

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY SHARES**

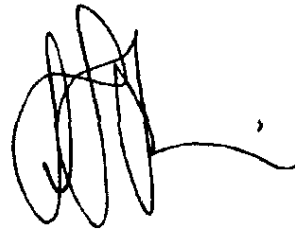
**ARTICLES OF ASSOCIATION**

**of**

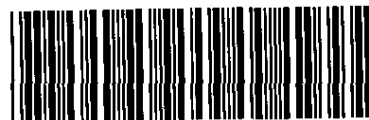
**ACTIVE AWAY LIMITED**

**Company No: 05972182**

**(adopted by special resolution passed on 29 June 2017)**

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COMPANIES HOUSE

**Company number: 05972182**

**The Companies Act 2006**

**Private company limited by shares**

**Articles of Association**

of

**ACTIVE AWAY LIMITED ("the Company")**

(as adopted by special resolution passed on 29 June 2017)

**1. Interpretation**

1.1 In these Articles, unless the context otherwise requires, the following words and expressions shall have the following meanings:

**"15 Business Days Period"** as defined in Article 8.3.

**"Act"** the Companies Act 2006 including any statutory modification, amendment, variation or re-enactment thereof for the time being in force.

**"Approved Offer Price"** as defined in Article 8.10.

**"Articles"** means these articles of association.

**"Bad Leaver"** means an Employee Shareholder who ceases to be employed/appointed by the Company by reason of:

- (a) the lawful termination of the employment of that Employee Shareholder for gross misconduct pursuant to such Employee Shareholder's service agreement with the Company where (a) no claim that such dismissal was unfair or wrongful is brought by an Employee Shareholder within 4 months of the date of dismissal, or (b) such a claim is brought by an Employee Shareholder within 4 months of dismissal but subsequently held by a court of competent jurisdiction not to be unfair or wrongful and the time period for appealing such ruling has elapsed; or (c) a claim is brought within 4 months of dismissal but subsequently withdrawn by an Employee Shareholder without being settled by the Company; and/or
- (b) his resigning within three years from the date of the adoption of these Articles where (a) no claim for constructive dismissal is brought by an Employee Shareholder within 4 months of the date of resignation, or (b) such a claim is brought by an Employee Shareholder within 4 months of resignation but subsequently held by a court of competent jurisdiction not to be constructive dismissal and the time period for appealing such ruling has elapsed; (c) such a claim is brought within 4 months of resignation but subsequently withdrawn by an Employee Shareholder without being settled by the Company; or (d) his resignation has not been approved by Investor Consent; and/or
- (c) him having committed a material breach of any written restrictive covenants to which he is subject in any shareholders'/subscription agreement or employment/service

agreement in force in respect of the Company from time to time, in circumstances where he has not remedied such breach to the reasonable satisfaction of the Investor(s) within twenty Business Days of such material breach being notified to the Employee Shareholder by the Investor(s)); and/or

- (d) in the case of SJD or MA being that Employee Shareholder, SJD or MA (as the case may be) having committed a material breach of the covenants and/or undertakings (for such purposes "material" meaning the aggregate of all Substantiated Claims in respect of such breach is £5,000 (five thousand pounds sterling) or more) which he has given in any shareholders'/subscription agreement in force in respect of the Company from time to time in circumstances where he has not discharged in full all of his obligations to PJI/the Investor(s) in respect of such Substantiated Claims (including without limitation the payment of any damages) within 10 Business Days of their due date of performance (or, in the case of payment of damages, due date for payment); and/or
- (e) him having committed an act of fraud, dishonesty, theft, becoming bankrupt, being disqualified from acting as a director of a company in England and Wales or being convicted of any criminal offence which results in the imposition of a custodial sentence.

**"Bad Leaver's Shares"** means in relation to a Bad Leaver, any Shares transferred by or issued to that Bad Leaver.

**"Board"** means the board of Directors of the Company for the time being.

**"Business Day"** means a day (other than a Saturday or a Sunday) on which clearing banks are open for business in the City of London.

**"Called Shareholders"** means as defined in Article 11.11.

**"Called Shares"** means as defined in Article 11.12.1.

**"Cessation Date"** means as defined in Article 11.1.

**"Chairman"** means the chairman of the Board from time to time.

**"communication"** includes a communication comprising sounds or images or both.

**"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 Taxes Act 2010.

**"Corporate Group"** means the group of companies comprising a corporate member, any holding company from time to time of that corporate member and any subsidiary or subsidiary undertaking of that corporate member or any such holding company and a company or other entity shall be a **"holding company"** or a **"subsidiary"** for the purposes of these Articles if it falls within the meaning attributed to that term in Sections 1159 of the Act and any company or other entity shall be a **"subsidiary undertaking"** for the purposes of these Articles if it falls within the meaning attributed to that term in Section 1162 of the Act.

**"Deceased Shareholder"** means as defined in Article 11.6.

**"Deceased Shareholder's Shares"** means in relation to a Deceased Shareholder, any shares issued to that Deceased Shareholder by the Company or any Shares transferred by that Deceased Shareholder.

**"Deed of Adherence"** means a deed of adherence in the form stipulated in any shareholders'/subscription agreement in force in respect of the Company from time to time.

**"Directors"** means the directors for the time being of the Company including any Investor Directors and **"Director"** shall mean any one of the Directors.

**"Drag Along Notice"** means as defined in Article 11.12.

**"Drag Along Option"** means as defined in Article 11.11.

**"Due Proportion"** means in the same proportion, as nearly as may be, as the amount of a Shareholder's existing holding of Shares bears to the total amount of Shares.

**"electronic communication"** means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa):

- (a) by means of a telecommunication system (within the meaning of the Communications Act 2003); or
- (b) by any other means but while in electronic form.

**"Employee Shareholder"** means a Shareholder (excluding any Investor(s)) who at the date of adoption of these Articles or subsequently is employed by, or is a consultant to the Company and/or holds the office of Director.

**"End Date"** means the date of death of a Deceased Shareholder.

**"Exit"** means the occurrence of a Listing or the completion of a Sale.

**"Exiting Shareholders"** means as defined in Article 11.11.

**"Expert"** means an independent chartered accountant to be nominated by the Company and the relevant Shareholder and in default of agreement between them within five Business Days of the obligation to appoint arising, on the request of either the Company or the relevant Shareholder, by the President for the time being of the Institute of Chartered Accountants in England and Wales.

**"Fair Price"** means the price which the Expert states in writing to be in his opinion the fair value of the Shares concerned on a sale as between a willing seller and a willing purchaser. In determining such fair value the Expert shall be instructed in particular:

- (a) to have regard to the rights and restrictions attached to those Shares in respect of income and capital;
- (b) to disregard whether or not those Shares represent a minority interest;
- (c) to take no account of whether those Shares do or do not carry control of the Company; and
- (d) if the Company is then carrying on business as a going concern, to assume that it will continue to do so,

and in stating such fair value the Expert (whose charges shall be borne equally between the relevant Shareholder and the Company) shall be considered to be acting as expert and not as arbitrator and his decision shall be final and binding on the Company and the relevant Shareholder.

**"Family Trust"** means in relation to an individual Shareholder, a trust or settlement (whether contingent, discretionary or otherwise) set up wholly for the benefit of that individual Shareholder and/or any one or more of that Shareholder's Privileged Relations.

**"Investor"** means each of: (i) PJI (acting by its duly appointed corporate representative) for so long as it is a Shareholder; and (ii) any person who is designated an "Investor" pursuant to execution by him of a Deed of Adherence for so long as he is a Shareholder (together known as the **"Investors"**).

**"Investor Consent"** means the prior consent in writing of all of the Investor(s) for the time being.

**"Investor Directors"** shall be as defined in Articles 15.1 and 15.2 and **"Investor Director"** shall mean any of them as the context requires.

**"Listing"** means the admission of any part of the equity share capital of the Company to the Official List of the UK Listing Authority or the grant of permission by the London Stock Exchange Plc to deal in any of the Company's shares on the Alternative Investment Market of the London Stock Exchange or on any other recognised investment exchange (recognised in accordance with the Financial Services and Markets Act 2000 and as defined by Section 285, Financial Services and Markets Act 2000) and such permission becoming effective.

**"MA"** means, Matthew Allen, a Shareholder upon the date of adoption of these Articles.

**"Maximum"** means as defined in Article 8.3.

**"Offered Shares"** means as defined in Article 8.2.

**"Permitted Transferee"** means a person who is transferred Shares pursuant to and upon compliance with and in accordance with the terms and conditions of these Articles generally and in particular Articles 7, 8, 9 or 11.

**"PJI"** means PJ Investment (Group) Limited a company incorporated in England and Wales with registered number 08819771 and whose registered office is at Network House, Third Avenue, Globe Park, Marlow, Buckinghamshire, SL7 1EY.

**"Privileged Relation"** means any civil partner (under the UK Civil Partnership Act 2004 or equivalent legislation in any other part of the world), any spouse, widow or widower, child or grandchild (including adopted or step child or grandchild or the child of an adopted or step child) of any Shareholder or any parent of a child or children of that relevant Shareholder.

**"Proposed Buyer"** means as defined in Article 11.11.

**"Purchaser"** means a person who expresses a willingness to purchase Offered Shares.

**"Sale"** means the sale of 75% or more of the Shares.

**"Sale Shares"** means as defined in Article 11.11.

**"Selling Shareholder"** means as defined in Article 8.7.

**"Shareholder"** means a registered holder of Shares for the time being.

**"Shares"** means the ordinary shares of £1.00 each in the issued capital of the Company from time to time and **"Share"** shall mean any one of them.

**"SJD"** means Steven John Davies, a Shareholder upon the date of adoption of these Articles.

**"Specified Price"** means as defined in Article 8.2.

**"Substantiated Claim"** means all claim(s) under any shareholders'/subscription agreement in force in respect of the Company from time to time where either (i) SJD or MA (as the case may be) has admitted liability in respect thereof and/or agreed to settle such liability with PJI; or (ii) SJD's or MA's (as the case may be) liability under such claim(s) has been proved in a court of competent jurisdiction.

**"Table A"** means the regulations constituting Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No. 2)

Regulations 2007 (SI 2007/2826) and the Companies (Tables A to F) (Amendment) Regulations 2008 (SI 2008/739) (as amended from time to time).

**"Transfer Notice"** means as defined in Article 8.1.

- 1.2 The headings to these Articles do not affect the construction of these Articles.
- 1.3 A person shall be deemed to be connected with another if that person is connected with another within the meaning of Section 1122, Corporation Taxes Act 2010.
- 1.4 Reference to one gender shall be treated as denoting any gender.
- 1.5 Reference to the singular shall include the plural and vice versa.

## **2. Adoption of Table A**

Except as otherwise provided in these Articles, the regulations contained or incorporated in Table A (as defined in Article 1.1) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.

## **3. Rights attaching to Shares**

- 3.1 Any profits which the Company may determine to distribute shall be distributed amongst the Shareholders in Due Proportion.
- 3.2 On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed as follows:
  - 3.2.1 firstly, in paying to each Shareholder an amount equal to the amount paid up on the Shares held by him (including any premium); and
  - 3.2.2 thereafter among the Shareholders in Due Proportion.
- 3.3 Each Shareholder shall be entitled to receive notice of and to attend and speak at any general meetings of the Company and such holder (being an individual) is present in person or by proxy or (being a body corporate) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll have one vote for each Share held by him.
- 3.4 Further issues of Shares
  - 3.4.1 Save in circumstances expressly provided for in any shareholders'/subscription agreement in force in respect of the Company from time to time, all new shares in the capital of the Company shall first be offered to the Shareholders in Due Proportion as nearly as possible. Any such offer shall specify the number of shares offered and the price offered per share (such price being either the price agreed in writing by the Board with Investor Consent or if there is a third party bona fide arm's length purchaser for such new shares the subscription price per share offered by that third party) and shall be open for acceptance for not less than 15 Business Days from the date of notification. Any such shares not accepted in that period shall be at the disposal of the Directors who may subject to Investor Consent (within a period of three months from the end of the 15 Business Day period referred to in this article), allot, grant options over or otherwise dispose of the same to such persons at a price per share and on terms no less favourable to the Company than that/those at which the same were offered to the Shareholders.
  - 3.4.2 Section 561 of the Act will not apply to the Company.

#### **4. Variation of class rights**

- 4.1 The rights attaching to the Shares may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled only with Investor Consent.
- 4.2 Without prejudice to the generality of this Article 4 and subject always to the terms of any shareholders'/subscription agreement in force in respect of the Company from time to time, Investor Consent shall be required for:
  - 4.2.1 the creation, allotment or issue of any shares or securities by the Company or the grant of any option or other right to require the allotment or issue of them or the modification, variation, alteration or abrogation of the rights attached to any of the classes of share capital of the Company or the consolidation or sub-division or other re-organisation of the Company's share capital or any part of it;
  - 4.2.2 the passing of any resolution amending the Company's memorandum or articles of association;
  - 4.2.3 the purchase, redemption or any distribution of capital profits or reserves of the Company in respect of any Shares otherwise than in accordance with the provisions of these Articles; or
  - 4.2.4 by the application by way of capitalisation of any sum in or towards paying any debenture or debenture stock (whether secured or unsecured) of the Company.

#### **5. Redemption and purchase of shares**

Subject to the provisions of the Act and to the rights of the holders of the respective classes of Shares of the Company, the Company may with Investor Consent:

- 5.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder concerned;
- 5.2 purchase its own Shares (including any redeemable shares); and
- 5.3 make a payment in respect of the redemption or purchase under Section 684 or Section 687 or (as the case may be) Section 690 of the Act and the relevant power under Article 5.1 or Article 5.2 above, of any of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Section 709 and Sections 711-712 of the Act.

#### **6. Lien**

The lien conferred by Regulation 8 of Table A shall attach also to fully paid-up Shares and the Company shall also have a first and paramount lien on all Shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or her estate to the Company.

#### **7. Permitted transfers**

- 7.1 A corporate Shareholder may at any time transfer its Shares to another member of its Corporate Group or to any other corporate entity under the same shareholder control as the transferring corporate Shareholder.
- 7.2 A transfer of Shares may be made with Investor Consent to any person.
- 7.3 For so long as the relevant transferor is not obligated to transfer his Shares pursuant to Articles 11.1 to 11.5 (inclusive) or Articles 11.11 to 11.20 (inclusive), a Shareholder may at any time transfer any or all of his Shares, subject always to the provisions of Article 7.4 and Article 10, to

(i) a Family Trust (or the trustees of such Family Trust) or (ii), any one or more Privileged Relations.

- 7.4 Except as otherwise agreed by the unanimous consent in writing of the Shareholders, where a Shareholder has transferred Shares (each such transfer being referred to as an **"Original Transfer"**) to a Family Trust or any Privileged Relation pursuant to Article 7.3 and the provisions of these Articles generally, and such Family Trust or Privileged Relation (as the case may be) subsequently ceases to be a Family Trust or Privileged Relation (as the case may be), of the Shareholder (**"Original Shareholder"**) who made such transfer, then that Family Trust or Privileged Relation (as the case may be) shall immediately transfer all of the Shares the subject of the Original Transfer back to the relevant Original Shareholder who transferred them who shall, notwithstanding the provisions of Article 10, continue to be bound by the terms of any shareholders'/subscription agreement in force in respect of the Company from time to time as a Shareholder, even if in the interim period he had ceased to be a Shareholder.

## **8. Pre-emption procedure and Shareholder tag rights**

- 8.1 Except as provided in Articles 7 or 9 and subject to Article 11, the provisions of which take precedence over Articles 7, 8 and 9, no Shareholder or person entitled to Shares by transmission, shall be entitled to transfer his Shares without first offering them for transfer to the other Shareholders. The offer may be in respect of all or part only of the Shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company (a **"Transfer Notice"**).
- 8.2 A Transfer Notice shall specify the Shares offered (the **"Offered Shares"**) and the price at which they are offered (the **"Specified Price"**). A Transfer Notice shall constitute the Directors as the agent of the proposing transferor for the sale of the Offered Shares to the Shareholders (excluding the proposing transferor) at the Specified Price. A Transfer Notice may (save in the case of a Transfer Notice deemed served in accordance with Article 11 (Compulsory transfers)) contain a provision that, unless all the Offered Shares are sold under this Article, none shall be sold and that provision shall have effect. A Transfer Notice may not be revoked except with Investor Consent.
- 8.3 On receipt by the Company of a Transfer Notice the Directors shall give notice within ten Business Days to all of the Shareholders (other than the proposing transferor) of the number and description of the Offered Shares and the Specified Price. The notice shall invite each of the Shareholders to state in writing to the Company within 15 Business Days (the **"15 Business Days Period"**) whether he is willing to purchase any, and if so what maximum number (**"Maximum"**), of the Offered Shares.
- 8.4 On the expiration of the 15 Business Days Period the Directors shall allocate the Offered Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows:
- 8.4.1 each allocation between the Purchasers shall be made pro rata in the same proportion as the total amount of Shares owned by a Purchaser bears to the total amount of Shares owned by all of the Purchasers together but shall not exceed the Maximum which a Purchaser shall have expressed a willingness to purchase; and
- 8.4.2 if the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made amongst the Purchasers unless all the Offered Shares are allocated.
- 8.5 On the allocation being made pursuant to Article 8.4, the Directors shall give details of the allocation in writing to the proposing transferor and each Purchaser and, on the fifth Business Day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchase price, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made.



- 8.6 If the proposing transferor after becoming bound to transfer Offered Shares fails to do so, the Company may receive the purchase price and the Directors may appoint a person to execute instruments of transfer of the Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of those Purchasers to be entered in the register of members of the Company as the holders of the Offered Shares and shall hold the purchase price in trust for the proposing transferor. The receipt of the Company shall be a good discharge to those Purchasers and, after their names have been entered in the register of members of the Company under this provision, the validity of the transactions shall not be questioned by any person.
- 8.7 If, following the expiry of the 15 Business Days Period, any of the Offered Shares have not been allocated under Article 8.4, the proposing transferor ("**Selling Shareholder**") may (subject always to the provisions of Article 11) at any time within a period of 45 Business Days after the expiry of the 15 Business Days Period transfer the Offered Shares not allocated to any person approved by Investor Consent and at any price (being not less than the Specified Price) provided that:
- 8.7.1 if the relevant Transfer Notice contained a provision that, unless all the Offered Shares are sold under this Article, none shall be sold, he shall not be entitled to transfer any of the Offered Shares unless in aggregate all the Offered Shares are so transferred; and
  - 8.7.2 the Directors may require to be satisfied that those Shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the proposed transferee and, if not so satisfied, may refuse to register the instrument of transfer (without prejudice, however, to the Directors' absolute discretion to refuse to approve or register any transfer of Shares in the circumstances described in Article 10).
- 8.8 Notwithstanding any other provision in these Articles and excluding any sale or transfer made pursuant to Articles 7.1 to 7.3 (inclusive), no sale or transfer of any interest in any Shares conferring a right to vote at general meetings of the Company which would result, if made and registered, in a person other than an Investor (or one or more persons as part of a single transaction or otherwise acting by agreement or understanding) or connected persons of that person (excluding always the Investors) obtaining a Controlling Interest in the Company shall be made or registered unless an offer is made to all of the Shareholders at the Approved Offer Price (defined and calculated as set out in Article 8.10 below) to acquire all of the Shares.
- 8.9 Any Shareholder may, at their sole discretion, elect to accept the offer referred to in Article 8.8, either in relation to all or some only of the Shares then held by them. If any part of the Approved Offer Price is to be paid except by cash then any Shareholder may, at their option, elect to take a price per Share of such cash sum as may be agreed by it and the proposed transferee having regard to the transaction as a whole.
- 8.10 In this Article 8 the "**Approved Offer Price**" means the greater of:
- 8.10.1 the Specified Price; and
  - 8.10.2 the aggregate of:
    - 8.10.2.1 the consideration (in cash or otherwise) per Share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the Shares being acquired; and
    - 8.10.2.2 the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable; and
    - 8.10.2.3 all arrears and accruals of the dividends on such Shares calculated down to the date of the sale or transfer.

- 8.11 In the event of disagreement, the calculation of the Approved Offer Price shall be referred to an Expert whose decision shall be final and binding (save in the case of fraud or manifest error).

**9. Deceased and bankrupt shareholder provisions**

- 9.1 Subject always to Article 11, a person entitled to Shares in consequence of the bankruptcy of a Shareholder shall be bound at any time, if and when required in writing by the Board so to do, to give a Transfer Notice in respect of such Shares, and if such person fails to give a Transfer Notice, he shall be deemed to have served the Company with a Transfer Notice in respect of such Shares and Regulations 30 and 31 of Table A shall be amended accordingly. The provisions of Article 8 shall apply to those Shares and the Transfer Notice; the Transfer Notice (if not actually given) shall be deemed to have been received by the Company on the date on which the Directors required the Transfer Notice to be given and the Specified Price shall be the Fair Price as at the date on which the Transfer Notice is either actually given or deemed to have been received by the Company and the Directors shall give notice under Article 8.3 as soon as such Specified Price is ascertained.
- 9.2 Subject always to Articles 11.6 to 11.10 (inclusive), Regulations 29, 30 and 31 of Table A shall apply in circumstances where a person becomes entitled to a Share in consequence of the death of a Shareholder.

**10. Registration of transfers**

- 10.1 The Directors shall refuse to register a proposed transfer not made to a Permitted Transferee.
- 10.2 The Directors may also refuse to register a transfer of a Share on which the Company has a lien.
- 10.3 A person executing an instrument of transfer of a Share is deemed to remain the holder of the Share until the name of the transferee is entered in the register of members of the Company in respect of it.
- 10.4 In the event of there being any shareholders'/subscription agreement in force in respect of the Company from time to time, the Directors shall refuse to register an allottee or Permitted Transferee until he has executed a Deed of Adherence under which he undertakes to adhere to and be bound by the provisions of such shareholders'/subscription agreement as if he were an original party to it and an original copy of this Deed of Adherence has been delivered to the Company.
- 10.5 The first sentence of Regulation 24 of Table A shall not apply.
- 10.6 For the purposes of ensuring that a transfer of Shares is duly authorised or that no circumstances have arisen whereby a Transfer Notice is required to be given the Directors or an Investor may, at the Company's expense, request any Shareholder or past Shareholder or the personal representative or trustee in bankruptcy, administrative receiver or liquidator or administrator of any Shareholder or any person named as transferee in any instrument of transfer lodged for registration to furnish to the Company such information and evidence as the Board or the Investor may reasonably think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Board or the Investor (as the case may be) within ten Business Days after such request the Board shall be entitled to refuse to register the transfer in question or, if such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Directors, may by notice in writing require that a Transfer Notice be given forthwith in respect of the Shares concerned.
- 10.7 If in any case where under the provisions of these Articles:
- 10.7.1 the Directors require a Transfer Notice to be given in respect of any Shares; or
- 10.7.2 a person has become bound to give a Transfer Notice in respect of any Shares,

and such a Transfer Notice is not duly given within a period of two weeks of demand being made or within the period allowed thereafter respectively a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.

10.8 No Share shall be issued or transferred to any bankrupt or person of unsound mind.

## 11. Compulsory transfers

11.1 If any Shareholder, who at the date of adoption of these Articles, or subsequently, is an Employee Shareholder, shall cease to be an Employee Shareholder in circumstances that he is a Bad Leaver then, save with Investor Consent, the Board shall, by no later than 12 months of the date of such cessation ("**Cessation Date**"), require that that Bad Leaver shall, in respect of all of his Shares, and each person holding any Bad Leaver's Shares shall, in respect of those Bad Leaver's Shares:

11.1.1 be deemed to have authorised the Directors to transfer such Shares to such person(s) as the Board with Investor Consent may nominate (in which case the price payable shall be the price determined in accordance with Article 11.2); and/or

11.1.2 be deemed to have served a Transfer Notice in respect of any remaining Shares (in which case the Specified Price for the remaining Shares shall be the price determined in accordance with Article 11.2),

and the Bad Leaver shall comply with such requirement.

11.2 On a transfer under Article 11.1 the price per Share shall be an amount per Share equal to the lower of: (i) par value; and, (ii) the Fair Price.

11.3 For the purpose of Article 11.2, Fair Price shall be calculated as at the Cessation Date. If, in any particular case, the Board with Investor Consent so decides, there shall be substituted for the price specified in Article 11.2 such higher price as the Board with Investor Consent may agree with the transferor(s).

11.4 Save with Investor Consent, all the Bad Leaver's Shares (and any shares issued to the Bad Leaver after the Cessation Date whether by virtue of the exercise of any right or option granted or arising by virtue of the holding of the Bad Leaver's Shares or otherwise) shall cease to confer the right to be entitled to receive notice of or to attend or vote at any general meeting of the Company with effect from the Cessation Date (or, where appropriate, the date of issue of such Shares, if later) and such Shares shall not be counted in determining the total number of votes which may be cast at any such meeting or required for the purposes of a written resolution of any Shareholders or any consent under these Articles or otherwise. Such rights shall be restored immediately upon:

11.4.1 the Company registering a transfer of the Bad Leaver's Shares pursuant to this Article 11; or

11.4.2 a Sale or Listing.

11.5 Save with Investor Consent, any notice relating to the transfer of the Bad Leaver's Shares or any of them in force at the Cessation Date shall immediately be cancelled (unless all the Shares subject to it have already been sold) and no further notice shall be issued or be deemed to be issued in respect of the Bad Leaver's Shares except pursuant to this Article 11.

11.6 Subject always to Article 7, if a Shareholder, excluding always the Investor(s), shall die or become permanently incapacitated (such deceased person or incapacitated person being referred to as a "**Deceased Shareholder**") then, save with Investor Consent, the Board shall by no later than 12 months of the date of the End Date and at the direction of the Investors, require that the Deceased Shareholder's personal representatives shall, in respect of all of the

Deceased Shareholder's Shares, and each person holding any Deceased Shareholder's Shares shall, in respect of those Deceased Shareholder's Shares:

11.6.1 be deemed to have authorised the Directors to transfer such Shares to such person(s) as the Board with Investor Consent may nominate (in which case the price payable shall be the price determined in accordance with Article 11.7); and/or

11.6.2 be deemed to have served a Transfer Notice in respect of any remaining Shares (in which case the Specified Price for the remaining Shares shall be the price determined in accordance with Article 11.7),

and the Deceased Shareholder's personal representatives shall comply with such requirement.

11.7 On a transfer pursuant to Article 11.6 the price per Share shall be the Fair Price.

11.8 For the purposes of Article 11.7, Fair Price shall be calculated as at the End Date. If, in any particular case, the Board with Investor Consent so decides, there shall be substituted for the price specified in Article 11.7 such higher price as the Board with Investor Consent may agree with the transferor(s).

11.9 Save with Investor Consent, all the Deceased Shareholder's Shares (and any Shares issued to the relevant Deceased Shareholder after the End Date whether by virtue of the exercise of any right or option granted or arising by virtue of the holding of the Deceased Shareholder's Shares or otherwise) shall cease to confer the right to be entitled to receive notice of or to attend or vote at any general meeting of the Company with effect from the End Date (or, where appropriate, the date of issue of such Shares, if later) and such Shares shall not be counted in determining the total number of votes which may be cast at any such meeting or required for the purposes of a written resolution of any Shareholders or any consent under these Articles or otherwise. Such rights shall be restored immediately upon:

11.9.1 the Company registering a transfer of the Deceased Shareholder's Shares pursuant to this Article 11; or

11.9.2 a Sale or Listing.

11.10 Save with Investor Consent, any notice relating to the transfer of the Deceased Shareholder's Shares or any of them in force at the End Date shall immediately be cancelled (unless all the Shares subject to it have already been sold) and no further notice shall be issued or be deemed to be issued in respect of the Deceased Shareholder's Shares except pursuant to this Article 11.

#### Drag Along

11.11 If the holder(s) of 90% or more of the Shares (the "**Exiting Shareholders**") wish to transfer all of their interest in their Shares ("**Sale Shares**") to a bona fide arms' length purchaser ("**Proposed Buyer**"), the Exiting Shareholders may require all the other holders of Shares ("**Called Shareholders**") to sell and transfer all their Shares to the Proposed Buyer or as the Proposed Buyer directs in accordance with the provisions of Articles ("**Drag Along Option**") 11.11 to 11.20 (inclusive).

11.12 The Exiting Shareholders may exercise the Drag Along Option by giving written notice to that effect ("**Drag Along Notice**") at any time before the transfer of the Sale Shares to the Proposed Buyer. The Drag Along Notice shall specify that:

11.12.1 the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to Articles 11.11 to 11.20 (inclusive);

11.12.2 the person to whom the Called Shares are to be transferred;

11.12.3 the consideration payable for the Called Shares calculated in accordance with Article 11.14 below; and

11.12.4 the proposed date of the transfer.

- 11.13 Once issued, a Drag Along Notice shall, save with Investor Consent, be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Exiting Shareholders have not sold the Sale Shares to the Proposed Buyer within forty five Business Days of serving the Drag Along Notice. The Exiting Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 11.14 The Called Shareholders shall sell each Called Share for a consideration payable in cash on completion that is at least equal to the highest amount per Share that the Exiting Shareholders are entitled to receive on the sale of the Sale Shares.
- 11.15 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in Articles 11.11 to 11.20 (inclusive) (save that each Called Shareholder shall, if required by the Proposed Buyer, give a warranty as to that Called Shareholder's ownership and title to the Shares to be transferred by him).
- 11.16 Completion of the sale of the Called Shares shall take place on the same date as the date of completion of the sale of the Sale Shares provided always that date is less than forty five Business Days after the Drag Along Notice and more than five Business Days after service of the Drag Along Notice.
- 11.17 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 11.18 Within forty five Business Days of the Exiting Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that forty five Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to Article 11.14 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 11.14 in trust for the Called Shareholders without any obligation to pay interest.
- 11.19 To the extent that the Proposed Buyer has not, on the expiration of the forty five Business Day period referred to in Article 11.18, put the Company in funds to pay the consideration due pursuant to Article 11.14, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations in relation to the relevant Drag Along Notice.
- 11.20 If any Called Shareholder does not, on completion of the sale of the Called Shares execute transfer(s) in respect of all of the Called Shares held by him, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Exiting Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to the registration of any Shares under this Article even if a share certificate has not been produced.

11.21 Subject always to Article 7.2 which takes precedent over this Article 11.21, no Shares to which this Article 11 applies shall be transferred pursuant to Articles 7, 8 or 9 until the relevant Shareholder can no longer be bound to sell them under this Article.

11.22 The preceding provisions of this Article may at any time be waived in whole or part by the Board provided Investor Consent is obtained.

## **12. General meetings**

12.1 Regulations 46 to 48 inclusive of Table A shall not apply.

12.2 The quorum for general meetings shall be:

12.2.1 PJI for so long as it is a Shareholder; and

12.2.2 SJD for so long as he is a Shareholder; and

12.2.3 any other Shareholder holding 25% or more of the Shares; or

12.2.4 (at all other times) two Shareholders,

provided always that: (i) if the Company has at any time only one Shareholder, then that sole Shareholder shall constitute a quorum; and (ii) if no quorum shall be present at the proposed time for any general meeting such meeting shall be adjourned for two weeks and shall be held at such time and such place as the Directors with Investor Consent shall agree in writing (and failing agreement shall be held at the Company's registered office for the time being) and those Shareholders present at such adjourned meeting shall constitute a quorum provided always that not less than three clear Business Days written notice of such adjourned meeting shall have been given to each Shareholder at his last known address.

12.3 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the Chairman or by any Shareholder present in person, by duly authorised representative or by proxy. Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

12.4 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the general meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.

## **13. Votes of Shareholders**

A proxy appointed by a Shareholder of the Company under Section 372 of the Act may vote on a show of hands as well as on a poll. Regulation 54 of Table A shall be amended accordingly.

## **14. Directors**

14.1 The maximum number of Directors shall be 3 (three) until such time as otherwise determined by Investor Consent and there shall be no minimum. Regulation 64 of Table A shall not apply.

14.2 The Directors shall not be subject to retirement by rotation and Regulations 73 to 75 (inclusive) and the last sentence of Regulation 84 of Table A shall not apply and Regulations 76 to 79 (inclusive) of Table A shall be amended accordingly.

14.3 The quorum for a meeting of the Board shall be:

- 14.3.1 (for so long as an Investor Director has been appointed by PJI), that Investor Director appointed by PJI; and
  - 14.3.2 SJD (for so long as he is a Director); and
  - 14.3.3 MA (for so long as he is a Director); and
  - 14.3.4 any other Investor Directors appointed pursuant to Article 15.2; or
  - 14.3.5 (at all other times) two Directors,
- provided always that if the Company has at any time only one Director then that sole Director shall constitute a quorum.
- 14.4 If no quorum shall be present at any time scheduled for a Board meeting such meeting shall be adjourned for one week and shall be held at such time and such place as the Directors shall (with Investor Consent) agree in writing (and failing agreement shall be held at the Company's registered office for the time being at 12.00 noon) and that Director/those Directors present at such adjourned meeting shall constitute a quorum provided always that not less than three clear Business Days written notice of such adjourned meeting shall have been given to each Director at his last known address.
  - 14.5 The Chairman shall be chosen by simple majority of the Directors from one of their number from time to time with Investor Consent. The Chairman shall be SJD until such time as Investor Consent directs otherwise. In the event that the Chairman is not available at a duly convened meeting of the Board or the person to act as Chairman cannot be agreed by the Directors, any Investor Director present shall be the Chairman for that meeting.
  - 14.6 Any Director able to participate in the proceedings of a meeting by means of a communication device (including, without limitation, telephone, video conference and real time webcasting) which allows all the other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.
  - 14.7 The Directors may meet together for the despatch of business and otherwise regulate their meetings as they think fit provided that all meetings of the Directors shall be held within the United Kingdom. A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Unless all of the Directors or their duly appointed alternates shall agree to the holding of a meeting by shorter notice, at least 10 Business Days' notice of every meeting of Directors shall be given either in writing or other means of electronic communication to each Director. Regulation 88 of Table A shall not apply.
  - 14.8 A person may be appointed a Director notwithstanding that he shall have attained the age of 70 years and no Director shall be liable to vacate office by reason of his attaining that or any other age.
  - 14.9 At any meeting of the Directors each Director (or his alternate director) present at the meeting shall be entitled to one vote.
  - 14.10 In the case of an equality of votes at any Board meeting the Chairman of such meeting shall not be entitled to a second or casting vote.
  - 14.11 Subject to the provisions of the Act, a Director (including an alternate director) may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a Director. A Director shall also be capable of voting in respect of such contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company or of the arrangement the terms of it and may be counted in the quorum at any meeting at which any such matters are considered. Regulations 94 to 96 (inclusive) of Table A shall not apply.

- 14.12 A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors, but so that the expression "Director" in this paragraph shall not include an alternate director. Regulation 93 of Table A shall not apply.
- 14.13 The Directors may by resolution exercise all the powers of the Company to make provision (in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any Subsidiary) for the benefit of persons employed or formerly employed by the Company or that Subsidiary.
- 14.14 A Director and an alternate director shall not be required to hold any Shares, but nevertheless shall be entitled to attend and speak at any general meeting of the Company.

Authorisation of conflicts of interest

- 14.15 Subject to and in accordance with the Act:
- 14.15.1 the Board may authorise any matter or situation in which a Director (the "**conflicted director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "**conflict situation**");
- 14.15.2 any authorisation given in accordance with this Article 14.15:
- 14.15.2.1 may be made on such terms and subject to such conditions and/or limitations as the Directors may, in their absolute discretion, determine (including, without limitation, excluding the conflicted Director and any other interested Director from certain Directors' meetings, withholding from him or them certain Board or other papers and/or denying him or them access to certain confidential Company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and shall be effective only if:
- 14.15.2.1.1 any requirement as to the quorum at any meeting of the Directors at which the matter is considered is met without counting either the conflicted Director or any other interested director; and
- 14.15.2.1.2 the matter or situation was agreed to and any relevant resolution was passed without counting the votes of the conflicted Director and without counting the votes of any other interested Director (or such matter or situation would have been so agreed and such relevant resolution would have been so passed if their votes had not been counted); and
- 14.15.2.2 in considering any request for authorisation in respect of a conflict situation, the Directors shall be entitled to exclude the conflicted Director from any meeting or other discussion (whether oral or written) concerning the authorisation of such conflict situation and they shall also be entitled to withhold from such conflicted Director any Board papers or other papers concerning the authorisation of such conflict situation.
- 14.16 If any conflict situation is authorised or otherwise permitted under the Articles, the conflicted Director (for as long as he reasonably believes such conflict situation subsists):



- 14.16.1 shall not be required to disclose to the Company (including the Directors or any committee) any confidential information relating to such conflict situation which he obtains or has obtained otherwise than in his capacity as a Director, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person in relation to such matter, office, employment or position;
- 14.16.2 shall be entitled to attend or absent himself from all or any meetings of the Directors (or any committee) at which anything relating to such conflict situation will or may be discussed; and
- 14.16.3 shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including, without limitation, board papers (or those of any committee of it)) relating to any such conflict situation and/or for such documents or information to be received and read by a professional adviser on his behalf,

and in so doing, such conflicted Director shall not be in breach of any general duty he owes to the Company pursuant to Sections 171 to 177 (inclusive) of the Act and the provisions of Articles 14.15 and 14.16 shall be without prejudice to any equitable principle or rule of law which may excuse the conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under the Articles.

- 14.17 For the purposes of Article 14.15 and 14.16, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

Directors may have interests and vote and count for quorum

- 14.18 Provided permitted by the Acts, and provided he has disclosed to the other Directors the nature and extent of his interest pursuant to Section 177 or 182 of the Act or otherwise pursuant to these Articles (as the case may be), a Director, notwithstanding his office:
  - 14.18.1 may be a party to, or otherwise directly or indirectly interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested and may hold any other office or position of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in addition to the office of director and may act by himself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Directors may agree either in addition to or in lieu of any remuneration provided for by any other Article;
  - 14.18.2 may be a member, director or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any subsidiary and subsidiary undertaking of the Company or any subsidiaries or subsidiary undertakings or any other body corporate promoted by the Company or in which the Company is otherwise interested;
  - 14.18.3 shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from:
    - 14.18.3.1 any matter, office, employment or position which relates to a conflict situation authorised in accordance with Articles 14.15 to 14.17 (inclusive); or

14.18.3.2 any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant to Articles 14.18.1 or 14.18.2,

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit authorised in accordance with Articles 14.15 to 14.17 (inclusive) or permitted pursuant to Articles 14.18.1 or 14.18.2 and the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176 of the Act.

- 14.19 For the avoidance of doubt, a Director may be or become subject to one or more conflict situations as a result of any matter referred to in Article 14.18.2 without requiring authorisation under the provisions of Articles 14.15 to 14.17 (inclusive) provided he has declared, as soon as reasonably practicable, the nature and extent of his interest in the conflict situation. The provisions of Section 177(2), Section 177(3), Section 177(5), Section 177(6), Section 184 and Section 185 of the Act shall be applied (with any necessary modifications) in respect of any such declaration.
- 14.20 Subject to Section 175(6) of the Act and save as otherwise provided in these Articles, a Director may vote at any meeting of the Directors or any meeting of any committee of which he is a member on any resolution and a Director may participate in the transaction of the business of the Directors and count in the quorum at any such meeting of the Directors or meeting of any committee of which he is a member notwithstanding that it concerns or relates in any way to a matter in which he has directly or indirectly any kind of interest or duty. This Article does not affect any obligation of a Director to disclose any such interest, whether pursuant to Section 177 of the Act, Section 182 of the Act or otherwise.
- 14.21 Subject to Article 14.22, if a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any Director other than the Chairman is to be final and conclusive (except in a case where the nature or extent of any interest of the director has not been fairly disclosed).
- 14.22 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chairman, the question is to be decided by a decision of the Directors at that meeting, for which purpose the Chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.
- 14.23 For the purposes of Articles 14.18 to 14.22 (inclusive), an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this regulation becomes binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

## **15 Appointment and Removal of Directors**

- 15.1 PJI shall be entitled for so long as it is a registered holder of Shares in the issued capital of the Company to appoint one person (which person can either be itself or its respective nominee) to be a Director (any such person appointed as a Director by PJI being referred to as an “Investor Director”) and may similarly require the removal from office of the Investor Director appointed by it and, if it so chooses, nominate another person to be its Investor Director in place of the Investor Director so removed by it.
- 15.2 Subject to compliance with the law, at any time whilst an Investor (other than PJI) is the registered holder of 5% or more of the Shares in issue then that Investor shall be entitled to appoint one person (which can either be that Investor or his nominee) to be a Director (any such person appointed as a Director also being referred to as an “Investor Director”) and may similarly

require the removal from office of the Investor Director appointed by that Investor and, if that Investor so chooses, nominate another person to be his Investor Director in place of the Investor Director so removed by that Investor

- 15.3 Subject to compliance with the law, at any time whilst:
- 15.3.1 SJD is the registered holder of Shares in the issued capital of the Company then he shall be entitled to be a Director;
- 15.3.2 MA is the registered holder of Shares in the issued capital of the Company then he shall be entitled to be a Director.
- 15.4 Regulation 78 of Table A shall not apply.
- 15.5 Any appointment or removal of an Investor Director shall be by signed instrument in writing served on the Company on behalf of the Investor that is appointing/removing him and shall take effect on and from the date on which such instrument is lodged or deposited at the registered office of the Company.
- 15.6 Subject to Section 168 of the Act on any resolution to remove any Investor Director other than in accordance with Article 15.1 or Article 15.2, upon election in writing to the Company by the Investor that appointed that Investor Director, the Shares held by that Investor may, at that Investor's option in writing carry at least one vote in excess of the votes cast in favour of such resolution to remove and if any such Investor Director is removed as a Director pursuant to Section 168 of the Act, the Investor that appointed him may reappoint him, or any other person in his place, as an Investor Director.
- 15.7 Each Investor Director (and any alternate director appointed by him) shall be entitled to make such disclosure to the Investor that appointed him in relation to the business and affairs of the Company and its subsidiaries (if any) as he may in his absolute discretion determine but subject always to his fiduciary duties.

## **16 Alternate Directors**

- 16.1 Each Director shall have the power at any time to appoint as an alternate director either another Director or any other person approved for that purpose by a resolution of the Directors (such approval not to be unreasonably withheld), and, at any time, to terminate such appointment. Every appointment and removal of an alternate director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.
- 16.2 An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company 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, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.
- 16.3 An alternate director shall (subject to his giving to the Company an address at which notice may be served upon him) be entitled to receive notices of all meetings of the Directors and to attend and to vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a Director of his appointor and to receive notice of all general meetings. Regulation 66 of Table A shall not apply.
- 16.4 The appointment of an alternate director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting. Regulation 67 of Table A shall not apply.

- 16.5 A Director or any other person may act as alternate director to represent more than one Director and an alternate director shall be entitled at meetings of the Directors of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present. The last sentence of each of Regulations 88 and 89 of Table A shall not apply.

## **17 Borrowing powers**

Subject always to the terms of any shareholders'/subscription agreement in force in respect of the Company from time to time, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **18 Notices**

- 18.1 Every Director of the Company and every alternate director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any Director or alternate director shall not invalidate the proceedings at the meeting convened by such notice.

- 18.2 A notice may be given:

18.2.1 by the Company to any Shareholder or Director either personally or by sending it by first class post (airmail if abroad) or Royal Mail Special Delivery post or other means of electronic communications to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him; or

18.2.2 to the Company for the purpose of these Articles by like method at its registered office for the time being.

(in this Article, "address", in relation to electronic communications includes any number or address used for the purposes of such communication).

- 18.3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. A notice contained in an electronic communication shall be deemed to be effected:

18.3.1 if transmitted between the hours of 9.00am and 5.00pm on a Business Day, at the time of transmission; or

18.3.2 if transmitted at any other time, at 9.00am on the next Business Day following transmission.

## **19 Indemnity**

- 19.1 Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation to it, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 1157 of the Act, in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation to it. This Article shall only have effect in so far as its provisions are not avoided by Section 532 of the Act. Regulation 118 of Table A shall not apply.

- 19.2 Without prejudice to the provisions of Article 19.1 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time

directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.