

Company number: 05018441
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION

of

LEON RESTAURANTS LIMITED ("Company")

CIRCULATION DATE: 17 May 2017

Under Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a special resolution ("**Resolution**").

SPECIAL RESOLUTION

To adopt new articles of association (as appended to this resolution at appendix 1) (**New Articles**) in substitution for the existing articles of association.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, a person entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Signed:

Henry Dimbleby

Name of shareholder:

HENRY DIMBLEBY

Date:

19/05/2017



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The undersigned, a person entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Signed:

Nancy Bingham as attorney

Name of shareholder:

BELINDA GILES

Date:

19/05/2017

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Signed:

David Ambler as attorney

Name of shareholder:

DAVID AMBLER

Date:

17/05/2017

Company number: 05018441
PRIVATE COMPANY LIMITED BY SHARES
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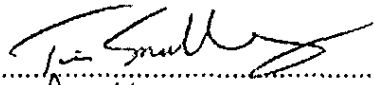
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Signed:


As attorney

Name of shareholder:

JACQUES FRADIS

Date:

19th May 2017

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The undersigned, a person entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Signed:


.....
As attorney

Name of shareholder:

IF Management Services Ltd
.....

Date:

14th May 2017
.....

Company number: 05018441
PRIVATE COMPANY LIMITED BY SHARES
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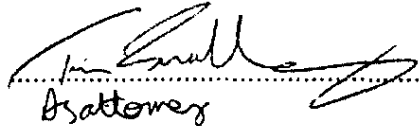
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The undersigned, a person entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Signed:


Solicitor

Name of shareholder:

SUNAVE SECURITIES LTD

Date:

19th May 2017

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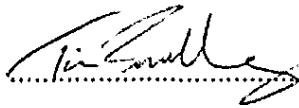
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Signed:


.....

Name of shareholder:

LEON RESTAURANTS LIMITED
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Date:

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The undersigned, a person entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Signed:


.....

Name of shareholder:

TIMOTHY SMART
.....

Date:

19th May 2017
.....

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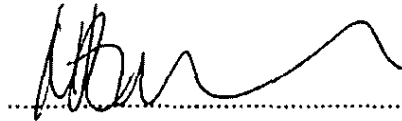
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Signed:



Name of shareholder:

ARIVE LEON INVESTMENTS

Date:

19.5.17

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The undersigned, a person entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Signed:

Bradley D. Blum

Name of shareholder:

BRADLEY D. BLUM

Date:

5/19/17

Company number: 05018441
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LEON RESTAURANTS LIMITED ("Company")

CIRCULATION DATE: 17 May 2017

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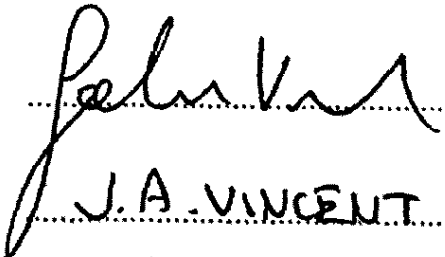
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Signed


J.A. VINCENT

Name of shareholder:

Date

19/5/17

Company Number 5018441

A Private Company Limited by Shares

Articles of Association

(Adopted by Special Resolution on 19 May 2017)

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Company No. 5018441

A Private Company Limited by Shares

Articles of Association of Leon Restaurants Limited

(Adopted by Special Resolution on 19 May 2017)

Preliminary

1.1 Definitions

In these Articles the following expressions have the following meanings:

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

"Act" means the Companies Act 2006, as may be amended, extended, consolidated or re-enacted by or under any other enactment from time to time;

"Adoption Date" means the date upon which these Articles were adopted by special resolution;

"A Ordinary Shares" means the A Ordinary shares of £1.00 each in the capital of the Company being subject to the rights and restrictions set out in these Articles;

"A Ordinary Shareholders" means the registered holders of the A Ordinary Shares (each being an "A Ordinary Shareholder");

"Auditors" means the auditors of the Company for the time being;

"Available Profits" means profits available for distribution within the meaning of Part 23 of the Act;

"Bad Leaver" means a Leaver who is not a Good Leaver;

"Board" means the board of directors of the Company for the time being (and references to decisions of, or approvals by, the Board shall be to a decision of the directors made in accordance with Model Articles 7 and 8 (as varied or supplemented by these Articles), and references in the Model Articles to "the directors" shall be deemed to be references to the Board);

"Board Meeting" means a duly convened meeting of the Board;

"B Ordinary Shares" means the B Ordinary Shares of £1.00 each in the capital of the Company being subject to the rights and restrictions set out in these Articles;

"B Ordinary Shareholders" means the registered holders of the B Ordinary Shares (each being a "B Ordinary Shareholder");

"Business Day" means a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for business;

"Cash Equivalent" means:

- (a) where the consideration comprises listed securities, the average of the middle market prices at the close of dealings on each of the five dealing days prior to the End Date;
- (b) where the consideration comprises loan notes, loan stock or other debt instruments guaranteed unconditionally by a bank, their face value (where the rate of interest is at least equivalent to the three month London Interbank Bid Rate) and, if less, such value will be discounted by reference to the discount rate implied in the flow of money from a gilt of equivalent maturity;
- (c) where the consideration comprises unlisted securities or other instruments not guaranteed by a bank, such amount as the Board shall determine to be the fair current value of the same,
- (d) where the consideration comprises future fixed payments, such amount as the Board shall determine to be the fair current value of the same;
- (e) where the consideration comprises future contingent payments, nil value,

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;

"C Ordinary Shares" means the C Ordinary Shares of £1.00 each in the capital of the Company being subject to the rights and restrictions set out in these Articles;

"C Ordinary Shareholders" means the registered holders of the C Ordinary Shares (each being a "C Ordinary Shareholder");

"Deferred Shares" means the deferred shares of £1.00 each in the capital of the Company;

"Director" means a director of the Company for the time being;

"EBITDA" means the consolidated profit of the Investment Group before the deduction of interest and corporation tax payable in respect of the Financial Year (as shown by the audited accounts) and after disregarding any exceptional income but adding back (i) any depreciation on fixed assets, (ii) amounts attributable to amortisation of goodwill and intangible assets (to the extent deducted), (iii) exceptional costs and (iv) site opening costs,

"electronic means" shall have the meaning given in Section 1168 of the Act;

"Employee" means a Director or employee of, or a consultant to, any Investment Group Company;

"Employee Shares" means B Ordinary Shares, C Ordinary Shares and Deferred Shares held by an Employee and by any Permitted Transferees of that Employee (in each case as at the Termination Date in respect of that Employee)

"End Date" means the date of occurrence of any of the following

- (a) completion of an Exit, or
- (b) completion of a Liquidation;

"Equity Shares" means the Shares in issue from time to time other than Deferred Shares, B Ordinary Shares, C Ordinary Shares and any Unvested Shares;

"Equity Shareholders" means the registered holders of the Equity Shares (each being an "Equity Shareholder");

"Exit" means a Share Sale or an IPO,

"Exit Proceeds" means:

- (a) in the case of an IPO the valuation placed on the Investment Group on the End Date by reference to the prospectus of listing particulars published in connection with the IPO less the gross amount of any new money raised by the Investment Group in connection with the IPO from a subscription for New Securities; or
- (b) in the case of a Share Sale the aggregate price or value of the consideration to be paid in cash or Cash Equivalent for all of the Shares; or
- (c) in the case of a Liquidation, the proceeds available for distribution in respect of the Shares;

"Fair Value" means the price for a Share determined in accordance with Article 0;

"Financial Year" means a complete accounting reference period (being 52 weeks) of the Investment Group.

"FY17 EBITDA Target" means £10,000,000;

"FY19 EBITDA Target" means £20,000,000,

"Good Leaver" means an Employee who becomes a Leaver by reason of:

- (i) death;
- (ii) permanent incapacity,
- (iii) the relevant Investment Group Company terminating his contract of employment or consultancy, as the case may be, by serving notice (in accordance with the terms of that contract) in circumstances where the Employee is not in breach, nor has been in breach, of such contract or any other such contract;
- (iv) dismissal by the relevant Investment Group Company which is determined to be wrongful or constructive by an employment tribunal or a court of competent jurisdiction, and from which determination (in each case) there is no right to appeal or the relevant Investment Group Company does not appeal within the relevant time period

or otherwise where the Board determines that the Employee who becomes a Leaver is a Good Leaver;

"Group" means in relation to a company: (i) that company; (ii) any holding company of that company, and (iii) any wholly owned subsidiary of that company or of any such holding

company, and a **"Group Member"** shall mean another company which is a member of that company's Group;

"Investment Agreement" means the agreement described as the re-stated investors' agreement entered into on 24 September 2010 between Active Leon Investment LP (1), Sunvale Securities Limited and others (2), Henry Dimpleby, Belinda Giles and David Dimpleby (3), John Vincent (4) and the Company (5);

"Investment Fund" means any person holding Shares (including any beneficial interest in shares) for investment purposes and not being an Employee or Permitted Transferee of an Employee;

"Investment Group" means the Company's Group;

"Investment Group Company" means a company which is a member of the Investment Group;

"IPO" means:

- (a) the admission of any Equity Shares to trading on the London Stock Exchange's markets for listed securities becoming effective in accordance with paragraph 2.1 of the London Stock Exchange's Admission and Disclosure Standards; or
- (a) the grant of permission for the dealing in any Equity Shares on any other public securities market (including the AIM Market operated by London Stock Exchange plc or any successor market) becoming effective,

whether effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise;

"Leaver" means an Employee:

- (a) whose contract of employment, consultancy or directorship with any Investment Group Company terminates for any reason; and
- (a) who in any such case does not continue as an employee of or consultant to another Investment Group Company;

"Liquidation" means the liquidation or winding up of the Company (except for the purposes of a solvent reorganisation, reconstruction or amalgamation where no cash or cash equivalent is distributed to Shareholders);

"Liquidity Event" means any of:

- (a) a Liquidation;
- (a) completion of a Share Sale;
- (b) a distribution of assets by the Company;
- (c) a return of capital by the Company; or
- (d) an IPO

"Model Articles" means the model articles for private companies limited by shares as set out at Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) (being the version of such model articles in force as at the Adoption Date by the Company), and reference to a numbered Model Article shall be to the relevant article of the Model Articles;

"New Securities" means shares in the capital of the Company or rights to subscribe for or to convert into such shares which, in either case, the Company proposes to allot or grant (as the case may be) after the Adoption Date;

"Option Shares" means the ordinary shares of £1.00 each in the capital of the Company being subject to the rights and restrictions set out in these Articles and which may, from time to time, be issued to employees (of former employees) of the Company pursuant to employee option schemes and at the time of issue be classified as "Option Shares";

"Ordinary Shares" means the ordinary shares of £1.00 each in the capital of the Company;

"Ordinary Shareholders" means the registered holders of the Ordinary Shares (each being an "Ordinary Shareholder");

"Privileged Relation" means in relation to a Shareholder who is an individual member or deceased or former member means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate children and their issue);

"Senior Employee Incentive Shares" means A Ordinary Shares, B Ordinary Shares and C Ordinary Shares;

"Senior Employee Incentive Shareholders" means the registered holders of the Senior Employee Incentive Shares (each being a "Senior Employee Incentive Shareholder");

"Shares" means the Ordinary Shares, the Option Shares, the Senior Employee Incentive Shares and the Deferred Shares;

"Shareholders" means the registered holders of the Shares (each being a "Shareholder");

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

"Subsidiary" means a wholly owned subsidiary of the Company;

"Termination Date" means:

- (a) where employment ceases by virtue of notice given by the employer to the Employee, the date on which the notice expires;
- (a) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (b) where an Employee dies, the date of his death;

(c) where the Employee concerned is a director or consultant but not an employee, the date on which his contract for services with the relevant Investment Group Company is terminated; and

(d) in any other case, the date on which the contract of employment is terminated;

"these Articles" means the articles of association of the Company for the time being in force;

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

"Unvested Percentage" in respect of A Ordinary Shareholders has the meaning given in Article 5.4, in respect of B Ordinary Shareholders has the meaning given in Article 5.6 and in respect of C Ordinary Shareholders has the meaning given in Article 5.7;

"Unvested Shares" means Senior Employee Incentive Shares that, although in issue, may still convert to Deferred Shares pursuant to the provisions of Articles 5.4, 5.6 or 5.7.

1.2 Interpretation

In these Articles, unless the contrary intention appears:

- (a) any reference to an enactment (which term shall include any directly applicable EU legislation) includes:
- (i) that enactment as amended, extended, consolidated, re-enacted or applied by or under any other enactment before or after the Adoption Date,
 - (ii) any enactment which that enactment re-enacts, consolidates or enacts in rewritten form (in each case with or without modification, and irrespective of whether the enactment which is re-enacted or consolidated has been or is subsequently repealed), and
 - (iii) any subordinate legislation made (before or after the Adoption Date) under that or any other applicable enactment, including one within paragraphs (i) or (ii) above;
- (b) any reference to:
- (i) a person includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having a separate legal personality);
 - (ii) the singular includes the plural and vice versa, and reference to any gender includes the other genders,
 - (iii) a time of day is to London time;
 - (iv) **"written"** or **"in writing"** includes all forms of visible reproduction in permanent form, including but excluding electronic messages;
 - (v) an **"encumbrance"** includes any mortgage, charge, security interest, lien, pledge, assignment by way of security, hypothecation, equity, claim, right of

pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever,

- (c) a reference to a **"transfer"** of a Share shall be deemed to include:
- (i) any sale or other disposition by way of mortgage, charge or other security interest of the whole or any part of the legal or beneficial interest in any Share;
 - (ii) the grant of any put, call, forward contract, future or other option or contract or hedging instrument in connection with the whole or any part of the legal or beneficial interest in any Share;
 - (iii) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of a Share that a Share be allotted or issued or transferred to some person other than such holder;
 - (iv) the creation of or entrance into any voting trust or other arrangement in respect of voting rights attaching to any Share (other than an appointment of a proxy or corporate representative in connection with a general meeting of the Company), and
 - (v) any other sale or other disposition of any legal or equitable interest in a Share, and whether or not by the relevant holder, whether or not for consideration, whether or not effected by an instrument in writing and whether or not made voluntarily or by operation of law;
- (d) the expressions **"subsidiary"**, **"wholly owned subsidiary"**, and **"holding company"** shall have the respective meanings given in Section 1159 of the Act, and the persons corresponding with the definitions referred to in this paragraph shall mean those persons which fulfil the relevant definitions from time to time; and
- (e) the words **"including"** and **"in particular"** and any similar words or expressions are by way of illustration and emphasis only and do not operate to limit the generality or extent of any other words or expressions.

1.3 **Applicability of Model Articles**

The Model Articles shall apply to the Company subject to the modifications and additions made by these Articles. References to a Model Article being amended or omitted, or any similar phrase, shall refer to the application (or disapplication) of that Model Article in relation to these Articles

Decision-Making by Directors

2 1 **Quorum for Board Meetings**

- (a) No business shall be conducted at any Board Meeting unless a quorum is present at the beginning of the meeting and at the time when there is to be voting on any business. The quorum for the transaction of business at Board Meetings shall be four Directors.

- (b) If a quorum is not present within half an hour of the time specified for the Board Meeting in the relevant notice, or ceases to be present at any time, the Directors shall adjourn the Board Meeting to a specified place and time not less than 5 Business Days after the original date for the Board Meeting. Notice of the adjourned meeting shall be given to all Directors in writing.

2.2 Notice of Board Meetings

Meetings of the Board shall take place no less frequently than 8 times per calendar year and at least 10 Business Days' notice shall be given to each director provided that with the consent of a majority of the directors, board meetings may be held less frequently and convened on less notice.

Appointment and Removal of Directors

3.1 Methods of appointing and removing directors

Unless otherwise determined by ordinary resolution, the maximum number of Directors (other than alternate directors) is 10 and the minimum number of Directors shall be four.

3.2 Alternate directors

- (a) Each Director shall have the power to nominate any other Director or other person approved for that purpose by a prior decision of the Board to act as alternate director at Board Meetings in his place during his absence. Each Director shall be further entitled, at his discretion, to revoke such nomination at any time. However, a Director shall not be entitled to appoint more than one alternate director and an alternate director shall not be entitled to appoint an alternate director for himself in such capacity.
- (b) Any appointment or removal of an alternate director must (unless the Board decides to waive any of the following requirements, in whole or in part):
 - (i) be made by notice in writing and shall either be signed by the appointor or (if sent in electronic form) duly authenticated by the appointor in accordance with Section 1146(3) of the Act; and
 - (ii) *in the case of an appointment, be accompanied by such evidence as the Board may require that the alternate director has agreed to act and by such further details as the Company requires to comply with its statutory obligations in respect of that appointee.*
- (c) Appointment of an alternate director shall take effect upon the later of the documentation required in paragraph (b) above being delivered to the Company in accordance with these Articles or delivered to a Board Meeting, and approval of the alternate director (where he is not already a director) by the Board (or at such later time as may be specified in the notice of appointment).
- (d) *In addition to removal by notice in accordance with paragraph (b) above, an alternate director shall cease to be an alternate director:*
 - (i) immediately and automatically if his appointor ceases for any reason to be a Director;

- (ii) if he resigns from being an alternate director by notice in writing to the Company.
- (e) An alternate director shall be entitled to receive notice of all Board Meetings and to perform at such meetings all the functions of his appointor. An alternate director shall have one vote for each Director he represents, in addition to his own vote if he is a Director, but he shall not be counted more than once in the quorum, nor shall he count towards any minimum or maximum number of Directors permitted under these Articles. The alternate director's signature or agreement to any document comprising a unanimous decision of the Directors shall be as effective as the signature or agreement of his appointor, provided that such document is not signed or agreed to by his appointor (but if such document is signed or agreed to by the appointor, it need not also be signed or agreed to by the alternate director in that capacity).
- (f) An alternate director shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- (g) For the purposes of any provisions of these Articles relating to Directors' interests, an interest of an alternate director's appointor shall be treated as an interest of that alternate director, without prejudice to any interest which that alternate director has otherwise.
- (h) The provisions of this Article 3.2 relating to attendance and voting at Board Meetings also apply mutatis mutandis in respect of meetings of any committee of the Board.
- (i) An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor.

3.3 Directors' expenses

In Model Article 20, the word "may" in the first line shall be replaced by "shall".

Share Capital

In these Articles, unless the context requires otherwise:

- (a) the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the Ordinary Shares, the Option Shares and the Deferred Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares, and
- (b) references to Shares of a particular class shall include Shares created and/or issued after the Adoption Date and ranking *pari passu* in all respects (or in all respects except only as to the date from which those Shares rank for dividend) with the Shares of the relevant class then in issue.

Rights attaching to Shares

5.1 Income and dividends

- (a) Any Available Profits which the Company may determine to distribute in respect of any financial year will be distributed among the holders of the Equity Shares (*pari passu* as

if the Equity Shares constituted one class of share) pro rata to their respective holdings of Equity Shares.

- (b) The holders of B Ordinary Shares shall be entitled to such cash dividends as the Board may (without any obligation so to do) from time to time determine and so declare in respect of that class provided that any such declaration may only be made at such times as the Board reasonably considers the Exit Proceeds (were there to be an Exit at that time) would be greater than £25,000,000.
- (c) The holders of C Ordinary Shares shall be entitled to such cash dividends as the Board may (without any obligation so to do) from time to time determine and so declare in respect of that class provided that any such declaration may only be made at such times as the Board reasonably considers the Exit Proceeds (were there to be an Exit at that time) would be greater than £35,000,000.
- (d) The holders of Deferred Shares shall not be entitled to receive any income or dividend in respect of such Deferred Shares.

5.2 Capital

- (a) On a Liquidity Event, the surplus assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of the matters giving rise to the Liquidity Event shall be applied in the following manner and order of priority.
 - (i) first, in paying to the Equity Shareholders up to £25,000,000 of the Exit Proceeds pro rata to their respective holdings of Equity Shares (and as if the Equity Shares constituted one class of shares); and
 - (ii) secondly, in paying to the Equity Shareholders and the B Ordinary Shareholders up to £10,000,000 of the balance of the Exit Proceeds (after the application of the Exit Proceeds as required by (a)(i) above) pro rata (as if the Equity Shares and the B Ordinary Shares constituted one and the same class) to the number of Equity Shares and B Ordinary Shares held; and
 - (iii) the balance of the surplus assets (if any) being distributed among the Equity Shareholders, the B Ordinary Shareholders and the C Ordinary Shareholders pro rata (as if the Equity Shares, the B Ordinary Shares and the C Ordinary Shares constituted one and the same class) to the number of Equity Shares, B Ordinary Shares and C Ordinary Shares held.
- (b) The holders of Deferred Shares shall have no entitlement to receive any of the assets available for distribution on a Liquidity Event

5.3 Voting

- (a) The Ordinary Shareholders shall be entitled to receive notice of, to attend, to speak at and to vote at, general meetings of the Company
- (b) Subject to any special rights or restrictions in these Articles every Ordinary Shareholder shall have one vote on a show of hands, and one vote on a poll for each Share held by it; and

- (c) The Option Shares, the Deferred Shares and the Senior Employee Incentive Shares shall not carry the right to receive notice of or attend, speak at or vote at any general meeting of the Company or to vote in any other manner or form, whether in respect of any written resolution of the Company or otherwise

5.4 Conversion of A Ordinary Shares

- (a) On an End Date or upon final determination of FY19 EBITDA or upon any A Ordinary Shareholder becoming a Leaver before the End Date, or if an End Date occurs before the determination of EBITDA for the Financial Year ending in 2017 or 2019, the Unvested Percentage of A Ordinary Shares held by him (and his Permitted Transferees) at the date of his becoming a Leaver or, if earlier, the End Date or upon final determination of FY19 EBITDA shall immediately convert into Deferred Shares (rounded down to the nearest whole share).
- (b) For the purposes of paragraph (a) above, in relation to and for the purposes of determining the number of A Ordinary Shares that are required to be converted into Deferred Shares, the "Unvested Percentage" shall be as set out below:

EBITDA Targets achieved at Termination Date or End Date (as appropriate)	Unvested Percentage
100% FY17 EBITDA	66.67%
At least 80% of FY17 EBITDA up to 100%	83.33% at 80% reducing to 66% (straight line basis)
Less than 80% for FY17 EBITDA or not determined	100%
100% FY19 EBITDA	0%
At least 80% of FY19 EBITDA up to 100%	33.33% at 80% reducing to 0% (straight line basis)
Less than 80% for FY19 EBITDA or not determined	By reference to FY17 EBITDA

- (c) If an End Date occurs before determination of FY17 EBITDA the Unvested Percentage of A Ordinary Shares shall be at the absolute discretion of the Board.
- (d) If an End Date occurs after determination of FY17 EBITDA but before determination of FY19 EBITDA, the Unvested Percentage of A Ordinary Shares shall be such percentage as resulted from the outcome of Financial Year 2017 (as determined at Article 5.4(b) above) reduced by such further amount as shall be determined by reference to EBITDA performance of the Investment Group in the twelve months immediately preceding the Exit Event (to be verified by the Audit Committee). To the extent the EBITDA for this period exceeds £10,000,000, the Unvested Percentage shall reduce from 66% (assuming FY17 EBITDA Target to have been achieved) to 0% on a straight line basis (for EBITDA between £10,000,000 and £20,000,000).

5.5 Determination of EBITDA

EBITDA, for the purposes of Article 5.4, shall be calculated by the Company's Chief Financial Officer within 14 days of the Board having approved the audited accounts for the relevant Financial Year. Such calculation shall be verified as soon as reasonably practicable by the Company's remuneration committee (to the extent one is constituted and if not, then by the Board). The Company shall then notify the holder(s) of A Ordinary Shares of EBITDA so calculated and verified. Any dispute as to the calculation of EBITDA shall be determined by the Auditors who shall be appointed by the Board. The Auditors shall act as experts and not as arbitrators and their determination shall be final and binding (in the absence of fraud or manifest error). The cost of the determination shall be paid by the Company unless the Auditors determine EBITDA to have been correctly calculated in which case the holder(s) of the A Ordinary Shares may be required to assume the cost of the valuation and to indemnify the Company accordingly.

5.6 Conversion of B Ordinary Shares

- (a) If any B Ordinary Shareholder becomes a Leaver before the End Date, the Unvested Percentage of the B Ordinary Shares held by him (and his Permitted Transferees) at the date of his becoming a Leaver shall immediately convert into Deferred Shares (rounded down to the nearest whole share).
- (b) For the purposes of paragraph (a) above, in relation to and for the purposes of determining the number of B Ordinary Shares that are required to be converted into Deferred Shares, the "Unvested Percentage" shall be if the Leaver is a Bad Leaver, 100% or otherwise as set out below:

Termination Date	Prior to 6 th May 2018	Prior to 6 th May 2019	Prior to 6 th May 2020
Unvested Percentage	100%	66.67%	33.33%

5.7 Conversion of C Ordinary Shares

- (a) If any C Ordinary Shareholder becomes a Leaver before the End Date, the Unvested Percentage of the C Ordinary Shares held by him (and his Permitted Transferees) at the date of his becoming a Leaver shall immediately convert into Deferred Shares (rounded down to the nearest whole share).
- (b) For the purposes of paragraph (a) above, in relation to and for the purposes of determining the number of C Ordinary Shares that are required to be converted into Deferred Shares, the "Unvested Percentage" shall be if the Leaver is a Bad Leaver, 100% or otherwise as set out below:

Termination Date	Prior to July 2019	Prior to July 2020	Prior to July 2021
Unvested Percentage	100%	66.67%	33.33%

Allotment and Issue of Shares

6.1 Authority to allot shares

- (a) Subject to the remaining provisions of this Article 6.1 and any directions which may be given by the Company in general meeting, the Board is generally and unconditionally authorised for the purposes of Section 551 of the Act to exercise the power of the Company to allot shares, or to grant rights to subscribe for or to convert any security into shares, to such persons (including any directors) on such terms and at such times as the Board may think proper.
- (b) The maximum nominal amount of shares which the Board may allot, or grant subscription or conversion rights over or otherwise deal with or dispose of (subject always to the provisions of this Article), shall be:
 - (i) in respect of C Ordinary Shares: £3,143, and
 - (ii) in respect of Ordinary Shares: £221,or such other amount (whether lesser or greater) as shall be authorised by the Company in general meeting.
- (c) The authority conferred on the Board by this Article shall expire on the day preceding the fifth anniversary of the date of the adoption of these Articles but the Company may make an offer or agreement before the expiry of the authority which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after the expiry of the authority (and the Board may allot shares or grant rights in pursuance of such offer or agreement as if such authority had not expired).

6.2 Pre-emption rights

- (a) 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) made by the Company.
- (a) Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance either (A) complied with the terms of Article 16 or (B) offered them to the Equity Shareholders on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as may be without involving fractions). Such offer (the "**Securities Offer**").
 - (i) shall be in writing, give details of the number and subscription price of the New Securities; and
 - (ii) may stipulate that any Shareholder wishing to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in its acceptance state the number of excess New Securities ("**Excess Securities**") for which it wishes to subscribe.

- (b) Any New Securities not accepted by Shareholders pursuant to the Securities Offer shall be used for satisfying any requests for Excess Securities made pursuant to paragraph (b) above and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Equity Shares held by the applicants immediately prior to the making of the Securities Offer (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by it) and after that allotment, any Excess Securities remaining shall be offered, subject to paragraph (e) below, to any other person as the Board may determine at the same price and on the same terms as the offer to the Equity Shareholders.
- (c) Subject to paragraphs (b) to (c) inclusive above and to the provisions of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- (d) The provisions of paragraphs (b) to (c) (inclusive) above shall not apply to options to subscribe for Option Shares or to any proposal to allot Senior Employee Incentive Shares

Transfer of Shares

The Board shall not register a transfer of any Shares unless such transfer is permitted by Article 8 (Permitted Transfers) or has been made in accordance with Article 9 (Pre-Emption Rights) or, if appropriate, Article 10 (Drag Along and Tag Along rights), Article 12 (Compulsory transfers) or Article 16 (Combined Offer).

Permitted Transfers

8.1 For the purposes of these Articles:

"Family Member" means, in relation to a member, the spouse, widow or widower of that member and that member's children and grandchildren (including step and adopted children and grandchildren);

"Permitted Transfer" means any transfer of Shares permitted under Article 8 and **"Permitted Transferee"** shall be the person to whom Shares are transferred under this Article 8;

"Relevant Shares" means, in relation to a member any Shares for the time being held by that member or his Family Members; and

"Trust" means, in relation to a member, a trust under which no immediate beneficial interest in any of the Shares is for the time being vested in any person other than that individual and/or a Family Member of that individual.

8.2 Shares may be transferred to a Family Member or Trust of that member or from a Family Member or Trust to another Family Member or Trust of the same member or from the trustees of a Trust to any new trustees of the same Trust at any time provided that for the purposes of this Article 8.2, "member" (as used in the definition of "Family Member") does not include:

- (a) a bankrupt or a trustee in bankruptcy, or

- (b) *any person to whom Shares have been transferred by way of Permitted Transfer under this Article 8 (provided that person may transfer Shares to the member from whom he received such Permitted Transfer or a person who is a Family Member or Trust in relation to such member).*
- 8.3 If any Permitted Transferee acquired shares pursuant to this Article 8 from a member ("Permitted Transferor") and subsequently ceases to bear the relationship to that Permitted Transferor by which a Permitted Transfer qualified as a Permitted Transfer, that Permitted Transferee shall forthwith transfer the shares acquired pursuant to the Permitted Transferor for such consideration as they may agree or, in default of agreement within 28 days of the cessation, for the consideration (if any) for which that Permitted Transferee acquired them. In the event that such transfer is not effected within the prescribed time the Board may appoint any director to execute instruments of transfer in favour of the original member and shall procure that the name of the original member be entered into the register of members in respect of such shares. In the event that the Board authorises the execution of an instrument of transfer from a Permitted Transferee, the Company shall be authorised to receive the consideration (if any) due on the transfer and shall hold such consideration on trust absolutely for the relevant Permitted Transferee without any obligation to pay interest. The Company's receipt of the consideration (if any) shall be good discharge to the relevant transferee.
- 8.4 *Any Shares may at any time be transferred:*
 - (a) by a member which is an Investment Fund:
 - (i) to any trustee, nominee, subsidiary or custodian for such fund and vice versa; or
 - (ii) to any member, shareholder, partner, participant, manager or adviser (or an employee of such manager or adviser) in any such fund; or
 - (iii) to any company or partnership whose business and investments are managed or advised by the same investment manager as the Investment Fund; or
 - (b) to a trustee, nominee or custodian of any of the persons referred to in sub-clause 8.4(a)(ii) above
- 8.5 Subject to Articles 10.5 and 10.6 any Shares may be transferred to any person and on any terms with the written consent of the holders of at least 90% of the Ordinary Shares
- 8.6 Any member may at any time transfer:
 - (a) any Share to an associated company of that member (provided that, in the event that any associated company which has acquired shares from a member ceases to be an "associated company" that "associated company" shall forthwith transfer such Shares back to that member as provided for, mutatis mutandis, in Article 8.3 above); or
 - (b) any Share to that member's nominee or bare trustee (provided that (i) beneficial ownership does not pass to such nominee or bare trustee and (ii) in the event that any such nominee or bare trustee acquires a beneficial interest or at any time holds such Shares for any person other than that member it shall forthwith transfer the entire interest in such Shares back to that member as provided for, mutatis mutandis, in Article 8.3 above).

- 8.7 Any Shareholder holding Shares as a result of a transfer made after 24th September 2010 by a person in relation to whom such Shareholder was a Permitted Transferee may at any time transfer any Share to the person who originally transferred such shares (or to any other Permitted Transferee of such original transferor).
- 8.8 Subject to Articles 7.2 and 7.3, the Board shall be obliged to register any Permitted Transfer upon satisfying itself that the transfer concerned properly falls within the provisions of this Article 8.

Pre-Emption Rights on Transfer of Shares

- 9.1 Any member who wishes to transfer Shares to a person to whom Article 8 does not apply (a "Selling Shareholder") shall serve notice on the Company (a "Sale Notice") stating the number of Shares they wish to transfer (the "Sale Shares") and the asking price for each Share (the "Asking Price"). A Sale Notice may not be served in respect of B Ordinary Shares or C Ordinary Shares (other than when it is deemed to have been given pursuant to Article 12).
- 9.2 The Sale Notice shall, once given, be irrevocable. The Selling Shareholder may state in the Sale Notice that he is only willing to transfer all the Sale Shares, in which case no Sale Shares can be sold unless offers are received for all of them but in the absence of such a statement, the Sale Notice shall be deemed not to contain such a statement. Following service of a Sale Notice, the remaining provisions of this Article 9 shall apply, save where the provisions of Article 16 apply.
- 9.3 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares on the following terms (which the Company shall notify to the other Shareholders within seven days of receiving the Sale Notice):
- (a) the price for each Sale Share is the Asking Price;
 - (b) the Sale Shares are to be sold free from all liens, charges and encumbrances and together with all rights attaching to them;
 - (c) subject to Article 9.6, Sale Shares shall be offered as follows:
 - (i) in the first instance to all other Ordinary Shareholders and Option Shareholders;
 - (ii) thereafter, to the extent not taken up in accordance with Articles 9.4 and 9.5 by other shareholders to any bona fide arms' length Third Party purchaser within three months of the Closing Date (as referred to in Article 9.7) in accordance with Article 9.10.
- 9.4 Subject to Article 9.5, members to whom Sale Shares are offered pursuant to Article 9.3 (c) shall be entitled to apply by notice in writing to the Company for any number of Sale Shares within 14 days of receiving notification from the Company in accordance with Article 9.3.
- 9.5 In the event of competition for the Sale Shares the Company shall allocate the Sale Shares in proportion (as nearly as may be without involving fractions or increasing the number sold to any such member beyond that applied for by him) to the number of shares of which they are holders.
- 9.6 In Article 9.3(c)(i) the references to the other shareholders shall not include any person who has already given a Sale Notice.

- 9.7 21 days after the Company's despatch of the terms for the sale of the Sale Shares ("the Closing Date"):
- (a) a Shareholder who has not responded to the offer in writing shall be deemed to have declined it; and
 - (b) each application made (and not withdrawn) by any Shareholder to acquire Sale Shares shall become an irrevocable offer to purchase the same on the terms contained in Articles 9.3.1 and 9.3.2
- 9.8 Within 14 days after the Closing Date, the Company shall notify the Selling Shareholder and the persons who applied to buy Sale Shares of the result of the offer, and, if any Sale Shares are to be sold pursuant to the offer:
- (a) the Company shall notify the Selling Shareholder of the names and addresses of the persons who are to buy Sale Shares and the numbers to be bought by each;
 - (b) the Company shall notify each person buying shares of the number of Sale Shares he is to buy; and
 - (c) the Company's notice shall state a place and time, between 7 and 14 days later, on which the sale and purchase of the Sale Shares is to be completed, subject to Article 9.2.
- 9.9 In relation to any offer of unsold Sale Shares to a Third Party in accordance with Article 9.3(c)(ii), such transfer may only be made in relation to the Sale Shares for which offers were not received (or all the Sale Shares if the Sale Notice stated that the Selling Shareholder was only willing to transfer all the Sale Shares, and applications were not made for all the Sale Shares in accordance with the provisions of Articles 9.3 to 9.7) and in any case at no less than the Asking Price per share, with any other terms being no more favourable to the relevant Third Party than those in the Sale Notice and the Board shall be entitled to require such evidence as they deem necessary or desirable to satisfy themselves as to such terms and no transfer to any Third Party will be registered until such information is provided to the satisfaction of the Board.
- 9.10 Without prejudice to the generality of Article 9.9, the Board may require to be satisfied that any Sale Shares being transferred by a Selling Shareholder pursuant to Article 9.9 are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction rebate or allowance to the Third Party and if not so satisfied (acting reasonably) may refuse to register the instrument of transfer.
- 9.11 If having issued a Sale Notice (but subject to Article 9.2) the Selling Shareholder does not transfer Sale Shares, the Company may (but subject to Article 9.2) authorise any director to transfer the Sale Shares on the Selling Shareholder's behalf to the buying party concerned against receipt by the Company of the Asking Price per share. The Company shall hold the Asking Price in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the Asking Price shall be a good discharge to the buying shareholder. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the Asking Price for the Sale Shares.

Drag Along and Tag Along Rights

- 10.1 If at any time one or more Ordinary Shareholders ("Proposed Sellers") propose to sell, in one or a series of related transactions seventy five per cent. of the Ordinary Shares then in issue ("a Majority Holding") to a bona fide arm's length purchaser (or purchasers) who is (or are) not a connected person(s) ("Third Party Purchaser") the Proposed Sellers shall have the option ("Drag Along Option") to require all Shareholders to transfer all their Shares to the Third Party Purchaser (or as it shall direct) in accordance with this Article 10.
- 10.2 The Proposed Sellers may exercise the Drag Along Option by giving notice to that effect (a "Drag Along Notice") to all other Shareholders ("Called Shareholders") at any time before the transfer of the Majority Holding. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares ("Called Shares") pursuant to Article 10.1, the price at which the Called Shares are to be transferred calculated in accordance with Article 10.3 and the proposed date of transfer
- 10.3 The Called Shareholders shall be obliged to transfer the Called Shares at the same price per Share (and for the same form of consideration and on the same terms as regards the consideration payable) as is to be paid by the Third Party Purchaser to the Proposed Sellers for their Shares provided that in the case of any consideration to be satisfied by the issue of shares or other securities ("Non Cash Consideration"), the Called Shareholders shall not be obliged to transfer the Called Shares unless (i) such Non Cash Consideration is publicly traded on a recognised investment exchange as defined in section 285 of the Financial Services and Markets Act 2000 and (ii) the Called Shareholders shall not be required to enter into any restriction on their ability to sell the Non Cash Consideration.
- 10.4 Completion of the sale of the Called Shares shall take place on the same date as the date proposed by the Proposed Sellers for completion of the sale of the Majority Holding unless:
- (a) all of the Called Shareholders and the Proposed Sellers agree otherwise; or
 - (b) that date is less than seven days after the Drag Along Notice, in which case the date for completion of the sale of the Called Shares shall be the seventh day after the Drag Along Notice.
- 10.5 Notwithstanding the provisions of Articles 8.5 and unless the Drag Along Option has been exercised, no transfer or series of related transfers of any Shares shall be made if when taken together with such other transfers it or they represent the transfer of fifty per cent. or more of the Ordinary Shares then in issue unless, before the transfer (or transfers) is/are made, the proposed transferee(s) make(s) a written offer (open for acceptance in England for a period of at least 30 days from its delivery) to all the holders of Shares to purchase all their Shares then in issue (at the same time and on the same terms and conditions for each holder) at a price per share at which the holders of at least fifty per cent. of the Ordinary Shares propose to sell. No holder of Ordinary Shares (including the Proposed Sellers) shall complete any sale of shares to the proposed transferee(s) unless the proposed transferee(s) completes the purchase of such number of Shares agreed to be sold simultaneously.
- 10.6 Notwithstanding the provisions of Articles 8.5, no transfer or series of related transfers of Shares shall be made if when taken together with such other transfers it or they represent the transfer of between thirty and fifty per cent. of the Ordinary Shares then in issue ("the Triggering Shareholding"), unless before the transfer (or transfers) is/are made, the proposed transferee(s) make(s) a written offer open for acceptance in England for a period of at least 30 days from its

delivery) to all the holders of Shares to purchase the Relevant Proportion of all their Shares then in issue (at the same time and on the same terms and conditions for each holder) at a price per share at which the holders of the Triggering Shareholding propose to sell. For the purposes of this Article the "Relevant Proportion" means that proportion of the proposed selling shareholders' entire holding of Shares as is represented by the Triggering Shareholding.

Prohibition on Dealing in the Beneficial Interest in Shares

- 11.1 No member who has agreed to cast any of the voting rights exercisable in respect of any of the shares held by him in accordance with the directions, or subject to the consent of, any other person (including another member) shall be entitled during the relevant period (as hereinafter defined) to exercise any of the voting rights attached to any of the shares registered in his name from time to time or to be present or reckoned in a quorum at any general meeting and any resolution passed at any such meeting during the relevant period which would not have been passed but for the vote(s) of such member cast in contravention of the provisions of this Article shall be null and void and of no effect.
- 11.2 For the purposes of this Article:
- (a) 'relevant period' means the period from, and including, the date on which the member in question first agreed to cast the said voting rights in accordance with the directions, or subject to the consent of, the other person up to, and including, the date on which the transaction or arrangement which gave rise to that agreement is annulled or terminated;
 - (b) any member who has assigned the beneficial interest in, or created any charge or other security interest over any share to or in favour of any other person shall be deemed, in the absence of clear evidence to the contrary, to have agreed to exercise the voting rights attached to that share in accordance with the directions of that other person.
- 11.3 The provisions of this Article shall not apply to a share held by trustees upon a family trust (as defined in Article 8) in circumstances where the trustees are acting solely in accordance with the directions of the beneficiaries under such trust.

Compulsory transfers

Leavers

- (a) If any Employee (the "**Outgoing Shareholder**") becomes a Leaver he shall be deemed to have given a Sale Notice in respect of all of his Employee Shares. In such circumstances the Transfer Price for such Employee Shares shall be as follows:
 - (i) where the Outgoing Shareholder is a Good Leaver, the Fair Value,
 - (ii) where the Outgoing Shareholder is a Bad Leaver, the lower of Fair Value and the nominal value of the Employee Shares; and
 - (iii) to the extent the Employee Shares consist of Deferred Shares (as a consequence of the operation of Article 5.4, Article 5.6 or Article 5.7) a total for all such shares of £1.00.
- (b) In determining the Fair Value in respect of the Employee Shares, the Board may propose to the Outgoing Shareholder a price which if accepted by the Outgoing

Shareholder shall be deemed to be the Fair Value. In the absence of such agreement, the Fair Value shall be determined in accordance with Article 13.3

- (c) For the purposes of any Sale Notice in respect of Employee Shares pursuant to this Article, the Employee Shares shall be offered to the Ordinary Shareholders as required in Article 9.3 unless the Board determines they should be offered to the Company (subject always to the provisions of the Act).
- (d) All voting rights attached to Employee Shares held by an Outgoing Shareholder, if any, shall at the time he becomes a Leaver be suspended unless the Board notifies him otherwise
- (e) Any Employee Shares whose voting rights are suspended pursuant to paragraph (d) above ("**Restricted Shares**") shall confer on the holders the right to receive a notice of and attend all general meetings of the Company but shall confer no right to vote either in person or by proxy. Voting rights suspended pursuant to paragraph (d) above shall be automatically restored immediately prior to an IPO. If an Outgoing Shareholder transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of shareholders) automatically be restored.

Valuation of Shares

- (a) If a Sale Notice is deemed to have been served then, the Board shall appoint expert valuers (the "**Expert Valuers**") in accordance with this Article to certify the Fair Value of the relevant Shares to be sold (the "**Sale Shares**"), save that if the Fair Value of any Share has been determined by Expert Valuers in accordance with this Article 0 not more than 26 weeks previously, the Board may elect instead that the Fair Value in respect of the Sale Shares shall be the Fair Value per Share as so previously determined multiplied by the number of Sale Shares.
- (b) The Expert Valuers will be a firm of accountants, that is not directly or indirectly associated with any party to the sale transaction and that has no interest (other than the receipt of customary fees and expenses) in any of the transactions contemplated thereby.
- (c) The identity of the Expert Valuers shall be as agreed between the Board and the Outgoing Shareholder, or failing such agreement not later than the date 10 Business Days after the date of service of the Sale Notice shall be as nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.
- (d) The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuers on the following assumptions and bases:
 - (i) valuing the Sale Shares as on a sale between a willing seller and a willing buyer contracting at arm's length;
 - (ii) if the Investment Group is then carrying on business as a going concern, on the assumption that it will continue to do so,

- (iii) on the assumption that the Sale Shares are capable of being transferred without restriction;
 - (iv) taking into account the departure of the relevant Leaver, if applicable; and
 - (v) reflecting any other factors which the Expert Valuers reasonably believe should be taken into account
- (e) If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- (f) The Expert Valuers shall be instructed to determine the Fair Value of the Sale Shares and to notify the Board of their written determination within 20 Business Days of their appointment. As soon as the Board receives the determination of the Fair Value, it shall deliver a copy of such determination to the Outgoing Shareholder and the Board.
- (g) The cost of obtaining the written determination of the Fair Value shall be paid by the Company.
- (h) The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- (i) The Board shall supply and make available to the Expert Valuers access to all accounting records or other relevant documents of the Company (including access to the working papers of the Auditors) subject to the Expert Valuers agreeing such confidentiality provisions as the Board may reasonably impose.
- (j) If the Expert Valuers become unwilling to act or incapable of acting, or do not deliver the written determination within the time required in paragraph (f) above then the Board shall be entitled to discharge the Expert Valuers and to appoint with the agreement of the Outgoing Shareholder (or by way of the nomination of the President of the Institute of Chartered Accountants in England and Wales) replacement Expert Valuers with the required qualifications, and this Article 0 shall apply in relation to the new Expert Valuers as if they were the first valuers appointed.

Purchases of Own Shares

The Company is authorised for the purposes of Section 692(1ZA) of the Act to purchase its own shares with cash up to an amount in a financial year not exceeding the limitation specified in that provision.

Overriding Provisions

- 15.1 Notwithstanding the provisions of these Articles the directors shall be obliged, so far as may be permitted by law, to act in all respects in accordance with and give effect to the Investment Agreement.
- 15.2 Where the approval, agreement or consent of any member or director is required under any provisions of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.

16 Combined Offer

16.1 Definitions

For the purposes of this Article 16 only, the following definitions shall apply.

Allocated Issue Shares means Issue Shares allocated to Offeree Purchasers in accordance with Articles 16.8 to 16.10 (inclusive);

Allocated Sale Shares means Sale Shares allocated to Offeree Purchasers in accordance with Articles 16.8 to 16.10 (inclusive);

Combined Offer has the meaning given in Article 16.5.1,

Combined Offer Completion has the meaning given in Article 16.12;

Combined Offer Event has the meaning given in Article 16.2;

Deadline Date means the date by which the Response Form must be received by the Company in order for Offeree Shareholders to participate in the Combined Offer, which shall be no less than 30 days after the date of the Offer Notice;

Issue Price has the meaning given in Article 16.4.1(a)(ii);

Issue Shares means the New Securities proposed to be issued by the Company in a Combined Offer Event;

Maximum Purchase Value means, in relation to each Offeree Purchaser, the maximum total value (expressed in GBP) (if any) of Issue Shares and/or Sale Shares which that Shareholder wishes to purchase subject to allocations in accordance with Articles 16.7 to 16.9 (inclusive);

Offer Notice means the notice referred to in Article 16.4;

Offeree Shareholders means all Equity Shareholders other than the Sellers;

Proposed Transferee means the person or entity to whom a Shareholder intends to sell some or all of their Shares;

Response Form means a form of response specified by the Board which can be returned by an Equity Shareholder to exercise their rights under this Article,

Sale Notice means a notice from a Shareholder that they intend to sell some or all of their Shares to the Proposed Transferee,

Sale Price has the meaning given in Article 16.4.1(b)(ii);

Sale Shares means the Shares which are the subject of the Sale Notice,

Sellers means the Shareholders who have given the Sale Notice,

Tag Condition means where the total number of Sale Shares is in excess of 30% but less than 50% of the total number of Ordinary Shares in issue;

Tag Documents means the form of transfer documents (approved by the Board acting reasonably) which would need to be delivered for the Tag Offer to be taken up;

Tag Offer has the meaning given in Article 16.5;

Tag Proportion means the proportion that the Sale Shares represent of the entire issued share capital of the Company as at the date of the Offer Notice;

Tag Shares has the meaning given in Article 16.5;

Total Takeup Condition means the condition set out in Article 16.6;

Unallocated Issue Shares means Issue Shares which are not allocated to Offeree Purchasers in accordance with Articles 16.8 to 16.10 (inclusive);

Unallocated Sale Shares means Sale Shares which are not allocated to Offeree Purchasers in accordance with Articles 16.8 to 16.10 (inclusive);

16.2 **Combined Offer Event**

If within any 10 Business Day period:

- (a) the Company has resolved in principle to allot New Securities; and
- (b) the Company has received a Sale Notice from one or more members,

this shall constitute a **Combined Offer Event**.

16.3 **Form of Sale Notice**

If the Tag Condition is satisfied, the Sale Notice shall specify the identity of the Proposed Transferee and enclose a letter duly executed by the Proposed Transferee in a form reasonably satisfactory to the Board appointing the Company as its agent for the purposes of the procedures set out in this Article 16.

16.4 **Offer Notice**

16.4.1 Within 5 Business Days of a Combined Offer Event having occurred, the Company shall send a written notice to the Offeree Shareholders, which:

- (a) sets out in relation to the Issue Shares:
 - (i) the number and class of the of Issue Shares proposed to be issued; and
 - (ii) the proposed issue price per share (**Issue Price**);
- (b) sets out in relation to the Sale Shares:
 - (i) the total number of Sale Shares;
 - (ii) the price per share for each Sale Share (**Sale Price**); and
 - (iii) a confirmation that the Sale Shares are to be sold free from all liens, charges and encumbrances and together with all rights attaching to them,
- (c) if the Tag Condition is satisfied:
 - (i) giving a statement to that effect;
 - (ii) setting out the Tag Proportion;

- (iii) giving the identity of the Proposed Transferee; and
- (iv) enclosing the Tag Documents and if available the share certificate in respect of the Tag Shares;;
- (d) specifies whether the Combined Offer is subject to a Total Takeup Condition;
- (e) specifies the Deadline Date.
- (f) encloses a Response Form; and
- (g) specifies the manner in which the Response form is to be completed and returned.

16.5 Combined Offer

16.5.1 *The Offer Notice shall constitute one of two different types of offer and is therefore referred to as a **Combined Offer**. The relevant type of offer is to be determined by which of the following conditions it fulfils:*

- (a) if the Tag Condition is satisfied and the Proposed Transferee is known, the Offer Notice shall constitute an offer by the Company as agent for the Proposed Transferee to each Offeree Shareholder to acquire the Tag Proportion of the Equity Shares held by that Offeree Shareholder (**Tag Shares**) at the Sale Price (**Tag Offer**); or
- (b) if Article 16 5.1(a) does not apply or the Tag Offer is not accepted by the relevant Offeree Shareholder, the Offer Notice shall constitute an offer by the Company (on its own behalf in relation to the Issue Shares and as agent for the Sellers in relation to the Sale Shares) to each relevant Offeree Shareholder to allot and issue and/or transfer the number of Issue Shares and/or Sale Shares allocated in accordance with this Article.

16.6 Total Takeup Condition

Where the Offer Notice specifies that the Combined Offer is subject to a Total Takeup Condition:

- (a) no Issue Shares may be allotted or issued;
- (b) no Sale Shares may be transferred; and
- (c) no Equity Shares shall be transferred pursuant to the Tag Offer,

unless at the same time (i) all of the Issue Shares are allotted and issued in accordance to this Article 16 and (ii) all of the Sale Shares are transferred in accordance with this Article 16.

16 7 Response to Offer Notice

16 7.1 Each Offeree Shareholder may participate in the Combined Offer by completing and returning the Response Form in the manner specified in the Offer Notice before the Deadline Date to indicate

- (a) if applicable, whether that Offeree Shareholder wishes to take up the Tag Offer (in which case such Shareholder will be a **Tag Seller**),
- (b) if the Tag Offer is not applicable or is not taken up, whether the relevant Offeree Shareholder wishes to acquire Issue Shares and/or Sale Shares (in which case such Shareholder will be a **Offeree Purchaser**) and if so their **Maximum Purchase Value**).

16.7.2 If an Offeree Shareholder has not returned a Response Form by the Deadline Date or if Articles 16.7.3 or 16.7 4 apply, then that Offeree Shareholder will be deemed to have declined all offers constituted by the Offer Notice, and for the avoidance of doubt shall have no right to sell or purchase any Shares in connection with the Combined Offer.

- 16.7.3 Notwithstanding Article 16.7.1(a), an Offeree Shareholder shall not become a Tag Seller unless such Offeree Shareholder encloses with their Response Form the Tag Documents duly executed by them.
- 16.7.4 Notwithstanding Article 16.7.1(b) an Offeree Shareholder shall not become an Offeree Purchaser unless such Offeree Shareholder within 5 Business Days of the date of their Response Form transfers to the Company in cleared funds by any method approved by the Board (or any person appointed by the Board for the purpose) an amount equal to the Maximum Purchase Value.
- 16.7.5 The Company shall hold undated and undelivered all Tag Documents received pursuant to Article 16.7.3, and hold all funds received pursuant to Article 16.7.4 on trust for the relevant Offeree Shareholder until the earlier of:
- (a) the occurrence of Combined Offer Completion, in which case the Company shall apply such funds in accordance with Article 16.12; or
 - (b) the Company becoming obliged to return such funds to the relevant Offeree Shareholder in accordance with Article 16.12.3(d)(i)
- 16.7.6 If agreed between the Proposed Transferee and the Sellers, the total number of Sale Shares may be reduced by an amount equal to the number of Tag Shares.

16.8 Allocation principles

As soon as reasonably practicable after the Deadline Date, the Board shall allocate Issue Shares and Sale Shares between Offeree Purchasers as follows.

- (a) if the Issue Price is equal to or lower than the Sale Price:
 - (i) each Offeree Purchaser shall first be allocated their maximum amount of Issue Shares pursuant to Article 16.9; and
 - (ii) if the aggregate price of such allocated Issue Shares is less than that Offeree Purchaser's Maximum Purchase Value (such shortfall being a **Remaining Purchase Amount** for the purposes of this paragraph), then that Offeree Purchaser shall be allocated Sale Shares pursuant to Article 16.10 as though (for the purposes of Article 16.10) their Maximum Purchase Value is equal to their Remaining Purchase Amount; or
- (b) if the Sale Price is lower than the Issue Price
 - (i) each Offeree Purchaser shall first be allocated their maximum amount of Sale Shares pursuant to Article 16.10; and
 - (ii) if the aggregate price of such allocated Sale Shares is less than that Offeree Purchaser's Maximum Purchase Value (such shortfall being a **Remaining Purchase Amount** for the purposes of this paragraph), then that Offeree Purchaser shall be allocated Issue Shares pursuant to Article 16.9 as though (for the purposes of Article 16.9) their Combined Purchase Amount is equal to their Remaining Purchase Amount.

16.9 Allocation of Issue Shares

The Issue Shares shall be allocated amongst the Offeree Purchasers:

- (a) firstly, pro rata to the Offeree Purchasers' respective holdings of Equity Shares until each Offeree Purchaser has received:
 - (i) a proportion of the Issue Shares which is equal to the proportion of the total number of Equity Shares held by him at the date of the Offer Notice; or

- (ii) if less, the maximum number of Issue Shares (excluding fractions) which can be issued to such Offeree Purchaser at the Issue Price without exhausting the such Offeree Shareholder's Maximum Purchase Value;
- (b) secondly, remaining Issue Shares will be allocated between Offeree Purchasers whose Maximum Purchase Value has not been exhausted between such Offeree Purchasers pro rata to their respective holdings of Equity Shares until
 - (i) the Maximum Purchase Values of all the Offeree Purchasers have been exhausted; or
 - (ii) there are no further Issue Shares to allocate,

PROVIDED ALWAYS that no Offeree Purchaser may be allocated Issue Shares pursuant to this Article 16.9 whose aggregate value exceeds that Offeree Purchaser's Maximum Purchase Value (as adjusted if applicable in accordance with Article 16.8).

16.10 **Allocation of Sale Shares**

16.10.1 As soon as reasonably practicable after the Deadline Date, the Sale Shares shall be allocated amongst the Offeree Purchasers:

- (a) firstly, pro rata to the Offeree Purchasers' respective holdings of Equity Shares until each Offeree Purchaser has received:
 - (i) a proportion of the Sale Shares which is equal to the proportion of the total number of Equity Shares held by him at the date of the Offer Notice; or
 - (ii) if less, the maximum number of Sale Shares (excluding fractions) which can be issued to such Offeree Purchaser at the Issue Price without exhausting such Offeree Shareholder's Maximum Purchase Value;
- (b) secondly, remaining Sale Shares will be allocated pro rata between Offeree Purchasers whose Maximum Purchase Value has not been exhausted until:
 - (i) the Maximum Purchase Values of all the Offeree Purchasers have been exhausted, or
 - (ii) there are no further Sale Shares to allocate,

PROVIDED ALWAYS that no Offeree Purchaser may be allocated Sale Shares pursuant to this Article 16.10 whose aggregate value exceeds that Offeree Purchaser's Maximum Purchase Value (as adjusted if applicable in accordance with Article 16.8).

16.11 **Unallocated Issue Shares or Sale Shares**

If any Issue Shares or Sale Shares remain unallocated following the application of Articles 16.8 to 16.10 (inclusive), then at the same time as completing (i) the allotment and issue of Allocated Issue Shares to Offeree Purchasers (ii) the transfer of Allocated Sale Shares to Offeree Purchasers and (iii) the acquisition of all Tag Shares in respect of which the Tag Offer has been accepted:

- (a) the Directors may allot and issue the Unallocated Issue Shares to any other person at a price not less than the Issue Price; and
- (b) the Sellers may transfer the Unallocated Sale Shares to the Proposed Transferee or any other third party approved by the Board at the Sale Price,

in each case during the 25 Business Day period following the Deadline Date.

16.12 **Completion of Combined Offer**

16.12.1 Subject always to the satisfaction of the Total Takeup Condition, the completion of:

- (a) *the allotment and issue of:*
 - (i) Allocated Issue Shares to Offeree Purchasers;
 - (ii) Unallocated Issue Shares in accordance with Article 16.11;
- (b) *the transfer of:*
 - (i) Allocated Sale Shares to Offeree Purchasers;
 - (ii) Unallocated Sale Shares in accordance with Article 16.11; and
- (c) *the transfer of all Tag Shares in respect of which the Tag Offer has been accepted,*
(together, the Combined Offer Completion) shall take place in accordance with this Article 16.12 and otherwise in such manner as the Board may determine.

16.12.2 The Combined Offer Completion shall occur no more than 20 Business Days and no less than 5 Business Days following:

- (a) *the allocation of Issue Shares and Sale Shares in accordance with Articles 16.8 to 16.10 (inclusive); and*
- (b) *if there is a Total Takeup Condition, binding documentation being entered into for the allotment and issue of the Unallocated Issue Shares and/or transfer of the Unallocated Sale Shares, in each case conditional on the satisfaction of the Total Takeup Condition,*

and as soon as reasonably practicable the Company shall issue a written notice to all Equity Shareholders specifying:

- (i) *the proposed date of Option Completion;*
- (ii) *the allocations of Issue Shares and Sale Shares;*
- (iii) *if there is a Total Takeup Condition, confirmation that binding documentation has been entered into for the allotment and issue of the Unallocated Issue Shares and/or transfer of the Unallocated Sale Shares;*
- (iv) *any other matters deemed relevant by the Board.*

16.12.3 On Combined Offer Completion, the following shall occur at the same time:

- (a) *the Proposed Transferee shall execute and release the Tag Documents and remit the consideration for the Tag Shares in accordance with the Tag Documents and for the Sale Shares in accordance with any written agreements between it and the Sellers in relation to the Combined Offer;*
- (b) *the Company shall release the Tag Documents held by it pursuant to Article 16.7.5;*
- (c) *the Directors shall allot and issue:*
 - (i) *the Allocated Issue Shares to the Offeree Purchasers and the Company shall release to itself the funds held by it pursuant to Article 16.7.5 in relation to such Allocated Issue Shares;*
 - (ii) *the Unallocated Issue Shares in accordance with Article 16.11 subject to the receipt by the Company of funds equal to the aggregate Issue Price of the Unallocated Issue Shares;*
- (d) *the Sellers shall complete the sale of.*

(i) the Allocated Sale Shares to the Offeree Purchasers, and the Company shall release to the relevant Sellers the funds held by it pursuant to Article 16.7.5 in relation to such Allocated Sale Shares;

(ii) the Unallocated Sale Shares in accordance with Article 16.11,

and if having issued a Sale Notice (but subject to the Total Takeup Condition if applicable) a Seller does not transfer Sale Shares, the Company may authorise any director to transfer the Sale Shares on such Seller's behalf to the buying party concerned against receipt by the Company of the Sale Price for such Sale Shares. The Company shall hold such Sale Price in trust for such Seller without any obligation to pay interest. The Company's receipt of such Sale Price shall be a good discharge to the buying shareholder. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Seller shall surrender his share certificate for the Sale Shares to the Company or enter into an indemnity in respect of a lost share certificate in a form reasonably determined by the Board. On surrender, he shall be entitled to receive the Sale Price for such Sale Shares.

16.13 Failure of Combined Offer

If Combined Offer Completion has not occurred on or before the date falling 20 Business Days after the end of the period referred to in Article 16.11, then:

- (a) the Combined Offer shall lapse;
- (b) all funds received by the Company pursuant to Article 16.7.4 shall be returned as soon as reasonably practicable to the relevant Offeree Shareholder; and
- (c) all Tag Documents shall at the Company's election either be destroyed or returned to the relevant Offeree Shareholders.