferred to him. The receipt of the Company for the purchase money shall constitute a good discharge to the Buyer (who shall not be bound to see to the application of it) and after the Buyer has been registered in purported exercise of the power conferred by this article 14 6 the validity of the proceedings shall not be questioned by any person
- 14 6 3 The Company shall hold the relevant purchase money on trust for the Seller (but without interest) and the Company shall not pay such money to the Seller until he has delivered to the Company the share certificate(s) in respect of the relevant Shares (or a suitable indemnity in a form reasonably satisfactory to the Directors with the consent of the Investor Director)
- 14 7 Transfers following exhaustion of pre-emption rights**
- 14 7 1 If any Sale Shares are not allocated to a Buyer under any of the foregoing provisions of this article 14 the Seller may, at any time within 3 calendar months of the date of service of the notice referred to in article 14 5 6(b), sell any of

those unallocated Sale Shares to the person named in the Transfer Notice (or, if none was so named, any other person) at not less than the Transfer Price (without any deduction, rebate or allowance to the proposed purchaser) provided that

- (a) no Share shall be sold to, and the Directors shall not register a transfer to, a person who is not already a Member without the prior written consent of a Shareholder Majority,
- (b) if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled to sell only some of the Sale Shares without the prior written consent of a Shareholder Majority,
- (c) the Directors may require to be satisfied that the relevant Sale Shares are being transferred under a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance to the proposed purchaser and, if not so satisfied, may refuse to register the transfer (without prejudice to any power of the Directors to refuse to register a transfer in accordance with article 12), and
- (d) the Directors shall not register the transfer if as a result of such transfer the proposed purchaser would be required to make an offer in accordance with article 17 until such time as that offer has been made and, if accepted, completed

15 COMPULSORY TRANSFERS

15 1 Subject to article 13 1 5, in this article 15 each of the following shall be a **Transfer Event** in relation to a Member holding Shares who is not a Founder Shareholder

- 15 1 1 the death of that Member,
- 15 1 2 an order being made for the bankruptcy of that Member or a petition being presented for such bankruptcy which petition is not withdrawn or dismissed within 10 Business Days of being presented,
- 15 1 3 the Member convening a meeting of his creditors or circulating a proposal in relation to, or taking any other steps with a view to, making an arrangement or composition in satisfaction of his creditors generally,
- 15 1 4 the Member being unable to pay his debts as they fall due (within the meaning of section 268 Insolvency Act 1986),
- 15 1 5 any step being taken for the appointment of a receiver, manager or administrative receiver over all or any material part of the Member's assets, or any other steps being taken to enforce any Encumbrance over all or any material part of the Member's assets or any Shares held by that Member,
- 15 1 6 any proceedings or orders equivalent or analogous to any of those described in articles 15 1 2 to 15 1 5 above occurring in respect of the Member under the law of any jurisdiction outside England and Wales,
- 15 1 7 that Member suffering from mental disorder and being admitted to hospital or, by reason of his mental health, being subject to any court order which wholly or partly prevents that Member from personally exercising any powers or rights which that Member would otherwise have, or
- 15 1 8 that Member (other than GMCA or Alesha Dixon) being a director or employee of, or a consultant to, the Company or an Associated Company, ceasing to be such a director, employee or consultant (including where such cessation occurs as a result of the Company or an Associated Company ceasing to be an Associated Company) where the Member does not remain, or immediately become, a director or employee of, or a consultant to, the Company or another Associated Company, or
- 15 1 9 that Member (other than GMCA) or a company connected to that Member being a party to a commercial contract for the provision of services with Company (a **Commercial Contract**) and the Commercial Contract being lawfully terminated

by the Company by reason of that Member's or a their company's breach of the Commercial Contract, within two years of the Adoption Date and the Commercial Contract not being replaced with another Commercial Contract and that Member not otherwise being a director or employee of, or a consultant to, the Company or an Associated Company,

15 1 10 that Member breaching any provision of these Articles or the Shareholders' Agreement which breach, if capable of remedy, has not been remedied to the reasonable satisfaction of a Shareholder Majority within 10 Business Days of a notice from a Shareholder Majority to the Member requesting such remedy,

and, in any such case, a Shareholder Majority notifying the Company within six months of the occurrence of such event (or, if later, within six months of the date on which the Directors first became aware of the occurrence of such event) that such event is a Transfer Event in relation to that Member for the purposes of this article 15

15 2 Upon a Shareholder Majority notifying the Company that an event is a Transfer Event in respect of a Member in accordance with article 15 1, the Relevant Member and any other person holding Compulsory Transfer Shares, shall be deemed to have served a Transfer Notice (a **Compulsory Transfer Notice**) in respect of all the Compulsory Transfer Shares held from time to time by each of them respectively A Compulsory Transfer Notice shall supersede any current Transfer Notice in respect of any Compulsory Transfer Shares

15 3 The Compulsory Transfer Shares shall be offered for sale in accordance with the provisions of article 14 as if the Compulsory Transfer Shares were Sale Shares except that where the relevant Transfer Event falls within the provisions of article 15 1 8, the Transfer Price in respect of the Compulsory Transfer Shares shall be

15 3 1 where the Relevant Member is a Bad Leaver, whichever is the lower of

(a) their Fair Value, and

(b) their Issue Price,

provided that a Shareholder Majority may at any time by notice to the Company specify that in respect of any particular Relevant Member the Transfer Price for all Compulsory Transfer Shares shall, on that occasion, be the Issue Price (in which case there shall be no need in respect of that Relevant Member on that occasion to establish the Fair Value) and the Transfer Price shall be determined by the notice served pursuant to this article 15 3 1 on the date upon which such notice is received at the registered office of the Company, or

15 3 2 where the Relevant Member is a Good Leaver, their Fair Value

15 4 Any dispute as to whether the provisions of article 15 3 1 or 15 3 2 apply in relation to any Compulsory Transfer Notice shall not affect the validity of a Compulsory Transfer Notice nor shall it delay the procedure to be followed under article 14 in respect such notice If, however, the Issue Price is less than the Fair Value any Buyer acquiring Compulsory Transfer Shares pursuant to a Compulsory Transfer Notice while such dispute is continuing shall pay to the Seller whichever is the lower of their Fair Value and their Issue Price and shall, in addition, pay to the Company an amount equal to the difference between their Fair Value and their Issue Price The Company shall hold such amount as trustee in a separate interest-bearing account and shall, upon final resolution of the relevant dispute, pay such amount (together with interest on such amount but less any applicable bank charges) to

15 4 1 the Seller, in respect of any Compulsory Transfer Shares which are determined to be sold for their Fair Value, or

15 4 2 the Buyer, in respect of any Compulsory Transfer Shares which are determined to be sold for their Issue Price

15 5 For the purposes of article 15 1 8 the date of cessation of a Member's employment, directorship, engagement, or commercial contract shall be (or be deemed to be) whichever is the first to occur of

15 5 1 the date of a notice given by the Company or an Associated Company to the Member terminating (or purporting to terminate) that Member's employment,

- directorship, engagement, or Commercial Contract with the Group (or, if later, the date specified in any such notice as being the termination date), regardless of whether any such notice constitutes unfair or wrongful dismissal (if applicable),
- 15 5 2 the date of a notice given by a Member to the Company or an Associated Company terminating (or purporting to terminate) that Member's employment, directorship, engagement or Commercial Contract with the Group (or, if later, the date specified in any such notice as being the termination date), regardless of whether any such notice may lawfully be given by the Member,
- 15 5 3 the date on which a repudiatory breach of any contract of employment, engagement or Commercial Contract by either the Member or the Company or an Associated Company is accepted by the other party to that contract,
- 15 5 4 the date of any event which results in the termination of the contract of employment, engagement or Commercial Contract under the doctrine of frustration, or
- 15 5 5 in any circumstances other than those specified in articles 15 5 1 to 15 5 4, the date on which the Member actually ceases to be employed or engaged by the Group
- 15 6 Notwithstanding any other provision of these Articles, unless a Shareholder Majority resolves otherwise, any Compulsory Transfer Shares shall, with effect from the date of the relevant Compulsory Transfer Notice (or, if later, the date on which such Shares are issued), cease to confer on the holder of those Shares any right to receive notice of, or attend, speak or vote at, any general meeting of the Company (or at any meeting of the holders of any class of Shares) or any right to receive or vote on any written resolution of the Company (or the holders of any class of Shares) until such time as another person is entered in the register of members of the Company as the holder of those Compulsory Transfer Shares (or other Shares)
- 15 7 For the avoidance of doubt, the compulsory transfer provisions in this article 14 shall not apply to a Founder Shareholder
- 15 8 Articles 27(2)(a) and 28 of the Model Articles shall not apply to the Company
- 16 **DRAG ALONG RIGHT**
- 16 1 If a Shareholder Majority (the "**Selling Members**") shall receive an offer from a Third Party Purchaser which they intend to accept to acquire all the Shares held by the Selling Members then the Selling Members shall have the option (the "**Drag Along Option**") to require all the other Members (the "**Remaining Members**") to transfer all their Shares (the "**Remaining Shares**") with full title guarantee to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 16 and, for the avoidance of doubt, the provisions of Article 14 shall not apply to such proposed sale or transfer
- 16 2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") to the Remaining Members at any time before the registration of the transfer of the Selling Members' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Remaining Members are required to transfer all their Remaining Shares pursuant to this Article 16 to the Third Party Purchaser, the consideration for which or the price at which the Remaining Shares are to be transferred ("**Drag Along Consideration**") and the proposed date of transfer (if known)
- 16 3 The Remaining Members shall be obliged to sell the Remaining Shares in accordance with the Drag Along Notice and completion of this sale and purchase shall take place on the same date as the date proposed for completion of the sale of the Selling Members' Shares, unless
- 16 3 1 all the Remaining Members and the Selling Members agree otherwise, or
- 16 3 2 the date is less than 10 Business Days after the Drag Along Notice, in which case completion shall take place on the 10th Business Days after the Drag Along Notice

- 16 4 Each of the Remaining Members shall, on service of the Drag Along Notice, be deemed to have irrevocably appointed each of the Selling Members severally as his agent to execute, in the name of that Remaining Member, any stock transfer form and to do such other things as may be necessary to accept, transfer and complete the sale of the Remaining Shares to the Third Party Purchaser pursuant to this Article 16
- 16 5 The terms upon which the Remaining Members shall sell pursuant to this Article 16 shall include a covenant to sell with full title guarantee
- 16 6 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 16
- 16 7 A Drag Along Notice may be revoked by the Selling Members at any time prior to the completion of the sale and purchase of the Remaining Shares
- 16 8 Subject to Article 16 9, the Drag Along Consideration shall be the same consideration per Remaining Share (in the same form and due at the same time(s)) as that offered, given, paid or payable by, or due from, the Third Party Purchaser in respect of each Share held by the Selling Shareholders together with the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Selling Shareholders which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or consideration given in respect of the Shares held by those Selling Shareholders
- 16 9 The Drag Along Consideration shall attribute an aggregate value to the Deferred Shares of £1
- 16 10 Upon the service of a Drag Along Notice each Remaining Member is required, as a legally binding commitment, not to divulge or communicate to any third party either the fact that the Selling Shareholders wish to transfer their Shares to a Third Party Purchaser or any other information concerning the sale and purchase of any of the Selling Shareholders' Shares or the Remaining Shares pursuant to this article 16
- 16 11 The provisions of this article 16 shall prevail over any contrary provisions of these Articles and, for the avoidance of doubt, the rights of pre-emption on transfer of Shares contained in article 13 shall not apply to the transfer of any Shares to a Third Party Purchaser named in a Drag Along Notice (or as that Third Party Purchaser may direct) Any Transfer Notice served in respect of a Share which has not been allocated to a Buyer in accordance with article 14 shall automatically be revoked by the service of a Drag Along Notice
- 17 **TAG ALONG OPTION**
- 17 1 No sale or transfer or other disposition of any Shares which would result in a Change of Control (the "**Specified Shares**") to a Third Party Purchaser shall have any effect unless before the transfer is lodged for registration the Third Party Purchaser acquiring the Specified Shares has made a bona fide offer (a "**Tag Along Offer**") in accordance with these Articles to purchase from the other Members such number of the Shares which are not Specified Shares (the "**Tag Along Shares**") This Article is subject to the rights of the Selling Members in respect of the Drag Along Option as set out in Article 16
- 17 2 A Tag Along Offer shall be in writing, shall specify the price at which the Tag Along Shares may be transferred (being the price payable by the Third Party Purchaser in respect of each of the Specified Shares, save that the aggregate value to be ascribed to the Deferred Shares shall be £1 00), shall be open for acceptance for at least 40 Business Days and shall be deemed to be rejected by any Member who has not accepted it in accordance with its terms within the time period prescribed for acceptance The consideration payable pursuant to a Tag Along Offer shall be settled in full on completion of the sale and purchase of the Tag Along Shares and within 40 Business Days of the date of the offer
- 17 3 Following the acceptance of a Tag Along Offer by a holder of any Tag Along Shares, that Member shall be obliged to sell the Tag Along Shares held by it to the Third Party Purchaser at the price specified in the Tag Along Offer and completion of this sale and purchase shall take place on the same date as the date of completion of the sale of the Specified Shares
- 17 4 The terms upon which the Remaining Members shall sell pursuant to this Article 17 shall include a covenant to sell with full title guarantee and the Members (other than GMCA) shall

give normal commercial warranties and indemnities regarding the Company, and they shall be responsible for an appropriate proportion of any associated costs and expenses of such sale, including but not limited to, warranty and indemnity insurance (if any) save that the GMCA shall not bear any proportion of the costs of any warranty and indemnity insurance

- 17 5 Each holder of Tag Along Shares who accepts a Tag Along Offer shall be deemed to have appointed each holder of Specified Shares severally as his agent to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Tag Along Shares held by such Member to the Third Party Purchaser pursuant to this Article 17

18 INFORMATION CONCERNING SHAREHOLDINGS AND TRANSFERS

- 18 1 For the purpose of ensuring that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder, or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowance, the Directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in the transfer lodged for registration to furnish to the Company such information or evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 14 in respect of the Shares concerned

- 18 2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any Shares and such Transfer Notice is not duly given within a period of one month or such longer period as the Directors may allow for the purpose, such Transfer Notice shall be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the forgoing provisions of these Articles shall take effect accordingly

- 18 3 From (and including) the date on which the Directors have duly required a Transfer Notice(s) to be given pursuant to these Articles, all holders of Shares subject to such Transfer Notice(s) shall not transfer or encumber any of their Shares or any interest in their Shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles

19 APPOINTMENT AND REMOVAL OF DIRECTORS

- 19 1 Each Founder Shareholder shall have the right, exercisable from time to time and on more than one occasion, to appoint one person to be a Director and, from time to time and on more than one occasion, to remove any such person so appointed
- 19 2 Any appointment or removal pursuant to article 19 1 shall be made by notice in writing to the Company signed by or on behalf of the relevant Founder Shareholder. Such notice must be left at or sent by post to the registered office of the Company and the appointment or removal (as the case may be) shall take effect when the notice is received by the Company or, if later, on such date (if any) as may be specified in the notice

20 PROCEEDINGS AT GENERAL MEETINGS

- 20 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy
- 20 2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on
- 20 3 Any Relevant Shareholder in respect of whom a Compulsory Transfer Notice has been served pursuant to Article 15 2 shall not be required in order to form a quorum at a general meeting
- 20 4 At a general meeting, on a show of hands every Member who is present in person or by proxy shall have one vote, unless the proxy is himself a Member entitled to vote, on a poll every Member present in person or by proxy shall have one vote for each Share of which he

is the holder, and on a vote on a written resolution every Member has one vote for each Share of which he is the holder

20 5 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

20 6 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article

20 7 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate"

20 8 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that Article

21 MEANS OF COMMUNICATION TO BE USED

21 1 Subject to Article 21 7, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

21 2 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted,

21 3 if properly addressed and sent by prepaid airmail to an address outside the United Kingdom, 72 hours after it was posted,

21 4 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

21 5 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

21 6 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

21 7 Any notice, document or other information served on, or delivered to, an intended recipient under Article 14 may not be served or delivered in electronic form (other than by fax), or by means of a website

21 8 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act

22 COMPANY SEAL

The Company need not have a company seal and pursuant to section 44 of the Act, the Company may execute and deliver any document as a deed under the signature of any two directors or of one director and the secretary or by a sole director in the presence of a witness. A certificate in respect of any shares or other securities in the Company shall be validly issued if it is executed as a deed as aforesaid

23 INDEMNITY

23 1 A relevant Director (as defined in Article 23 3 below) shall be indemnified out of the Company's assets against any liability (other than a liability to the Company or an associated company) which that Director incurs in connection with

23 1 1 civil proceedings in relation to the Company or an associated company (other than a liability incurred in defending proceedings brought by the Company or an associated company in which final judgment is given against the Director),

23 1 2 criminal proceedings in relation to the Company or an associated company (other than a fine imposed in such proceedings, or a liability incurred in

- defending proceedings in which the Director is convicted and the conviction is final),
- 23 1 3 regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the Company or an associated company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)), or
- 23 1 4 any application for relief under section 589 or 1157 of the Act unless the court refuses to grant the Director relief, and the refusal of relief is final
- 23 2 For the purposes of Article 23 1, a judgment, conviction or refusal of relief becomes final
 - 23 2 1 if not appealed against, at the end of the period for bringing an appeal, or
 - 23 2 2 if appealed against, at the time when the appeal (or any further appeal) is disposed of, and an appeal is disposed of
 - 23 2 3 if it is determined and the period for bringing any further appeal has ended, or
 - 23 2 4 if it is abandoned or otherwise ceases to have effect
- 23 3 In this Article 23
 - 23 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
 - 23 3 2 a "relevant Director" means any Director or former director of the Company

24 INSURANCE

The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

- 24 1 In this Article 24
 - 24 1 1 a "relevant officer" means any Director or former director of the Company, any other officer or employee or former officer or employee of the Company (but not its auditors) or any trustee of an occupational pension scheme (as defined in section 235(6) the Act) for the purposes of an employees' share scheme of the Company, and
 - 24 1 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company (within the meaning of Article 23 3 above) or any pension fund or employees' share scheme of the Company

25 EXPERT

- 25 1 Where these Articles provide for any matter or dispute to be determined by the Expert, such matter or dispute shall be referred, at the request of any Member or Director, to the Auditors provided that in the circumstances referred to in article 25 2 such matter or dispute shall be referred to an independent chartered accountant nominated in writing for this purpose by a Shareholder Majority
- 25 2 The circumstances referred to in article 25 1 are
 - 25 2 1 where the Auditors are unable or unwilling to act in connection with the relevant reference, or
 - 25 2 2 where, within 10 Business Days of the Company notifying the Founder Shareholders that a matter or dispute is to be referred to an Expert in accordance with these Articles, a Shareholder Majority directs in writing that instead of being referred to the Auditors the relevant matter or dispute shall be referred to the independent chartered accountant nominated by a Shareholder Majority in their direction and, for this purpose, the Company undertakes to notify the Founder Shareholders of any such proposed referral to an Expert
- 25 3 The Expert shall be engaged on terms agreed between the relevant Expert, the Directors and the Founder Shareholders, provided that if such terms are not so agreed within 10

Business Days of the Expert being instructed, the Expert shall be engaged on such terms as may be agreed between the Expert a Shareholder Majority (acting reasonably) For the purposes of agreeing the terms of the Expert's engagement pursuant to this article 25 3, the Directors or the Shareholder Majority (as the case may be) shall act as agent for the Company and each relevant Member

25 4 The Company and any relevant Members shall supply the Expert with any information which he may reasonably request in connection with his determination The Company and any relevant Members shall be entitled to make written submissions to the Expert provided that a copy of any such written submissions is also simultaneously delivered to the other relevant parties The Expert shall give due weight to any such written submission which is received by the Expert within such time limit as he may determine and have notified to the relevant parties

25 5 The decision of the Expert (who shall be deemed to act as an expert and not as an arbitrator) shall, save in the event of fraud or manifest error, be final and binding on the Company and the Members

25 6 The cost of any reference to the Expert shall be borne as directed in the relevant article or, where no such direction is given, by the party or parties named by the Expert (taking into account the conduct of the parties and the merits of their respective arguments in relation to any matters in dispute) or, where no such party is named by the Expert, equally by the parties concerned

26 PURCHASE OF OWN SHARES OUT OF CASH

Subject to the consent of a Shareholder Majority, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act