

Company No 9092149

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTIONS**  
**OF**  
**STARLING BANK LIMITED (Company)**

On 14 December 2016 the following ordinary resolutions and special resolution were duly passed as written resolutions of the Company pursuant to section 288 of the Companies Act 2006 (CA 2006)

**AS ORDINARY RESOLUTIONS**

- 1 That the terms of the second supplemental investment agreement to be entered into by (1) the Company, (2) Anne Boden and others, and (3) JTC Starling Holdings Limited, be and are hereby approved and the directors be authorised to cause the Company to enter into such supplemental investment agreement
- 2 That the directors are generally and unconditionally authorised pursuant to section 551 of the CA 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (**Allotment Rights**), but so that
  - a. the maximum amount of shares that may be allotted or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £1,968 75,
  - b. this authority shall expire on 21 December 2020,
  - c. the Company may make any offer or agreement before such expiry which would or might require shares to be allotted or Allotment Rights to be granted after such expiry, and
  - d. all unexercised authorities already vested in the directors as at the date of this resolution to allot shares or to grant Allotment Rights are revoked

**AS A SPECIAL RESOLUTION**

- 3 That the terms of the Articles of Association of the Company be and are hereby amended by substituting the word "eight" for the existing word "seven" in regulation 20 and the word "three" for the existing word "two" in regulations 20 and 22 1



Director/Secretary

WEDNESDAY



A20 \*A5M9SEVK\* #435  
21/12/2016  
COMPANIES HOUSE

**Company No. 09092149**

**The Companies Act 2006**  
**Private Company Limited by Shares**

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**ARTICLES OF ASSOCIATION**  
**of**  
**STARLING BANK LIMITED**

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**(adopted by Special Resolution 22 December 2015 as amended 14 December 2016)**

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THE COMPANIES ACT 2006

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PRIVATE COMPANY  
LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

STARLING BANK LIMITED

(adopted by Special Resolution passed on 22 December 2015 as amended 14 December 2016)

**1 Definitions and interpretation**

**1.1** In these Articles, unless the context otherwise requires

**A Share** means an A ordinary share of £0.01 in the capital of the Company

**acting in concert** has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force and construed on the date of adoption of these Articles

**Asset Sale** means the disposal by any one or more members of the Group

of assets (whether together with associated liabilities or otherwise and as part of an undertaking or otherwise) which represent 75% or more (by book value) of the consolidated gross assets of the Group at that time

**Auditors** means the auditors for the time being of the Company

**B Share** means a B ordinary share of £0.01 in the capital of the Company

**Board** means the board of directors of the Company, as from time to time constituted

**Board Invitees** has the meaning ascribed to it in Article 13.14

**Budget** has the meaning ascribed to it in the Investment Agreement

**Business Day** means any day on which banks are open for business in London (excluding Saturdays, Sundays and public holidays)

**Business Plan** shall have the meaning ascribed to it in the Investment Agreement

**CA 2006** means the Companies Act 2006

**Called Shares** has the meaning ascribed to it in Article 14.3

**Called Shareholders** has the meaning ascribed to it in Article 14.2

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

**Change of Control** means the acquisition whether by purchase, transfer, renunciation or otherwise (but excluding a transfer of Shares made in accordance with Article 10 (Lien)) by any Third Party Buyer of any interest in any Shares if, upon completion of that acquisition, the Third Party Buyer, together with persons acting in concert or connected with him (excluding any person who was an original party to an Investment Agreement or any Permitted Transferee of such person), would hold more than 50% of the voting rights at a general meeting of the Company attached to the issued Shares for the time being

**Company Communication Provisions** means sections 1144 to 1148 of and Schedules 4 and 5 to the CA 2006)

**connected with** has the meaning ascribed to it in sections 1122 and 1123 of the Corporation Tax Act 2010 save that there shall be deemed to be control for that purpose whenever either section 450, 451 or 1124 of that act would so require

**Deed of Adherence** has the meaning ascribed to it in the Investment Agreement

**Deemed Transfer Notice** has the meaning ascribed to it in Article 13 2(a)

**Deemed Transfer Shares** means in relation to a Relevant Member, all Shares

- (a) held by the Relevant Member immediately before the occurrence of the Transfer Event
- (b) held immediately before the occurrence of the Transfer Event by any persons who acquired the Shares while they were the Member's Privileged Relations and/or Family Trusts (other than Shares which the Board is satisfied were not acquired by those persons either
  - (i) directly or indirectly from the Member or
  - (ii) by reason of their connection with the Memberand the decision of the Board in this respect will be final) and
- (c) acquired by the Relevant Member or his Privileged Relations and/or Family Trusts or his personal representatives after the occurrence of the Transfer Event under any Share Option Scheme, or any other option scheme or other arrangement which was made before the occurrence of the Transfer Event

provided that in the case of Anne Boden, any Founder Shares that are Vested Shares shall be excluded from being Deemed Transfer Shares

**Drag Sale Price** means the amount per Called Share that would be allocated and payable for it if the relevant sale to the Third Party Buyer constituted a Sale to which the provisions of Article 7 2 applied at a level of Proceeds from which the amount that would be allocated and paid under Article 7 2 for the B Shares equalled the consideration actually paid or payable by the Third Party Purchaser for the B Shares provided always that

- (a) in the event of the whole or any part of any such price per B Share being contingent, deferred, or offered in any form other than in cash, then the consideration to be paid to the Called Shareholders shall likewise be contingent, deferred and/or in non-cash form on a like basis and so far as practicable in the same proportions and it shall not

be necessary in determining the Drag Sale Price to specify a cash value for any part of the price which is contingent, deferred or offered in any form other than cash, and

- (b) in the event of the Third Party Buyer agreeing to pay or reimburse any out-of-pocket costs or expenses of the Selling Shareholders incurred in connection with the sale of the Investor Shares, then such agreement shall for the avoidance of doubt be disregarded in calculating the price per B Share

**EBITDA** means earnings before interest tax depreciation and amortisation

**Eligible Director** means a director who would have been entitled to vote on any matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter)

**Employee Trust** means a trust approved by the Investor and whose beneficiaries are employees of the Company

**Equity Shares** means the Ordinary Shares, the A Shares and the B Shares for the time being in issue

**Family Trust** means a trust that permits the settled property or the income from it to be applied only for the benefit of

- (a) the settler and/or a Privileged Relation of that settler
- (b) any charity or charities as default beneficiaries (meaning that the charity or charities have no immediate beneficial interest in any of the settled property or the income from it when the trust is created but may become so interested if there are no other beneficiaries from time to time except other charities)

in addition, under which no power of control is capable of being exercised over the votes of any Shares that are held in the trust by any person other than the trustees, the settler or the Privileged Relations of the settler For purposes of this definition

- (i) **settler** includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member and
- (ii) **Privileged Relation** includes a widow or widower of, or a surviving civil partner of, the settler

**FCA** means the Financial Conduct Authority

**Founder** means any holder of Ordinary Shares or A Shares as at 1st December 2015

**Founder Bad Leaver** means a Founder who is dismissed for gross misconduct permitting summary dismissal under the terms of their service contract or contract for services or who is dismissed as a director following termination of his contract for services for breach or has such contract terminated for breach in each case with any member of the Group or who voluntarily resigns in the absence of proven constructive dismissal

**Founder Director** has the meaning ascribed to it in Article 21

**Founder Good Leaver** means any Founder who ceases to be a director or employee and,

- (a) who is not a Founder Bad Leaver, or
- (b) is deemed to be a Founder Good Leaver by the Board (including an Investor Director)

**Founder Offer** has the meaning ascribed to it in Article 14 10

**Founder Shares** means the Shares held by a Founder on the 1st December 2015

**Group** means the Company and all its subsidiaries and subsidiary undertakings for the time being and **member of the Group** shall be construed accordingly

**Investment Agreement** means any one or more written agreements relating to the Company and to which the Company and some or all of the Members are a party, and expressly stated on its face to be an Investment Agreement for the purposes of these or of any earlier Articles, as any such agreement is amended, waived, restated, modified or supplemented from time to time

**Investment Date** means the date of allotment of the first B Shares to be allotted pursuant to the Investment Agreement

**Investor** means the Investor, as defined in an Investment Agreement (and includes any party who subsequently adheres to an Investment Agreement as an Investor by entering into a Deed of Adherence)

**Investor Director** has the meaning ascribed to it in Article 22

**Investor Percentage** means 66 667% as adjusted by the provisions of Article 3 4

**Issue Price** means the amount paid up or credited as paid up on the Shares concerned (including any premium)

**Listing** means either

- (a) the admission by the UK Listing Authority to listing, together with admission by the London Stock Exchange to trading, on the Official List of any of the issued equity Share capital of the Company, and such admission becoming effective or
- (b) the admission by the London Stock Exchange of any of the issued equity Share capital of the Company to trading on AIM, and such admission becoming effective or
- (c) any equivalent admission to any other Recognised Investment Exchange becoming unconditionally effective in relation to any of the issued equity Share capital of the Company

**Listing Shares** means the issued equity Share capital of the Company (excluding any equity Share capital to be subscribed and issued on such Listing other than new Shares to be paid up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of Shares)

**Listing Value** means, in the event of a Listing, the market value of the Listing Shares determined by reference to the price per Share at which such Shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the financial advisers to the Company or, if none, the broker appointed by the Board to advise in connection with the Listing

**Management Accounts** has the meaning given in the Investment Agreement

**Manager Shares** means the Ordinary Shares and the A Shares

**Market Value** has the meaning ascribed to it in Article 13.6

**Member** means any registered holder of a Share for the time being

**member of the same group** means, in relation to a particular Member that is a body corporate, any subsidiary or holding company of that Member, or a subsidiary of such a holding company

**Model Articles** means the model articles for private companies limited by Shares prescribed by Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) (including any amendments thereto) as in force on the date on which these articles become part of the constitution of the Company

**Ordinary Shares** means an Ordinary Share of £0.01 in the capital of the Company

**Ordinary Share Percentage** means 100% less the Investor Percentage

**Permitted Transfer** means a transfer of a Share permitted without pre-emption under Article 12

**Permitted Transferee** means a person to whom a Permitted Transfer has been, or may be, made

**PRA** means the Prudential Regulation Authority

**Privileged Relation** means (in respect of a Member or deceased Member) the spouse or civil partner and the children including step and adopted children of that Member

**Realisation** means a Sale, a Listing or a Winding Up

**Recognised Investment Exchange** shall have the meaning ascribed to it in section 285(1)(a) of the Financial Services and Markets Act 2000

**Relevant Investor Entity** means

- (a) any Investor
- (b) any custodian nominee or manager for any Investor or any person for whom such Investor is itself the custodian or nominee
- (c) any body corporate in which any of the preceding hold for the time being or have ever held or are or may become obliged (whether or not contingently) to make or acquire any investment (whether debt, equity or otherwise) (an **Investee**)
- (d) and any other body corporate which is in the same group as any Investee or any Investor (or any person for whom such Investor is itself the custodian or nominee) or with whom the Investee (or a member of its group) or any Investor (or any person for whom such Investor is itself the custodian or nominee) has or is proposing or considering having any business or commercial dealings or relationship and



- (e) any carried interest, co-invest or other participation or incentive arrangement of whatsoever nature operated or organised for the time being by any of the foregoing

**Relevant Member** has the meaning ascribed to it in Article 13 2(a)

**Sale** means the making of one or more agreements (whether conditional or not but which agreement(s) become(s) unconditional) for the disposal, transfer, purchase, subscription or renunciation of any part of the Share capital of the Company giving rise to a Change of Control and for the purposes of this definition **disposal** shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the Share in question or of voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement

**Second Subscription** has the meaning given in the Investment Agreement

**Shareholder Contract** means any contract, agreement, arrangement or transaction, including in particular (but without limitation) contracts of employment or for the provision of services, made between any holder of a Manager Share (or any person who is connected with such a Member) and the Company

**Share Option Scheme** means any share option scheme of the Company that an Investor Director identifies in writing as being a permitted share option scheme for the purposes of these Articles

**Shares** means shares of any class in the capital of the Company

**Third Party Buyer** means any person not a party to an Investment Agreement from time to time or a person connected with any such party

**Third Subscription** has the meaning given in the Investment Agreement

**UK Listing Authority** means the Financial Conduct Authority or its successors as the competent authority for listing in the United Kingdom under Part 6 of the Financial Services and Markets Act 2000

**Valuers** means the Auditors unless the Auditors give notice to the Company that they are unable or unwilling to take an instruction to report on the matter in question, in which event the Valuers shall be a firm of chartered accountants

- (a) in the case of a dispute as envisaged in Article 13 (*Compulsory Transfers*) agreed between the Seller (as defined in Article 13 1) and the Board, or
- (b) in any other case, as selected by the Board with the consent of an Investor Director

or, in either case, in default of such agreement or consent (as the case may be) within 10 Business Days after the first name being proposed by the Seller, the Board or an Investor Director (as may be relevant), as appointed by the President of the Institute of Chartered Accountants in England and Wales on the application of any such party

**Vested Shares** means in respect of those shares held by a Founder on 1st December 2015 25% of such shares (or in the case of Anne Boden 90% and in the case of Alan Chandler 50% of the shares held by him or her on 1st December 2015) with the balance of such shares becoming vested evenly on a monthly basis over the period from that date up to and including the 1st December 2018 so that all such shares shall be fully vested by the latter date and

provided that all such shares shall automatically vest in full at the time of a Listing, Sale, Asset Sale or Winding Up

**Winding Up** means the passing of any resolution for the winding up of the Company, or any other return of capital (on liquidation, capital reduction or otherwise)

- 1 2 A reference in these Articles to a numbered **regulation** is to the article so numbered in the Model Articles
- 1 3 In these Articles, words importing a gender include every gender and references to persons shall include bodies corporate, unincorporated associations and partnerships
- 1 4 Words and expressions defined in or for the purposes of the CA 2006 or the Model Articles shall, unless the context otherwise requires, have the same meaning in these Articles
- 1 5 The headings in these Articles shall not affect their construction or interpretation
- 1 6 Whenever under these Articles it is desired or necessary for any two or more persons to give any notice, consent or approval in writing, the same may be done by them executing two or more documents either in identical form or adapted only for execution
- 1 7 The courts of England have exclusive jurisdiction to settle any dispute arising from or connected with these Articles or otherwise arising between the Company and any of its members (or any former member or any person claiming title or interest under or by virtue of any member or former member) (each a **Disputant**) relating in any way to the past or present or alleged membership of the Company or otherwise under the Articles of Association for the time being of the Company or under the CA 2006 (a **Dispute**), including a dispute regarding the existence, validity or termination of membership of the Company or the consequences of its nullity
- 1 8 The Company and each Disputant agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary
- 1 9 Notwithstanding Article 1 7 and Article 1 8, this Article does not prevent the Company from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction To the extent allowed by law, the Company may take concurrent Proceedings in any number of jurisdictions
- 1 10 Unless the context otherwise requires, reference in these Articles to any English term for any action, remedy, method of judicial proceeding, legal document, legal status, Court, legislation, official or any legal concept or thing shall, in respect of any jurisdiction other than England and Wales, be deemed to include what most nearly approximates in that jurisdiction to the relevant English term
- 1 11 Where any provision of these Articles requires the consent of the Investor such consent shall on be valid if in writing and may be given subject to any conditions that the Investor may reasonably wish to apply and may be given on the Investor's behalf by an Investor Director and vice versa

## **2 Application of the Model Articles etc**

- 2 1 These Articles and the regulations of the Model Articles (subject to any modifications set out in these Articles and, in particular, in Article 36) shall constitute all the articles of association of the Company

- 2 2 Regulations 8, 14(1) to 14(5) (inclusive), 19(3)(b), 21, 26(1), 26(5), 41(1), 44(2) to 44(4) (inclusive), 52 and 53 do not apply to the Company

### **3 Share Capital**

- 3 1 Save with prior consent of an Investor Director the issued share capital of the Company shall not exceed £4,725 00 divided into 85,050 Ordinary Shares, 72,450 A Shares and 315,000 B Shares
- 3 2 In these Articles, unless the context requires otherwise, references to Shares of a particular class shall include Shares created and/or issued after the Investment 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
- 3 3 Save as specified to the contrary in these Articles, the Ordinary Shares, the A Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of Shares
- 3 4 If the Second Subscription or the Third Subscription are not paid to the Company pursuant to the terms of the Investment Agreement, the Investor Percentage shall be reduced as follows
- (a) If the Second Subscription is not paid, the Investor Percentage shall reduce from 66 667% to 4 375%,
- (b) If the Second Subscription is paid but the Third Subscription is not paid, the Investor Percentage shall reduce from 66 667% to 25 000%

### **4 Dividends**

Subject to the terms of the Investment Agreement, the B Shares as a class shall be entitled to the Investor Percentage of any dividend declared (distributed *pari passu* amongst the holders of B Shares) but thereafter any dividend shall be distributed *pari passu* amongst the holders of the other Shares as if they were Shares of the same class

### **5 Return of capital**

On a return of capital whether on liquidation or capital reduction or otherwise (other than a redemption or purchase of Shares made in accordance with these Articles and the CA 2006) the surplus assets of the Company remaining after the payment of its liabilities shall be applied as if they were the proceeds from a Realisation under Article 7

### **6 Voting**

- 6 1 Save as provided in Article 6 2 and/or Article 28 12 each holder of Ordinary Shares and B Shares shall be entitled to receive notice of, and shall be entitled to attend and vote at, general meetings of the Company, on a show of hands or on a poll the holders of B Shares shall collectively be deemed to represent the Investor Percentage of all votes being cast and the holders of Ordinary Shares shall collectively be deemed to represent the Ordinary Share Percentage of all votes being cast
- 6 2 Save when the votes attaching to the B Shares in aggregate have fallen below 25 percent of all votes attaching to the Shares then if
- (a) there shall at any time have occurred any material breach or non-observance by the Company or any holder of the Manager Shares of the Company Covenants or any other material provisions of the Investment Agreement including without limiting the

foregoing failure to implement the Technology Development Plan as defined in the Investment Agreement or these Articles, and an Investor Director has notified the Company in writing of such breach or non-observance specifying the steps (if any) which may be taken to remedy such breach, and either such breach cannot be remedied, or such steps are not taken within 10 days of such notification (as the case may be), or

- (b) the Company is, or is reasonably considered by the Investor or an Investor Director to be at significant risk of becoming insolvent or otherwise getting into financial difficulties and in need of emergency funding,
- (c) the Company is, or is considered by the Investor or an Investor Director, acting reasonably, to be at significant risk of becoming, within the next 30 days, in breach of any of its obligations to the FCA or the PRA, including a breach of any of the financial regulations applicable to the Company or the any capital commitments placed upon it by the FCA or the PRA, or
- (d) on a rolling 6 calendar month look-back basis commencing from the Investment Date and ending when the business produces a positive EBITDA for two consecutive financial years
  - (i) the Group incurs total costs in respect of any such 6 month period 35% greater than the budgeted total costs as set out in the relevant Budget, except for costs related to volume directly related to the number of customers, or
  - (ii) in the period up to the Third Subscription and assessed every month the actual costs of the Group in any 6 calendar month rolling period exceeds budgeted costs for that 6 month period as set out in the Management Accounts by more than 65%, or
  - (iii) following the Third Subscription the Group fails in any rolling 6 calendar months period commencing 6 months from the Third Subscription to achieve 65% of the budgeted EBITDA as set out in the relevant Budget

then in any such case the holders of the B Shares shall be entitled to serve notice on the Company that the votes attached to the B Shares be enhanced so as to entitle the holders of such B Shares as a class to exercise on a poll or in respect of any written resolution circulated to the Members the Company entitled to receive the same three times the total number of votes attached to all Shares of any other class in issue on any resolution at any general meeting of the Company and the holders of any other Shares in issue shall be deemed to grant any consent in respect of any matters to be consented to in respect of any such meetings or resolutions where the Investor has so consented, and shall not otherwise be entitled to give or withhold any such consent

- 6.3 Such enhanced rights shall cease to apply immediately upon any relevant breach or other relevant circumstance(s) referred to in sub-paragraphs (a) to (d) above being remedied to the reasonable satisfaction of the Investor
- 6.4 The holders of the A Shares shall be entitled to receive notice of and shall be entitled to attend general meetings of the Company, but the holders of the A Shares shall not be entitled to vote

## **7 Provisions on Realisation**

7.1 On a Realisation, the provisions of this Article 7 shall apply to determine the allocation of the proceeds of such Realisation

7.2 On a Sale or Winding Up, the proceeds from the Sale or Winding Up (as the case may be) (**Proceeds**) shall (unless otherwise agreed by the Investor) be paid by all Members into a joint account at such branch of such UK clearing bank as may be nominated by an Investor Director immediately prior to the Sale or Winding Up and such Proceeds shall be allocated and paid out as follows

- (a) first in paying the higher of (i) the aggregate purchase price of B Shares or (ii) the Investor Percentage of any Proceeds to the holders of B Shares pro rata as between such holders to their respective holdings of B Shares,
- (b) next in dividing any remaining surplus between the Members holding A Shares and Ordinary Shares

in each case pro rata as between such holders to their respective holdings of the relevant classes as if such Shares constituted a single class

7.3 Immediately prior to and conditionally upon a Listing the Members shall enter into such reorganisation of the share capital of the Company as they may agree or, in default, as the Investor may reasonably specify, to ensure that the Listing Value is allocated between the Members in the same proportions as the preceding provisions of this Article 7 would provide on a Sale or Winding Up at that Listing Value

7.4 In the event of a Sale occurring where the whole or any part of the Proceeds are to be received by the Members in a form other than cash, the Members shall enter into such arrangements in relation to such Proceeds as they may agree or, in default of such agreement, as the Investor may reasonably specify, to ensure that such non-cash consideration is allocated amongst the holders of Shares so as to achieve the same commercial effect as would be the case pursuant to Article 7.1 if such consideration had actually been received in cash (and as between such holders of Shares, such non-cash consideration shall be apportioned between the different classes of Shares in the same proportions as those proportions in which they are entitled to receive the overall Proceeds, unless the Members holding Shares should reach any agreement to the contrary)

7.5 In the event that the application of any provision of this Article 7 cannot be agreed between the Members, any such matters in dispute shall be referred by the Board to the Valuers whose costs shall be borne by the Members in such proportions as the Valuers may determine having regard to the conduct of the Members and the merits of their arguments in relation to the matter(s) in dispute (or in the absence of such determination, shall be borne by the Members pro rata to their respective holdings of Shares) and whose decision shall be final and binding on all Members (save in the case of manifest error)

7.6 For the purposes of this Article 7, where any agreement is required to be reached as between the Members, then the agreement of the holders of over 50% (by reference to nominal value) of any one class of Shares for the time being in issue shall be binding on all of the holders of Shares in such class

## **8 Variation of class rights**

8 1 Whenever the capital of the Company is divided into different classes of Shares, the special rights attached to any class may only be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three quarters of the issued Shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued Shares of that class, but not otherwise. To every such separate meeting, all the provisions of these Articles relating to general meetings of the Company shall apply (with such amendments as may be necessary to give such provisions efficacy)

8 2 Without prejudice to the generality of their rights, the special rights attached to the B Shares shall each be deemed to be varied at any time by any of the following occurring without the class consent of their holders and accordingly the Company shall not do or procure the same without such consent

- (a) an increase, reduction or other alteration in the issued Share capital of the Company or a variation in the rights attaching to any class thereof,
- (b) the grant of an option to subscribe for Shares in the Company or the issue of any securities or instruments convertible into any such Shares,
- (c) the creation by the Company of any mortgage, charge, pledge, lien, encumbrance or other security interest (excluding an interest arising by operation of law in the ordinary course of business or retention of title in the ordinary course of trading),
- (d) the making of any material change (including cessation) in the nature of the business of the Company,
- (e) the alteration of these Articles,
- (f) the declaration or payment of any dividend or the making of any other distribution in respect of the profits, assets or reserves of the Company,
- (g) the institution of any proceedings for, or the passing of any resolution for or in preparation for the winding up or administration of or the appointment of an administrator for the Company,
- (h) a Sale, Asset Sale or Listing, or the sale of, or admission to trading on the London Stock Exchange or any other Recognised Investment Exchange of, any Shares in the issued Share capital of the Company,
- (i) the change of the auditors of the Company or any entry into or variation of any liability limitation agreement (as defined by section 534 of the CA 2006) or similar arrangement with any auditor of the Company,
- (j) the Company incurring an obligation to do any of the foregoing, and
- (k) the registration or purported registration of any transfer of any Share or interest therein other than as expressly permitted by these Articles

provided that if the votes attaching to the B Shares in aggregate fall below 25 percent of all votes attaching to the Shares then the special rights attached to the B Shares will not be deemed to be varied by any of the actions set out in paragraphs (a) to (k) above and class consent of their holders will not be required for such actions

- 8 3 Without prejudice to the generality of their rights, the special rights attached to the Ordinary Shares shall each be deemed to be varied at any time by any variation or amendment of the definitions of Investor Percentage or Ordinary Share Percentage, Article 3 4, Article 6 1 and / or this Article 8 3 without the class consent of their holders and accordingly the Company shall not do or procure the same without such consent

## **9 Issue of Shares**

- 9 1 Subject to the CA 2006 and to Article 8 2, the directors may offer, allot, grant rights or warrants to subscribe for, grant options over, or otherwise deal with or dispose of unissued Shares in the Company to such persons and generally on such terms in such manner and at such times as they may determine

- 9 2 Subject to Article 8 2, the directors of the Company are hereby authorised pursuant to section 551 of the CA 2006 generally and unconditionally to exercise all the powers of the Company to allot Shares in the capital of the Company and to grant rights to subscribe for or to convert any security into such Shares (**Allotment Rights**), but so that

- (a) this authority shall expire on the day immediately preceding the fifth anniversary of the date of the resolution adopting these Articles, and
- (b) the maximum amount of Shares that may be allotted or made the subject of Allotment Rights under this authority are Shares which (when aggregated with each Share already in issue on the adoption of these Articles) have an aggregate nominal value equal to the limit on Share capital stated in Article 3 1 (and disregarding any later consent to vary the same)

This authority revokes all (if any) prior unexercised authorities vested in the directors to allot Shares or to grant Allotment Rights

- 9 3 By virtue of section 567(1) of the CA 2006, the provisions of sections 561 and 562 of the CA 2006 shall not apply to an allotment made by the Company of equity securities (as defined in section 560(1) of the CA 2006)

- 9 4 Where the Board proposes to make a rights issue it may under the terms of such rights issue permit the Company to allot Shares or equity securities in response to an acceptance received before the period for responding shall have expired and regardless of whether any other Member shall yet have responded to the offer The Board may allot Shares accordingly

- 9 5 Nothing in Article 9 4 shall

- (a) permit any allotment without the consent required under Article 8 2 or
- (b) confer on any person any right or expectation to receive any pre-emptive or other offer of new Shares or equity securities

## **10 Lien**

All Shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 13 (Compulsory transfers) as if a Deemed Transfer Notice were deemed given in respect of such Shares

## **11 Transfer of Shares**

**11 1** The Board shall not register the transfer of any Share or any interest in any Share unless the transfer

- (a) is permitted by Article 12 (Permitted Transfers), or
- (b) is made in accordance with Article 13 (Compulsory transfers), Article 14 (Drag Along Option), or Article 15 (Tag along) and the provisions of the Investment Agreement,

in addition, in any such case, is not prohibited under Article 16 (Prohibited transfers)

### **11 2**

- (a) For the purpose of ensuring that a transfer of Shares is in accordance with these Articles or that no circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board may from time to time require any Member or any person named as transferee in any transfer lodged for registration to furnish to the Board such information and evidence as they reasonably deem relevant for such purpose
- (b) Failing such information or evidence being furnished to their reasonable satisfaction within a reasonable time after request under Article 11 2(a) the Board may (with the approval of an Investor Director) in their absolute discretion refuse to register the transfer in question or (with the approval of an Investor Director where no transfer is in question) require by notice in writing to the Member(s) concerned that a Transfer Notice be given in respect of the Shares concerned
- (c) If the Board refuse to register a transfer of a Share they shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of, and the reasons for, the refusal
- (d) If such information or evidence requested under Article 11 2(a) discloses to the reasonable satisfaction of the Board (with the approval of an Investor Director) that circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board may (with the approval of an Investor Director) by notice in writing to the Member(s) concerned require that a Transfer Notice be given in respect of the Shares concerned

**11 3** An obligation to transfer a Share under these Articles shall be deemed an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance

**11 4** The directors may at any time give notice requiring any transmittee to elect either to be registered himself in respect of the Share or to transfer the Share and, if the notice is not complied with within sixty days, the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share until the requirements of the notice shall have been complied with Nothing in these Articles releases the estate of a deceased holder from any liability in respect of a Share solely or jointly held by that holder

## **12 Permitted Transfers**

### **12 1 Transfers within groups of companies**



- (a) Any Member that is a body corporate may at any time transfer any Shares held by it to a member of the same group
- (b) Where Shares have been transferred under Article 12 1(a) (whether directly or by a series of such transfers) from a Member (the Transferor) to a member of the same group as the Transferor (the Transferee) and subsequent to such transfer the Transferee shall cease to be a member of the same group as the Transferor then the Transferee shall forthwith transfer all the Shares held by it to the Transferor, for such consideration as they agree and if they do not do so within 28 days of the date upon which the Transferee ceased to be a member of the same group the directors may with the consent of an Investor Director require the Transferee to serve a Transfer Notice in respect of such Shares

## **12 2 Transfers with consent**

Manager Shares may be transferred to any person at any time with the prior written consent of the Investor and Anne Boden

## **12 3 Investor Transfers**

Notwithstanding any other provisions of these Articles an Investor may transfer any Shares to any person subject only to the provisions of Articles 14 and 15

## **12 4 Transfers to relations and family trusts**

Any Member may at any time subject to Investor consent (save where a Transfer Notice has been served or deemed served in respect of such Shares pursuant to these Articles) during his lifetime transfer any Shares held by him to

- (a) a Privileged Relation who is not a minor, or
- (b) trustees to be held on a Family Trust of which they are the settler, provided that any transfer of Shares to trustees to be held on a Family Trust may only be made with the consent in writing of an Investor Director,

provided always that a Member may not transfer (in aggregate) more than one half of the Shares acquired by them from time to time to Privileged Relations or to trustees to be held on Family Trust

## **12 5 Criteria for consent to family trusts**

Where the consent of an Investor Director is requested to a transfer to a Family Trust, that consent shall be given when an Investor Director is satisfied

- (a) with the terms of the trust instrument and in particular with the powers of the trustees,
- (b) with the identity of the proposed trustees,
- (c) that the proposed transfer will not result in 25% or more in the aggregate of the Company's equity Share capital being held by trustees of the Family Trust and any other trusts, and
- (d) that no costs incurred in connection with the setting up or administration of the Family Trust are to be paid by the Company

## **12.6 Transfers by family trusts**

Where any Shares are held by trustees of a Family Trust, the Shares may be transferred to

- (a) if there is a change of trustees, the new trustees of that Family Trust,
- (b) the settler,
- (c) another Family Trust which has the same settler, or
- (d) any Privileged Relation of the settler who is not a minor

## **12.7 Transfers of unencumbered interest**

A transfer of any Share pursuant to this Article 12 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer free from any lien, charge or other encumbrance

## **13 Compulsory transfers**

**13.1** In this Article 13, a Transfer Event occurs, in relation to any Member

*Bankruptcy, death etc of individual*

- (a) if that Member being an individual
  - (i) shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction,
  - (ii) is prohibited from being a director by law
  - (iii) shall make an offer to make any arrangement or composition with his creditors generally,
  - (iv) shall die, or
  - (v) shall become the subject of any written opinion by a registered medical practitioner referred to in Regulation 18 1(d) of the Model Articles,

and, within the following six months, the Investor shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article 13,

*Ceasing to be director or employee of the Group*

- (b) if either
  - (i) a Member who is at any time a director or employee of a member of the Group shall cease to hold such office or employment, or
  - (ii) a Member who is dismissed as a director following termination of his contract for services for breach or has such contract terminated for breach, or
  - (iii) the member of the Group of which such Member is a director or employee shall cease for any reason to be a member of the Group

and the Member does not remain or thereupon immediately become a director or employee of another company which is still a member of the Group, and within the following six months the Investor shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article 13,

*Privileged Relations and Family Trusts*

- (c) if any Shares are transferred by a Member to a Privileged Relation or to trustees to be held on a Family Trust and
  - (i) the relevant transferee ceases to be a Privileged Relation, or the trust in question ceases to be a Family Trust in relation to such Member, or
  - (ii) there ceases to be any beneficiaries of the Family Trust (or no beneficiaries other than charities)

and within the following six months, the Investor shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article 13,

*Unauthorised attempted transfer*

- (d) if a Member shall attempt to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles and whether or not for value and within the following six months the Investor shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article 13, or

*Failure to serve Transfer Notice under specified provisions*

- (e) if a Member shall for any reason not give a Transfer Notice in respect of any Shares or transfer any Shares (as the case may be) as required by any express provision of these Articles and within the following six months the Investor shall notify the Company that such event is a Transfer Event in relation to that Member for the purposes of this Article 13

13 2

- (a) Upon the making of a notification under Article 13 1 that any event is a Transfer Event, the Member in respect of whom such event is a Transfer Event (**Relevant Member**) and any other holder of any Deemed Transfer Shares shall be deemed to have immediately given a Transfer Notice in respect of all the Deemed Transfer Shares then held by such Member(s) (**Deemed Transfer Notice**) If the Member holds more than one class of Deemed Transfer Shares, he shall be deemed to serve a separate Deemed Transfer Notice in respect of each class of his holding
- (b) A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the Deemed Transfer Shares except for Shares that have then been validly transferred pursuant to that Transfer Notice
- (c) For the purpose of this Article 13 2, any Shares received by way of rights or on a capitalisation at any time by any person to whom Deemed Transfer Shares may have been transferred (directly or by means of a series of two or more permitted transfers) shall also be treated as Deemed Transfer Shares

- 13 3 Notwithstanding any other provision of these Articles, no Member shall be entitled to receive notice of or attend at, and shall have no voting rights at, general meetings of the Company or

to receive or to have any voting rights in respect of, any written resolutions of the Company in respect of Deemed Transfer Shares (and of any Shares received thereafter by way of rights or on a capitalisation in respect of those Deemed Transfer Shares) on and from the date of the relevant Deemed Transfer Notice (or if later the date upon which he receives the Shares) until the entry in the register of members of the Company of another person as the holder of those Deemed Transfer Shares

13 4 Each Deemed Transfer Notice shall

- (a) constitute the Company as the agent of the Seller for the sale of the Deemed Transfer Shares on the terms of this Article 13,
- (b) be irrevocable

13 5 The Deemed Transfer Shares shall subject to Articles 13 6 and 13 7 be offered for purchase in accordance with this Article 13 at a price per Deemed Transfer Share (**Sale Price**) agreed between the Seller and the Board (with the approval of an Investor Director) or, in default of such agreement, by the end of the 15th Business Day after the date of service of the Transfer Notice

13 6

- (a) If the Board with Investor Consent so elects within that 15 Business Day period after the date of service of the Transfer Notice, the Sale Price shall be the price per Deemed Transfer Share reported on by the Valuers as their written opinion of the open market value of each Deemed Transfer Share (the **Market Value**) as at the date of service of the Transfer Notice (in which case for the purposes of these Articles the Sale Price shall be deemed to have been determined on the date of the receipt by the Company of the Valuer's report), and
- (b) otherwise, for the purpose of these Articles, the Sale Price shall be deemed to have been agreed at the end of that 15th Business Day

13 7 The Sale Price for any Deemed Transfer Shares as a consequence of a Transfer Event falling within Article 13 1(b)

- (a) Shall in any case where the Relevant Member is a Founder Good Leaver, be their Market Value, and
- (b) in any case where the Relevant Member is a Founder Bad Leaver, in respect of their Vested Shares shall be their Market Value and in respect of their other (and accordingly unvested) shares shall be the nominal value of such shares

13 8 If instructed to report on their opinion of Market Value under this Article 13 the Valuers shall

- (a) act as expert and not as arbitrator and their written determination shall be final and binding on the Members, and
- (b) proceed on the basis that
  - (i) the open market value of each Deemed Transfer Share shall be the sum which a willing buyer would agree with a willing seller to be the purchase price for all the class of Shares of which the Deemed Transfer Shares form part, divided by the number of issued Shares then comprised in that class,

- (ii) there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Deemed Transfer Shares, and
- (iii) any difficulty in applying either of the foregoing bases shall be resolved by the Valuers as they think fit in their absolute discretion

13 9 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board and to the Seller within 28 days of being requested to do so

13 10 The Valuers' fees for reporting on their opinion of the Market Value shall be borne as the Valuers shall specify in their valuation having regard to the conduct of the parties and the merit of their agreements in respect of the matters in dispute or otherwise (in the absence of any such specification by the Valuers) as to one half by the Seller and as to the other half by the Company unless the Valuers' opinion of the Market Value is equal to or less than that Sale Price which has been put forward in writing by the Board not less than 5 Business Days before the Valuers' report, in which cases the Seller shall pay all the Valuers' fees

13 11

- (a) If the Sale Shares are Ordinary Shares or A Shares, the Board shall give an Offer Notice to all Members or Board Invitees to whom the Sale Shares are to be offered in accordance with these Articles at least 10 Business Days after and no more than 20 Business Days after whichever first occurs of
  - (i) Board Invitee(s) having been determined in respect of all the Deemed Transfer Shares,
  - (ii) the Investor waiving the requirement to offer Deemed Transfer Shares to Board Invitees, or
  - (iii) the period to find Board Invitees having expired without Board Invitees having been found in respect of all the Deemed Transfer Shares

13 12 An Offer Notice shall

- (a) specify the Sale Price,
- (b) contain the other details included in the Transfer Notice, and
- (c) invite the relevant offerees to respond in writing, before expiry of the Offer Notice, to purchase the numbers of Deemed Transfer Shares specified by them in their application,

in addition, shall expire 35 Business Days after its service

13 13 Deemed Transfer Shares of a particular class specified in column (1) in the table below shall be treated as offered

- (a) in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below, and

- (b) to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below,
- (c) to the extent not accepted by persons in column (3), to all persons in the category set out in the corresponding line in column (4) in the table below,

however, no Shares shall be treated as offered to the Seller or any other Member who is then bound to give, has given or is deemed to have given a Transfer Notice in respect of the Shares registered in his name

<b>(1)</b> <b>Class of Sale Shares</b>	<b>(2)</b> <b>First Offer to</b>	<b>(3)</b> <b>Second Offer to</b>	<b>(4)</b> <b>Third Offer to</b>
Ordinary Share	Board Invitees	Members holding B Shares	Members holding Ordinary or A Shares
A Share	Board Invitees	Members holding B Shares	Members holding Ordinary or A Shares

13 14 The expression Board Invitees in these Articles means

- (a) any person or persons selected by the Board with the consent of an Investor Director, and/or
- (b) an Employee Trust, and/or
- (c) the Company (subject always to compliance by the Company with the CA 2006)

or any combination thereof in any such case selected (in the six Months immediately following the date on which the Sale Price is agreed or determined) by the Board with the written approval of an Investor Director. If no such selection occurs for whatever reason in this period then the Investor may select the Board Invitees within a further period of 60 Business Days

13 15 After the expiry date of the Offer Notice, the Board shall, in the priorities and in respect of each class of persons set out in the columns in the table in Article 13 13, allocate the Deemed Transfer Shares in accordance with the valid applications received save that

- (a) if there are applications from any class of offerees for more than the number of Deemed Transfer Shares available for that class of offerees, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Member more Deemed Transfer Shares than the maximum number applied for by him) to the number of Shares of the class which entitles them to receive such offer then held by them respectively,
- (b) if it is not possible to allocate any of the Deemed Transfer Shares without involving fractions, they shall be allocated amongst the applicants of each class in such manner as the Board shall think fit, and
- (c) any allocation of Deemed Transfer Shares between two or more Board Invitees shall be entirely at the discretion of the Board with the consent of an Investor Director

- 13 16 The Board shall, within 5 Business Days of the expiry date of the Offer Notice, give notice in writing (an **Allocation Notice**) to the Seller and to each person to whom Deemed Transfer Shares have been allocated (each a **Buyer**) specifying the name and address of each Buyer, the number and class of Deemed Transfer Shares agreed to be purchased by him, the aggregate price payable by him for them and the date for completion (being no earlier than 5 Business Days nor later than 15 Business Days after the date of service of the Allocation Notice)
- 13 17 Completion of a sale and purchase of Deemed Transfer Shares pursuant to an Allocation Notice shall take place at the registered office of the Company at the time specified in the Allocation Notice when the Seller shall, upon payment to him by a Buyer of the Sale Price in respect of the Deemed Transfer Shares allocated to that Buyer, transfer those Sale Shares and deliver the relative share certificate (s) to that Buyer
- 13 18 To avoid doubt, unless permitted by Article 12 (Permitted Transfers), required by Article 13 (Compulsory Transfers) or contemplated by Article 14 (Drag Along Option) no person may transfer, charge or encumber any Share or interest therein, including any Deemed Transfer Shares not specified in an Allocation Notice or not duly held pursuant thereto
- (a) the Seller may not transfer such Share and the Board shall not register any transfer to a transferee who is not at that date a Member unless such transferee is first approved in writing by an Investor Director, and
  - (b) the Seller shall not be entitled, save with the written consent of the Investor Director and the Board, to sell only some of the Deemed Transfer Shares under this Article 13 18
- 13 19 If a Seller fails for any reason (including death) to transfer any Deemed Transfer Shares when required pursuant to these Articles, the Board may authorise any director of the Company (who shall be deemed to be irrevocably appointed as the agent and attorney of the Seller for the purpose) to execute each necessary transfer of such Deemed Transfer Shares and deliver it on the Seller's behalf The Company may receive the purchase money for such Deemed Transfer Shares from the Buyer and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Buyer as the holder of such Deemed Transfer Shares The Company shall hold such purchase money in a separate bank account on trust for the Seller but shall not be bound to earn or pay interest on any money so held The Company's receipt for such purchase money shall be a good discharge to the Buyer who shall not be bound to see to the application of it, and after the name of the Buyer has been entered in the register of Members in purported exercise of the power conferred by this Article 13 the validity of the proceedings shall not be questioned by any person
- 13 20 A dispute as to whether Article 13 7(a) or Article 13 7(b) applies to any Deemed Transfer Shares shall not affect the validity of a Deemed Transfer Notice but (if the Issue Price is lower than the Market Value) any person who acquires Deemed Transfer Shares (**Buyer**) pursuant to a Deemed Transfer Notice while such a dispute is continuing shall pay to the Seller the lower of their Issue Price and their Market Value and shall pay a sum equal to the difference between their Issue Price and their Market Value to the Company The Company shall hold that amount in a separate interest-bearing bank deposit account as trustee to pay it, and interest earned thereon, upon final determination of the dispute
- (a) to the Seller in respect of any Deemed Transfer Shares determined to be sold for their Market Value, and

- (b) to the Buyer(s) in respect of any Deemed Transfer Shares determined to be sold at their Issue Price,

provided always that if the Seller and Buyer(s) otherwise agree in writing and notify such agreement to the Company it shall instead hold and deal with the monies paid into such account and interest as such agreement and notice may specify whether or not the dispute has been resolved

13 21 For the purpose of Article 13 1(b) and Article 22 the date upon which a Member ceases to hold office as an employee or director shall

- (a) where the Group Company terminates or purports to terminate a contract of employment or engagement by giving notice to the employee or director of the termination of the employment or engagement, whether or not the same constitutes a wrongful or unfair dismissal, be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice (such date to be in accordance with the provisions of the applicable Shareholder Contract), and whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the Group Company in respect of such termination,
- (b) where the employee or director terminates or purports to terminate a contract of employment or engagement by giving notice to the Group Company of the termination of the employment or engagement (whether or not he is lawfully able so to do), be the date of that notice,
- (c) where the Group Company (on the one hand) or employee or director (on the other hand) wrongfully repudiates the contract of employment or engagement and the other respectively accepts that the contract of employment or engagement has been terminated, be the date of such acceptance by the Group Company, or employee or director (as the case may be),
- (d) where a contract of employment or engagement is terminated under the doctrine of frustration, be the date of the frustrating event, or
- (e) where a contract of employment or engagement is terminated in any other circumstance other than set out in Articles 13 21(a) to 13 21(d), be the date on which the person actually ceases to be employed or engaged by the Group Company

13 22 Once a Deemed Transfer Notice shall under these Articles be given in respect of any Share then no permitted transfer under Article 12 (Permitted Transfers) may be made in respect of such Share unless and until a Offer Notice shall have been served in respect of such Share

#### **14 Drag Along Option**

14 1 Subject to Article 14 10 if the holders of a majority of the B Shares (together the **Selling Shareholders**) wish to transfer all their B Shares to a Third Party Buyer, the Selling Shareholders shall have the option (**Drag Along Option**) to require any or all of the other holders of Shares to transfer all their Shares with full title guarantee to the Third Party Buyer or as the Third Party Buyer shall direct in accordance with this Article 14

14 2 The Selling Shareholders may exercise the Drag Along Option at any time before the registration of the transfer of the Shares in the Company held by the Selling Shareholders by giving notice to that effect (**Drag Along Notice**) to all other Members holding Equity Shares (**Called Shareholders**) A copy of the Drag Along Notice shall, for information only, also be



given to the Company at its registered office (but so that any failure or delay in giving such copy shall in no way prejudice the operation of this Article 14)

- 14 3 A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares in the Company (**Called Shares**) pursuant to Article 14 1 to the Third Party Buyer, the Drag Sale Price, the proposed date of transfer (if known), and the identity of the Third Party Buyer. A Drag Along Notice served by post shall be deemed served upon the envelope containing it being placed in the post and the applicable notice provisions of these Articles shall in the context of a Drag Along Notice be amended accordingly. The notice provisions of these Articles shall otherwise apply to the service of a Drag Along Notice as if it were a notice to be given under these Articles by the Company.
- 14 4 A Drag Along Notice may be revoked by the holders of the B Shares at any time prior to completion of the sale of the Called Shares and any such revocation notice shall be served in the manner prescribed for a Drag Along Notice in Article 14 2.
- 14 5 Completion of the sale of the Called Shares shall take place on the same date as the date of actual completion of the sale of the B Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise.
- 14 6 Each Called Shareholder shall on service of the Drag Along Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his attorney to execute any stock transfer and covenant for full title guarantee in respect of the Called Shares registered in the name of such Called Shareholders and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Called Shares pursuant to this Article 14.
- 14 7 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale and transfer of Shares by the Selling Shareholders, the Called Shareholders or any other Member to the Third Party Buyer named in a Drag Along Notice.
- 14 8 Notwithstanding Article 14 2, in connection with any Sale the provisions of Article 7 (Provisions on Realisation) shall apply to determine if, and the extent to which, the proceeds from any sale of Shares may be re-allocated amongst the Selling Shareholders, the Called Shareholders and any other Members. Save as aforesaid the provisions of this Article 14 shall prevail over any contrary provisions of these Articles.
- 14 9 Upon any person, following the issue of a Drag Along Notice, becoming a holder of Shares in the capital of the Company pursuant to the exercise of pre-existing option to acquire Shares in the Company (whether pursuant to a Share Option Scheme or otherwise howsoever), a Drag Along Notice, on the same terms as the previous Drag Along Notice, shall be deemed to have been served upon such Member immediately upon such acquisition and such person shall thereupon be bound to sell and transfer all such Shares acquired by him to the Third Party Buyer or as the Third Party Buyer may direct and the provisions of this Article 14 (including Article 14 8) shall apply mutatis mutandis to the such Member save that completion of the sale of such Shares shall take place forthwith upon the Drag Along Notice being deemed served on such Member or, if later, upon the date of completion under the previous Drag Along Notice.
- 14 10 The Selling Shareholders shall not be entitled to invoke the terms of this Article 14 unless they have invited the Founders who then remain shareholders in the Company in writing to make a fully funded cash only written offer capable of acceptance to create a binding contract for all of their Shares on the basis of a transfer with full title guarantee only (**Founder Offer**) and within 60 days of such invitation they have either

- (a) not received a Founder Offer from any of the Founders, or have
- (b) rejected a Founder Offer, and

thereafter they have within 180 days of the end of the 60 day period received an offer from a Third Party Buyer which in the case of scenario Article 14 10(b) is of a higher value than the rejected Founder Offer

- 14 11 For the purposes of Article 14 10 a fully funded offer is one where the Founders making the offer can demonstrate to the reasonable satisfaction of the Selling Shareholders that they can pay the aggregate consideration relating to the Founder Offer

## 15 Tag along

- 15 1 Subject to Article 14 (Drag Along Option) and save in the case of a Permitted Transfer, but otherwise notwithstanding any other provision in these Articles, no sale or other disposition of any Shares (**Specified Shares**) shall have any effect if it would result in a Change of Control unless before the transfer is lodged for registration the Third Party Buyer has made a bona fide offer in accordance with these Articles to purchase at the specified price (defined in Article 15 3) all the Equity Shares held by Members who are not acting in concert or otherwise connected with the Third Party Buyer (**Uncommitted Shares**)
- 15 2 An offer made under Article 15 1 shall be in writing and shall be open for acceptance for at least 5 Business Days, and shall be deemed to be rejected by any Member who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 15 Business Days of the date of the offer
- 15 3 For the purposes of Article 15 the expression **specified price** means the amount per A Share or Ordinary Share that would be allocated and payable for it if the relevant sale to the Third Party Buyer constituted a Sale to which the provisions of Article 7 2 applied at a level of Proceeds from which the amount that would be allocated and paid under Article 7 2 for the B Shares equalled the consideration actually paid or payable by the Third Party Purchaser for the B Shares giving rise to the operation of this Article
- 15 4 If the specified price or its cash equivalent cannot be agreed within 15 Business Days of the proposed sale or transfer referred to in Article 15 1 between the Third Party Buyer and the holders of any Uncommitted Shares such matter shall be referred to the Valuers by any Member for determination and, pending such determination, the sale or transfer referred to in Article 15 1 shall have no effect
- 15 5 The rights of pre-emption and other restrictions contained in these Articles shall not apply on any sale or transfer to a Third Party Buyer provided that the provisions of this Article 15 have been complied with

## 16 Prohibited transfers

Notwithstanding any other provision of these Articles, no transfer of any Share shall be made or registered if it is to

- (a) any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind, or

- (b) any person (other than a Third Party Buyer where the provisions set out in Articles 14 and 15 have been complied with) who has not executed a Deed of Adherence to, and in the manner required by, any Investment Agreement for the time being in force

## **17 General Meetings**

- 17 1 Without prejudice to the powers of the board, an Investor Director may, acting alone, call a general meeting of the Company
- 17 2 Notice of any general meeting need not be given to any director in that capacity

## **18 Proceedings at general meetings and adjournment**

- 18 1 Any member having the right to vote at the meeting may demand a poll at a general meeting
- 18 2 For a general meeting to be quorate it shall require the attendance of a person or persons representing a majority of the B Shareholders though out the meeting
- 18 3 If within ten minutes from the time appointed for a general meeting a quorum is not present or, if during a meeting a quorum ceases to be present, the meeting, if convened upon the request of the Members in accordance with the CA 2006, shall be dissolved, in any other case, it shall stand adjourned
- 18 4 If a quorum is not present at any such adjourned meeting within ten minutes from the time appointed for that meeting, the meeting shall be dissolved
- 18 5 At a general meeting the Chairman shall not have a second or casting vote unless appointed by an Investor in which case he shall

## **19 Poll votes**

- 19 1 A poll may be demanded at any general meeting by
  - (a) the chairman, or
  - (b) any qualifying person (as such term is defined in section 318 of the CA 2006) present and entitled to vote at the meeting
- 19 2 A demand for a poll may be withdrawn before the poll is taken, but only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made
- 19 3 Subject to these Articles, polls at general meetings must be taken when, where and in such manner as the chairman of the meeting directs. The chairman of the meeting may appoint scrutineers (who need not be holders) and decide how and when the result of the poll is to be declared
- 19 4 The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded
- 19 5 A poll on the election of the chairman of the meeting or a question of adjournment must be taken immediately. All other polls must be taken within thirty days of their being demanded

19 6 A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded

19 7 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken

19 8 The omission or failure by any proxy to vote in accordance with any instructions given to him by his appointor shall not invalidate any vote cast by him or any resolution passed at the general meeting concerned

## **20 Number of directors**

The number of directors shall not be less than eight comprising of at least four non-executive directors, one Founder Director and three Investor Directors and there shall be no maximum number

## **21 Founder Director**

Whilst she retains at least 10% of the voting rights in the Company on a fully diluted basis Anne Boden shall at her own expense be entitled to appoint by way of written notice to the Board one person to act as a director of the Company during any period when she is not herself a director of the Company and may remove that person at any time and appoint a replacement (**Founder Director**)

## **22 Investor Director**

22 1 With prejudice to Article 22 3, the Investor may at any time and on more than one occasion appoint up to three persons to be non-executive directors and at any time and on more than one occasion remove any such person from office (**Investor Director**)

22 2 Any appointment or removal of an Investor Director shall be in writing served on the Company signed by the Investor and shall take effect at the time it is served on the Company or (if later) the date expressly stated therein, and (in the case of the appointment of a person not already a director or an alternate) shall be accompanied by his consent to act as a director in the form prescribed by the CA 2006

22 3

(a) At any time and from time to time the Investor may by notice to the Company appoint any one or more individuals named therein and willing to act to be a director or directors of the Company (including any person proposed to be appointed to the office of Chairman of the board of directors), and/or may remove any director or directors from office notwithstanding how or when he/they was/were appointed or anything else in these Articles or in any agreement between the Company and him/them

(b) A notice under this Article 22 3 shall be in writing and shall take effect on deposit at the office of the Company or at such later time as may be specified in the same and (in the case of the appointment of a person not already a director or an alternate) shall be accompanied by his consent to act as a director in the form prescribed by the CA 2006

- (c) A director appointed under this Article 22 3 shall not be deemed to be an Investor Director
- (d) A director removed under this Article 22 3 may not be reappointed to any office or employment under the Company without the approval of the Investor

## **23 Alternate directors**

- 23 1 A director (other than an alternate director) may, by notice in writing delivered to the Company, or in any other manner approved by the directors, appoint any person willing to act to be his alternate
- 23 2 The appointment of an alternate director who is not already a director or alternate director
  - (a) shall (save in the case of an alternate to an Investor Director) require the approval of the directors, and
  - (a) shall not be effective until his consent to act as a director in the form prescribed by the CA 2006 has been received by the Company
- 23 3 If an alternate director is himself a director and/or participates in any proceeding of the directors or at any committee as an alternate director for more than one director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present. An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) have the same rights in relation to any decision of the directors as his appointor and in particular shall (without limitation) be entitled to receive notice of all meetings of the directors and all committees of which his appointor is a member and, in the absence from such meetings of his appointor, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his appointor (other than the power to appoint an alternate director)
- 23 4 A person who is an alternate director but not a director
  - (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's appointor is not participating), and
  - (b) may participate in a unanimous decision of the directors (but only if that person's appointor is not participating)
- 23 5 A director acting as alternate director shall have a separate vote for each director for whom he acts as alternate in addition to his own, but he shall count as only one for the purpose of determining whether a quorum is present. A person (not himself a director) who acts as alternate director for more than one director shall have a separate vote for each director for whom he acts as alternate, but he shall count as only one for the purpose of determining whether a quorum is present
- 23 6 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified in the same way and to the same extent as a director. However, he shall not be entitled to receive from the Company any fees for his services as alternate, except only such part (if any) of the fee payable to his appointor as such appointor may by notice to the Company direct. Subject to this Article 23, the Company shall pay to an alternate director such expenses as might properly have been paid to him if he had been a director

23 7 Every person acting as an alternate director shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of the director appointing him

23 8 An alternate director shall cease to be an alternate director

- (a) if his appointor revokes his appointment by notice in writing delivered to the Company, or in any other manner approved by the directors, or
- (b) if his appointor ceases for any reason to be a director, or
- (c) if any event happens in relation to him which causes his office as director to be vacated or (if not himself a director) would do so if he were himself a director

## **24 Acts of directors**

Subject to the provisions of CA 2006, all acts done by in any proceedings of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote

## **25 Retirement of directors**

25 1 The directors shall not be subject to retirement by rotation

25 2 The office of a director (other than an Investor Director) who is at any time an employee of the Company shall automatically be vacated if he ceases to be an employee of the Company

## **26 Proceedings of directors**

26 1 Regulation 7 of the Model Articles applies to the Company as modified by the express provisions of these Articles but so that reference in that Regulation 7 to "a decision taken in accordance with Article 8" shall have effect as if replaced by "a decision taken in accordance with Article 27 of these Articles"

26 2 The quorum for the transaction of business of the Board shall be two directors One of the directors in the quorum shall be an Investor Director unless either

- (a) an Investor Director or the Investor has previously agreed to the contrary in writing in respect of the meeting and business in question, or
- (b) there is no Investor Director in office at that time, or
- (c) the business of the meeting includes the proposed exercise by the directors of the authority conferred by section 175 CA 2006 (or any subsequent amendment or revocation of such authorisation) and the Investor Director is the director in question or otherwise interested in the matter, in which case the Investor Director shall not be part of the quorum on that business

26 3 Any director or his alternate may validly participate in a meeting of the Board or a committee of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting A person so participating shall be deemed to be present in person at the meeting

and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group that is larger than any other group, where the Chairman then is

26.4 Save with the consent of an Investor Director

- (a) the Board shall not delegate any of its powers to a committee other than as specified in any Investment Agreement, and
- (b) meetings of the Board shall not be held outside the United Kingdom

26.5 The Chairman shall not have a second or casting vote at a meeting of the Board unless the Chairman has been appointed by the Investor

26.6 Where any decision is to be made by the Company in relation to the Investment Agreement or any Shareholder Contract then, notwithstanding any other provision of these Articles, in the event that an Investor Director is for the time being appointed, no meeting of the Board at which such decision will be considered shall be quorate in respect of that decision unless an Investor Director or his alternate is present in person and, at such meeting, only an Investor Director shall be entitled to vote on such decision

26.7 If any of the circumstances stated in Article 6.2 are at any time subsisting (whether a notice has been served by the Investor pursuant to Article 6.2 or not), then the Investor may serve notice on the Company with the effect that (subject only to Article 26.2(c)), following such service the powers of an Investor Director shall be enhanced so that no meeting of the Board shall be quorate unless an Investor Director is present in person, and at such meeting and so that only an Investor Director shall be entitled to vote. Such enhanced rights shall cease to apply immediately upon the relevant circumstances(s) referred to in Article 6.2 being remedied to the reasonable satisfaction of the Investor

## **27 Unanimous decision of the directors and written resolutions**

27.1

- (a) A decision of the directors is taken in accordance with this Article 27 when sufficient Eligible Directors indicate by any means that they share a common view on a matter
- (b) Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing. A proposed directors' written resolution is adopted when each of the Eligible Directors who would have been entitled to vote on the resolution at a directors' meeting have signed at least one copy or duplicate copy of it
- (c) A decision may not be taken in accordance with Article 27 if the Eligible Directors would not have formed a quorum had the matter been proposed as a resolution at a directors' meeting
- (d) Unless the context otherwise requires, reference in these Articles to any meeting of the directors (or of any committee) includes any other proceedings or process by which any decision complying with Article 27 is reached

## 28 Directors' declarations of interest and conflict situations

- 28 1 A director who to his knowledge is in any way, whether directly or indirectly, interested in any actual or proposed contract, transaction or arrangement with the Company shall in the circumstances and to the extent that the same is required by the provisions of the CA 2006 declare the nature and extent of his interest in the relevant matter (or in any of the relevant matters) permitted in such circumstances. A director who has declared such an interest may (to the greatest extent permitted by law) vote at any such meeting on any resolution concerning a matter in which he has, directly or indirectly, an interest and (whether he votes or not) may be counted towards any quorum.
- 28 2 To avoid doubt and without prejudice to the generality of Article 28 1, a director shall not be precluded from voting or (whether he votes or not) from counting in the quorum on any board resolution to convene any general or class meeting or to approve and issue any written resolution of the members of the Company (or of any class) because he may benefit from or otherwise be affected by any authorisation (or the revocation of, or amendment of, any authorisation) in the context of his duty under section 175 CA 2006 which would be effected or permitted by such resolution, if passed.
- 28 3 For the purposes of section 175 CA and subject, where relevant, to Article 28 4, the directors shall have the power at any time when there is an Investor Director in office (but not otherwise) to authorise, on such terms (including as regards duration and revocation) and subject to such limits or conditions (if any) as they may determine (**Conflict Authorisation**), any matter proposed to them in accordance with these Articles which would, or might, if not so authorised, constitute or give rise to a situation in which a director (a **Relevant Director**) has, or could have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (a **Conflict Situation**).
- 28 4 Save where the Investor Director is the director in question or otherwise interested in the matter or there is no Investor Director in office, authorisation by the Board under the power conferred by section 175 CA 2006 (and any subsequent amendment or revocation of any such authorisation) will be effective only if an Investor Director votes in favour of, or consents in writing to the same.
- 28 5 Where directors give a Conflict Authorisation under the power conferred by section 175 CA 2006
- (a) the terms of such Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded),
  - (b) the directors may revoke or vary such Conflict Authorisation at any time but this will not affect anything done by the Relevant Director prior to such revocation or variation in accordance with the terms of such authorisation, and
  - (c) the Relevant Director shall be obliged to act in accordance with any terms, limits or conditions to which such Conflict Authorisation is made subject.
- 28 6 Any terms to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to Article 28 1) provision that
- (a) where the Relevant Director obtains (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company



or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and/or

- (b) the Relevant Director may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions relating to, the relevant matter (whether at any meeting of the directors or otherwise) and be excused from reviewing documents and information prepared by or for the directors to the extent that they relate to that matter, and/or
- (c) the Relevant Director be excluded from the receipt of documents and information, the participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the relevant matter,

and the Company will not treat anything done (or omitted to be done) by the Relevant Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 28 1) as a breach by him of his duties under sections 172 to 174 CA 2006

28 7 Subject to Article 28 8, authorisation is given by the members of the Company for the time being on the terms of these Articles to each director in respect of any Conflict Situation that exists as at the date of adoption of these Articles or that subsequently arises because (in either case) the director is or becomes a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, any member of the Relevant Group (**Group Conflict Authorisation**) The Conflict Authorisation Terms applicable to the Group Conflict Authorisation (**Group Conflict Authorisation Terms**) are automatically set by this Article 28 7 so that the director concerned

- (a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and
- (b) may (but shall be under no obligation to)
  - (i) absent himself from the discussions of, and/or the making of decisions,
  - (ii) make arrangements not to receive documents and information,relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Group Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 CA 2006

28 8 A Group Conflict Authorisation given or deemed given under Article 28 7 may be revoked, varied or reduced in its scope or effect only by special resolution

28 9 In this Article 27 1(d) **Relevant Group** comprises

- (a) the Company,
- (b) each (if any) body corporate which is for the time being a subsidiary of the Company,
- (c) each (if any) body corporate of which the Company is for the time being a subsidiary (**Parent**), and
- (d) each (if any) body corporate (not falling within any preceding paragraph of this definition) which is for the time being a subsidiary of the Parent

28 10 If and for so long as any Investor (or the custodian or nominee of any Investor) shall be the holder of any Share, authorisation is given by the members of the Company for the time being on the terms of these Articles to each Investor Director for the time being (including any alternate) in respect of any Conflict Situation that exists as at the date of adoption of these Articles or that subsequently arises because (in either case) the director is or becomes a shareholder, investor or other participant in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, or has been appointed by any Relevant Investor Entity (**Relevant Investor Conflict Authorisation**) The Conflict Authorisation Terms applicable to the Relevant Investor Conflict Authorisation (**Relevant Investor Conflict Authorisation Terms**) are automatically set by this Article 28 10 so that the director

- (a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a director of the Company or as its employee or agent or in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Relevant Investor Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and
- (b) may (but shall be under no obligation to)
  - (i) absent himself from the discussions of, and/or the making of decisions,
  - (ii) make arrangements not to receive documents and information,
 relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Relevant Investor Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 CA 2006

28 11

- (a) Any Conflict Authorisation (whether under Article 28 3, Article 28 7 or Article 28 10) shall (subject to any express contrary wording in its terms) be automatically deemed to extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised
- (b) Nothing in this Article 27 1(d) shall relieve any director from any duty he may otherwise have to declare and to update any declaration of any interest but no failure, delay or inaccuracy in making or updating such declaration shall prejudice or invalidate any Conflict Authorisation (whether under Article 28 3, Article 28 7 or Article 28 10)

28 12 On any shareholder resolution (whether in general meeting or by written resolution or extra statutory agreement or otherwise)

(a) to confer, revoke or vary any authorisation for any Investor Director or Chairman of the Board but for which an Investor Director or the Chairman of the Board would be or may in the future become in breach of his duty to the Company under section 175 CA 2006 or

(b) to amend or delete this Article 27 1(d)

only the B Shares shall confer votes on their holders

28 13 A director is not required, by reason of being a director, to account to the Company for any profit, remuneration or other benefit which he derives from or in connection with

(a) a Conflict Situation which has been authorised by the directors pursuant to Article 28 3, or by the Members whether in these Articles or otherwise (subject to any terms, limits or conditions attaching to such authorisation),

(b) being interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested,

(c) holding any other office or place of profit under the Company, except that of auditor, in conjunction with the office of director and acting by himself or through his firm in a professional capacity for the Company (and being entitled to remuneration as the directors may arrange, either in addition to or in lieu of any remuneration provided for by any other article), and

(d) being a director or other officer of, or employed by, or a party to any contract, arrangement, transaction or proposal with or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment

28 14 The Company will not treat the receipt by the director of any profit, remuneration or other benefit referred to in Article 28 13 as a breach of duty under section 176 of the CA 2006 No such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest, profit, remuneration or other benefit

## **29 Notices**

29 1 Any notice, document or information (including a share certificate) which is sent or supplied by the Company

(a) in hard copy form, or in electronic form but to be delivered other than by electronic means, and which is sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of twenty-four hours (or, where first class mail is not used, forty-eight hours) after the time it was posted if to a person in the United Kingdom and on the expiry of the thirteenth Business Day if posted to a person outside of the United Kingdom, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed, pre-paid and posted,

(b) by electronic means shall be deemed to have been received by the intended recipient twenty-four hours after it was transmitted, and in proving such receipt it shall be

sufficient to show that such notice, document or information was properly addressed, and

- (c) by means of a website shall be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website

29 2 Any accidental failure on the part of the Company to send, or the non-receipt by any person entitled to, any notice of or other document or information relating to any meeting or other proceeding shall not invalidate the relevant meeting or proceeding. This Article shall have effect in place of the Company Communications Provisions relating to deemed delivery of notices, documents or information.

29 3 For the purposes of calculating the time when any notice, document or information sent or supplied by the Company is deemed to have been received by the intended recipient for the purposes of these articles (regardless of whether the period is expressed in hours or days) full account shall be taken of any day, and any part of a day, that is not a working day. This Article 29 3 shall have effect in place of the Company Communications Provisions regarding the calculation of the time when any such notice, document or information is deemed to have been received by the intended recipient.

### **30 Indemnity, insurance, gratuities and pensions**

30 1 Subject to the CA 2006, the Company

- (a) shall, without prejudice to any other indemnity to which the person concerned may otherwise be entitled, indemnify every relevant officer out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him:
  - (i) in relation to the actual or purported execution and discharge of the duties of such office, and
  - (ii) in relation to the Company's (or associated company's) activities in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),
- (b) may provide any relevant officer with funds to meet his defence expenditure in respect of any civil or criminal proceedings or regulatory investigation or other regulatory action or in connection with any application for any category of relief permitted by the CA 2006 and may do anything to enable him to avoid incurring any such expenditure,
- (c) may decide to purchase and maintain insurance, at the expense of the Company for the benefit of any relevant officer in respect of any relevant loss.

30 2 In this Article 30

- (a) companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate,
- (b) a relevant officer means any director, secretary, auditor or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),

- (c) a relevant loss means any loss or liability which has been or may be incurred by a relevant officer in connection with that officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company

30 3 The directors may exercise all the powers of the Company to purchase and maintain for every director or other officer insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may be lawfully insured against

30 4 The directors may, on behalf of the Company, exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or in any other manner (whether similar to the foregoing or not), for any director or former director or any relation, connection or dependant of any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or with a predecessor in business of the Company or of any such subsidiary and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the Company or the members for any benefit permitted by this Article 30 4 and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company

### 31 Share certificates etc

The Company may in any manner permitted by the applicable provisions of Part 4 of the CA 2006 execute any share certificate, warrant or other document creating or evidencing any security allotted by the Company or any right or option to subscribe granted by the Company

### 32 Data protection

32 1 Each of the Members and directors of the Company (from time to time) consent to the processing of their personal data by the Company, its Members and directors (each a **Recipient**) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any Shares (or other investment or security) in the Company

32 2 Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a member of the same group as that Recipient (**Recipient Group Companies**) and to employees, directors and professional advisers of that Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Members and directors of the Company (from time to time) consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so

### 33 Change of name

33 1 The Company may change its name by decision of the directors provided that either

- (a) an Investor Director votes in favour of the resolution or otherwise consents to such change in writing, or

- (b) (if there is no Investor Director in office) the change is approved in advance by the Investor

#### **34 Partly paid Shares etc**

34 1 The Company has a lien (**Company's lien**) over every Share which is partly paid for any part of

- (a) that Share's nominal value, and
- (b) any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it

34 2 The Company's lien over a Share

- (a) takes priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

34 3 The directors may at any time decide that a Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

34 4 Subject to the provisions of this Article 34, if

- (a) a lien enforcement notice has been given in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the directors decide

34 5 A lien enforcement notice

- (a) may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum payable within 14 days of the notice,
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

34 6 Where Shares are sold under this Article 34

- (a) the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or a person nominated by the purchaser, and

- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- 34 7 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
  - (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
  - (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the Shares before the sale for any money payable in respect of the Shares after the date of the lien enforcement notice
- 34 8 A statutory declaration by a director that the declarant is a director and that a Share has been sold to satisfy the Company's lien on a specified date
  - (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share
- 34 9 Subject to the articles and the terms on which Shares are allotted, the directors may send a notice (a **call notice**) to a member requiring the member to pay the Company a specified sum of money (a **call**) which is payable in respect of Shares which that member holds at the date when the directors decide to send the call notice
- 34 10 A call notice
  - (a) may not require a member to pay a call which exceeds the total sum unpaid on that member's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium),
  - (b) must state when and how any call to which it relates it is to be paid, and
  - (c) may permit or require the call to be paid by instalments
- 34 11 A member must comply with the requirements of a call notice, but no member is obliged to pay any call before 14 days have passed since the notice was sent
- 34 12 Before the Company has received any call due under a call notice the directors may
  - (a) revoke it wholly or in part, or
  - (b) specify a later time for payment than is specified in the notice,
 by a further notice in writing to the member in respect of whose Shares the call is made
- 34 13 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid
- 34 14 Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share

- 34 15 Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them
- (a) to pay calls which are not the same, or
  - (b) to pay calls at different times
- 34 16 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium)
- (a) on allotment,
  - (b) on the occurrence of a particular event, or
  - (c) on a date fixed by or in accordance with the terms of issue
- 34 17 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture
- 34 18 If a person is liable to pay a call and fails to do so by the call payment date
- (a) the directors may issue a notice of intended forfeiture to that person, and
  - (b) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate
- 34 19 For the purposes of this Article 34
- the **call payment date** is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the call payment date is that later date,
- the **relevant rate** is
- (a) the rate fixed by the terms on which the Share in respect of which the call is due was allotted,
  - (b) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
  - (c) if no rate is fixed in either of these ways, 5 per cent per annum
- 34 20 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(2)
- 34 21 The directors may waive any obligation to pay interest on a call wholly or in part
- 35 Forfeiture and surrender**
- 35 1 A notice of intended forfeiture



- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice,
  - (b) must be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
  - (c) must require payment of the call and any accrued interest by a date which is not less than 14 days after the date of the notice,
  - (d) must state how the payment is to be made, and
  - (e) must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited
- 35 2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture
- 35 3 Subject to the articles, the forfeiture of a Share extinguishes
- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and
  - (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company
- 35 4 Any Share which is forfeited in accordance with the articles
- (a) is deemed to have been forfeited when the directors decide that it is forfeited,
  - (b) is deemed to be the property of the Company, and
  - (c) subject to Article 10 may be sold, re-allotted or otherwise disposed of as the directors think fit
- 35 5 If a person's Shares have been forfeited
- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of members,
  - (b) that person ceases to be a member in respect of those Shares,
  - (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation,
  - (d) that person remains liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture), and
  - (e) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal

- 35 6 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit
- 35 7 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer
- 35 8 A statutory declaration by a director that the declarant is a director and that a Share has been forfeited on a specified date
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share
- 35 9 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share
- 35 10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which
- (a) was, or would have become, payable, and
  - (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,
- but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them
- 35 11 A member may surrender any Share
- (a) in respect of which the directors may issue a notice of intended forfeiture,
  - (b) which the directors may forfeit, or
  - (c) which has been forfeited
- 35 12 The directors may accept the surrender of any such Share
- 35 13 The effect of surrender on a Share is the same as the effect of forfeiture on that Share
- 35 14 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited
- 36 Miscellaneous amendments to Model Articles**
- 36 1 The words "make any rule" in regulation 16 shall be deleted and substituted with the words "make, vary, relax or repeal any rule"
- 36 2 In regulation 18(f), the words "as a director" shall be included after the words "the director is resigning"

- 36 3 Regulation 19(3) shall be amended by the deletion of the word "and" at the end of regulation 19(3)(a)
- 36 4 Regulation 20 shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"
- 36 5 In regulation 24(2)(c), the words "that the Shares are fully paid" shall be substituted with the words "the amounts paid up on them"
- 36 6 In regulation 25(2)(c), the words "payment of a reasonable fee as the directors decide" shall be substituted with the words "payment of reasonable expenses"
- 36 7 Regulation 29 shall be amended by the insertion of the words ", or the name of any person nominated under regulation 27(2)," after the words "the transmittee's name"