

COMPANY NUMBER 10143062

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

CARTWRIGHT KING LIMITED (**Company**)

Circulation Date 1 October 2016

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as special resolutions (**Resolutions**).

SPECIAL RESOLUTIONS

1. THAT:

- a) the 10,000 ordinary shares of £1.00 each in the share capital of the Company held by Stephen John Gelsthorpe be redesignated as 10,000 A1 shares of £1.00 each in the capital of the Company;
- b) the 10,000 ordinary shares of £1.00 each in the share capital of the Company held by Michael Granville Thurston be redesignated as 10,000 A2 shares of £1.00 each in the capital of the Company,

(and in each case such shares shall have the rights contained in the articles of association adopted pursuant to resolution 2 below) meaning that the issued share capital of the Company following such redesignation consists of 10,000 A1 shares of £1.00 each and 10,000 A2 shares of £1.00 each.

2. THAT the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.



AGREEMENT

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

The undersigned, being persons entitled to vote on the above Resolutions on the Circulation Date, irrevocably vote in favour of them.

Signed by Michael Granville Thurston



Date

01/10/16

Signed by Stephen John Gelsthorpe



Date

01/10/16

NOTES

- 1 You can choose to agree to both of the resolutions or neither of them but you cannot agree to only one of the resolutions. If you agree to both of the resolutions, please indicate your agreement by signing and dating this document where indicated and returning it to the Company by using one of the following methods:
By hand: delivering the signed copy to the Company's registered office.
Post: returning the signed copy by post to the Company's registered office.

If you do not agree to the resolution, you do not need to do anything; you will not be deemed to agree if you fail to reply.
- 2 Once you have indicated your agreement to the resolution, you may not revoke your agreement.
- 3 Unless, by the date falling 28 days from the Circulation Date, sufficient agreement has been received for the resolution to pass, it will lapse. If you agree to the resolution, please ensure that your agreement reaches us before or during this date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
CARTWRIGHT KING LIMITED

INTRODUCTION

1 Interpretation

1.1 The following definitions and rules of interpretation apply in these Articles:

A1 Shares	the A1 shares of £1 00 each in the capital of the Company
A2 Shares	the A2 shares of £1.00 each in the capital of the Company
A3 Shares	the A3 Shares of £1 00 each in the capital of the Company.
Act	the Companies Act 2006.
acting in concert	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).
Adoption Date	the date of adoption of these Articles.
Articles	the Company's articles of association for the time being in force.
Available Profits	profits available for distribution within the meaning of part 23 of the Act.
Business Day	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
Chairman	has the meaning given to it in <i>article 4.3</i> .
Company	means Cartwright King Limited (Company number 10143062)
Company's Lien	has the meaning given to it in <i>article 25.1</i> .
connected	has the meaning given in section 252 of the Act.
Controlling Interest	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010
Deemed Transfer Notice	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

Departing Employee	an Employee who ceases to be a director or employee of, or consultant to the Company and who does not continue as, or become, a director or employee of, or consultant to the Company.
Directors	the directors of the Company from time to time.
Disposal	the disposal by the Company of all, or a substantial part of, its business and assets.
Eligible Director	means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter).
Employee	an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to the Company.
Equity Shares	the A1 Shares, A2 Shares and A3 Shares.
Exit	a Share Sale, a Disposal or a Listing.
Fair Value	has the meaning given in <i>article 18.2</i> .
Family Company	any company under which no immediate legal or beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons).
Family Trust	as regards any particular Shareholder who is an individual (or deceased or former Shareholder who is an individual) any trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a

	power or discretion conferred thereby on any person or persons).
Financial Year	an accounting reference period (as defined in section 391 of the Act) of the Company.
holding company	has the meaning given in article 1.10.
Hurdle	£5,500,000 00.
Independent Expert	the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 10 Business Days of the expiry of the period referred to in <i>article 18.1</i> , an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator).
Issue Price	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.
Lien Enforcement Notice	means a notice in writing which complies with the requirements of <i>article 26.2</i> .
Listing	the successful application and admission of all or any of the Shares, or securities representing such Shares (including American depositary receipts, American depositary shares and/or other instruments) to the Official List of the Financial Conduct Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date.
Original Shareholder	has the meaning given in <i>article 16.1</i> .
Permitted Transfer	a transfer of Shares made in accordance with <i>article 16</i> .
Permitted Transferee	a Shareholder's Privileged Relations or the trustee(s) of a Family Trust or a Family Company;
Preference Shares	the preference shares of £1 00 each in the capital of the Company.

Privileged Relation	in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue).
Relevant Securities	any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date
Relevant Shares	<p>in relation to an Employee means all Shares held by.</p> <p>(a) the Employee in question; and</p> <p>(b) any Permitted Transferee of that Employee,</p> <p>and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice.</p>
Sale Proceeds	means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale).
Sale Shares	has the meaning given in <i>article 17.2.1</i> .
Seller	has the meaning given in <i>article 17.2</i> .
Share Sale	the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale.
Shareholder	a holder for the time being of any Equity Share or Equity Shares.
Shares	shares (of any class) in the capital of the Company and Share shall be construed accordingly.
subsidiary	has the meaning given in <i>article 1.10</i> .
Termination Date	<p>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;</p> <p>(b) where a contract of employment is terminated by the</p>

employer and a payment is made in lieu of notice, the date on which notice of termination was served,

(c) where an Employee dies, the date of his death;

(d) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the Company is terminated, or

(e) in any other case, the date on which the employment or holding of office is terminated.

Transfer Notice has the meaning given in *article 17.2*.

Transfer Price has the meaning given in *article 18*.

- 1.2 Headings in these Articles shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).
- 1.6 A reference in these Articles to:
- 1.6.1 an **Article** is a reference to the relevant numbered article of these Articles; and
- 1.6.2 a **model article** is a reference to the relevant article,
- unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

1.10 A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

1.10.1 another person (or its nominee), by way of security or in connection with the taking of security; or

1.10.2 its nominee.

2 Adoption of the Model Articles

2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

2.2 Model articles 7, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 26(5), 38, 39, 44(2), 49, and 51 to 53 (inclusive) shall not apply to the Company.

2.3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur".

2.4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

2.5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".

DIRECTORS

3 Proceedings of directors

3.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 3.2* (subject to *article 3.3*). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.

3.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

- 3.3 A decision may not be taken in accordance with *article 3.2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 3.5* and *article 3.6*.
- 3.4 Meetings of the Directors shall take place at least 4 times in each year, with a period of not more than 12 weeks between any two meetings. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 10 Business Days' advance notice in writing of each such meeting shall be given to each Director.
- 3.5 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be three Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting when reconvened within 30 minutes from the time appointed, then the meeting shall proceed.
- 3.6 For the purposes of any meeting (or part of a meeting) held pursuant to *article 6* to authorise a Conflict (as defined in *article 6.1*), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director.
- 3.7 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote.
- 3.8 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.
- 3.9 The Directors may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors.

4 Appointment and removal of directors

- 4.1 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director
 - 4.1.1 he is convicted of a serious criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director; and
 - 4.1.2 in the case of an executive Director only, he shall cease to be an Employee of the Company.
- 4.2 Each Shareholder, while an Employee, shall from time to time have the right to be appointed as a Director.
- 4.3 The Directors may appoint any person as chairman of the board of Directors (Chairman) and may remove and replace any such Chairman. If there is no Chairman in office for the time being, or the Chairman is unable to attend any meeting of the Directors, the Directors present at the meeting must

appoint another Director present at the meeting to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting.

5 Transactions or other arrangements with the Company

5.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

5.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;

5.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;

5.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;

5.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

5.1.5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and

5.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

6 Directors' conflicts

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

6.2 Any authorisation under this *article 6* will be effective only if:

- 6.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine,
 - 6.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
 - 6.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 6.3 Any authorisation of a Conflict under this *article 6* may (whether at the time of giving the authorisation or subsequently):
- 6.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 6.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - 6.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
 - 6.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 6.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
 - 6.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 6.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 6.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 6.6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in

his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under *article 6.1* shall be necessary in respect of any such interest.

- 6.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

7 Secretary

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

SHARES AND DISTRIBUTIONS

8 Dividends

- 8.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this *article 8*.
- 8.2 The Company shall, without need for a resolution of the Directors, or the Company in general meeting and before application of any Available Profits to reserves or for any other purpose, pay in respect of each Preference Share a fixed, cumulative, preferential dividend (**Preferred Dividend**) at an annual rate of 5% of the Issue Price per Preference Share to the person registered as its holder on the due date (such date determined in accordance with this *article 8*).
- 8.3 The Preferred Dividend shall be paid in cash in four equal instalments on the usual quarter days.
- 8.4 The Company shall not declare or pay any further dividend unless and until all arrears and accruals of the Preferred Dividend have been paid.
- 8.5 Subject to *article 8.4*, any further Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Equity Shares or the Preference Shares at the absolute discretion of the Directors.
- 8.6 Subject to the Act, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- 8.7 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash

- 8.8 Unless the Company has insufficient Available Profits, the Preferred Dividend shall, notwithstanding that such dividend is expressed to be cumulative, be paid immediately on the due date.
- 8.9 If, as a result of not having sufficient Available Profits, the Company is not lawfully permitted to pay the Preferred Dividend in full on the due date, it shall pay the Preferred Dividend to the extent it is lawfully able to do so. The unpaid amount shall be a debt due from the Company.
- 8.10 If the Company is in arrears in paying the Preferred Dividend, the first Available Profits arising shall be applied in or towards paying off any arrears of Preferred Dividend.

9 Liquidation preference

- 9.1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:
- 9.1.1 first, in paying £2,000 to the holders of the A3 Shares;
- 9.1.2 second, in paying to the holders of the Preference Shares in respect of each Preference Share held the Issue Price of that Preference Share, together with a sum equal to any arrears and accruals of the Preferred Dividend in respect of that Preference Share calculated down to (and including) the date of the return of capital and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Preference Shares pro rata to the aggregate amounts due under this *article 9.1.1* to each such Preference Share held;
- 9.1.3 third, in paying to the holders of the Equity Shares in respect of each Equity Share held the Issue Price of that Equity Share, together with a sum equal to any arrears and accruals of dividend or Fixed Yield (as defined in *article 11*) in respect of that Equity Share and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the Equity Shares pro rata to the aggregate amounts due under this *article 9.1.3* to each such Equity Share held;
- 9.1.4 fourth, in paying to the holders of the A1 Shares and A2 Shares the amount up to the Hurdle pro rata to the number of shares held, as if they all constituted shares of the same class, and
- 9.1.5 thereafter, in distributing the balance among the holders of the Equity Shares pro rata to the number of Equity Shares held, as if they all constituted shares of the same class.

10 Exit provisions

- 10.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in *article 9*. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided

that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale:

- 10.1.1 the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in *article 9*; and
- 10.1.2 each Shareholder shall take any reasonable action (to the extent lawful and within its control) to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in *article 9*.
- 10.2 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in *article 9*, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any reasonable action (including, but without prejudice to the generality of this *article 10.2*, such action as may be necessary to put the Company into voluntary liquidation) so that *article 9* applies.
- 10.3 Immediately before a Listing, the Company shall redeem all Preference Shares at the Issue Price and pay any arrears or accrued Preferred Dividend.

11 Yield on Equity Shares

- 11.1 The Company shall, without need for a resolution of the Directors, or of the Company in general meeting, pay in respect of each Equity Share held by a Shareholder who is a Departing Employee a fixed yield (Fixed Yield) of £15.00 per Equity Share per annum to the person registered as its holder on the due date (such date determined in accordance with this *article 11*).
- 11.2 The Fixed Yield shall be paid in cash in four equal instalments on the usual quarter days.
- 11.3 If the Company is not lawfully permitted to pay the Fixed Yield in full on the due date, it shall pay the Fixed Yield to the extent it is lawfully able to do so. The unpaid amount shall be a debt due from the Company.

12 Redemption or repurchase of A3 Shares

- 12.1 Subject to the provisions of the Act, the Company shall redeem, at any time within 20 Business Days of the written request of a holder of A3 Shares (other than a holder of A3 Shares who is a Departing Employee Shareholder) (an "A3 Share Redemption Notice") all of the A3 Shares held by such person at a price of £2,000 for all A3 Shares held by that person, provided that the A3 Share Redemption Notice is served on the Company within 30 days of the issue of the Shares which are the subject of the A3 Share Redemption Notice.
- 12.2 If the Company is unable to redeem any A3 Shares in accordance with article 12.1, the Company shall procure the acquisition (by the Company, an existing Shareholder or a third party) of any such A3 Shares within the time period and for the price set out in article 12.1.

- 12.3 If any A3 Shares are to be redeemed or acquired under this article 12, the relevant shareholder must deliver to the Company with his A3 Share Redemption Notice:
- 12.3.1 the share certificate for the A3 Shares which are to be redeemed or acquired (or an indemnity in respect of the same in a form satisfactory to the Directors, acting reasonably);
 - 12.3.2 a stock transfer form duly executed in blank in respect of the A3 Shares which are to be redeemed or acquired; and
 - 12.3.3 such other documents as the Directors may reasonably require to effect the redemption or acquisition.
- 12.4 To the extent any A3 Shares are transferred or acquired under article 12 2, the holder of those A3 Shares shall transfer such shares with full title guarantee and free from all encumbrances.
- 13 Redemption or repurchase of Preference Shares**
- 13.1 Subject to the provisions of the Act, if the holder of Preference Shares becomes a Departing Employee, or a Drag Along Notice is served under *article 20.2*, the Company may redeem, at any time after such holder becomes a Departing Employee, or immediately before completion of the sale of the Called Shares, all of the Preference Shares held by such person or his Permitted Transferees at the Issue Price for all Preference Shares held by that person. The Company may also procure the acquisition at the Issue Price for all Preference Shares held by that person (by the Company, an existing Shareholder or a third party) of any such Preference Shares at any time following such holder becoming a Departing Employee or immediately before Completion of the sale of the Called Shares.
- 13.2 If any Preference Shares are to be redeemed or acquired under this article 13, the relevant shareholder must deliver to the Company:
- 13.2.1 the share certificate for the Preference Shares which are to be redeemed or acquired (or an indemnity in respect of the same in a form satisfactory to the Directors, acting reasonably);
 - 13.2.2 a stock transfer form duly executed in blank in respect of the Preference Shares which are to be redeemed or acquired; and
 - 13.2.3 such other documents as the Directors may reasonably require to effect the redemption or acquisition.
- 13.3 To the extent any Preference Shares are transferred or acquired under article 13.1, the holder of those Preference Shares shall transfer such shares with full title guarantee and free from all encumbrances.
- 14 Pre-emption rights on the issue of further shares**
- 14.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

- 14.2 Unless otherwise agreed by special resolution if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Equity Shares (each an Offeree) on a pari passu basis (as if they constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 14.3 An offer made under *article 14.2* shall.
- 14.3.1 be in writing and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- 14.3.2 remain open for a period of at least 10 Business Days from the date of service of the offer; and
- 14.3.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *article 14.2* shall, in his acceptance, state the number of excess Relevant Securities (Excess Securities) for which he wishes to subscribe.
- 14.4 If, on the expiry of an offer made in accordance with *article 14.2*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 14.5 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *article 14.2* shall be used to satisfy any requests for Excess Securities made pursuant to *article 14.3.3*. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Equity Shares held by each such applicant bears to the total number of such Equity Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Securities shall, subject to *article 14.6* any only with the prior written consent of written consent of the holders of not less than fifty one per cent (51%) of the Equity Shares, be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 14.6 No Shares shall be allotted to any current or prospective employee or director of the Company unless such person shall first have entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.
- 15 Transfers of shares: general

- 15.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 15.2 The Preference Shares shall not be transferable other than with the written consent of the holders of not less than fifty one per cent (51%) of the Equity Shares.
- 15.3 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to *article 15.6*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 15.4 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 15.5 Any transfer of a Share by way of sale which is required to be made under *article 19*, *article 20* or *article 21* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 15.6 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this *article 15.6*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.
- 15.7 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require:
- 15.7.1 any holder (or the legal representatives of a deceased holder); or
 - 15.7.2 any person named as a transferee in a transfer lodged for registration, or
 - 15.7.3 such other person as the Directors may reasonably believe to have information relevant to that purpose,
- to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.
- 15.8 If any such information or evidence referred to in *article 15.7* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that

situation to the reasonable satisfaction of the Directors within 10 Business Days of receipt of such written notice, then

15.8.1 the relevant Shares shall cease to confer on the holder of them any rights:

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares;
- (b) to receive dividends or other distributions (other than the amount to which they may be entitled pursuant to the application of *article 8.2*) otherwise attaching to those Shares; or
- (c) to participate in any future issue of Shares issued in respect of those Shares; and

15.8.2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice).

The Directors may reinstate the rights referred to in *article 15.8 1* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 15.8.2* on completion of such transfer.

15.9 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).

15.10 Any Transfer Notice (but not a Drag Along Notice (as defined in *article 20*) or a Tag Along Notice (as defined in *article 21*) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.

16 Permitted transfers of shares

16.1 A Shareholder or, on the death of a Shareholder, his personal representatives, (the **Original Shareholder**) may transfer all or any of his or its Shares, in no more than three tranches, to a Permitted Transferee.

16.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

16.2.1 any Privileged Relation(s) of the Original Shareholder;

16.2.2 subject to *article 16.3*, the trustee(s) of another Family Trust of which the Original Shareholder is the settlor; or

16.2.3 subject to *article 16.3*, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

16.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors satisfied.

16.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);

16.3.2 with the identity of the proposed trustee(s); and

16.3.3 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

16.4 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 15 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

16.4.1 execute and deliver to the Company a transfer of the Shares held by him to any Permitted Transferee of the Original Shareholder for no consideration; or

16.4.2 give a Transfer Notice to the Company in accordance with *article 17* where the Transfer Price shall be deemed to be nil,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this *article 16.4* where the Transfer Price shall be deemed to be nil. This *article 16.4* shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares

16.5 Notwithstanding any other provision of this *article 16*, a transfer of any Shares approved by the Directors may be made without any price or other restriction and any such transfer shall be registered by the Directors.

17 Pre-emption rights on the transfer of shares

17.1 Except where the provisions of *article 16*, *article 20* or *article 21* apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this *article 17* other than with the written consent of the holders of not less than fifty one per cent (51%) of the Equity Shares

17.2 A Shareholder who wishes to transfer Shares (a Seller) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a Transfer Notice) to the Company specifying:

17.2.1 subject to *article 15.9*, the number of Shares he wishes to transfer (Sale Shares); and

- 17.2.2 subject to *article 19.4*, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the **Proposed Sale Price**).
- 17.3 Except in the case of a Deemed Transfer Notice (which may not be withdrawn), where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may not be withdrawn.
- 17.4 A Transfer Notice (or Deemed Transfer Notice) constitutes the appointment of the Company as the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 17.5 As soon as practicable following the later of:
- 17.5.1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- 17.5.2 the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with *article 17.3*) offer the Sale Shares for sale in the manner set out in the remaining provisions of this *article 17* at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.
- 17.6 If the Sale Shares are A1 Shares or A2 Shares, the Company shall offer them in the following order of priority:
- 17.6.1 first, to the holders of A1 Shares or A2 Shares as if they constituted the same class of share; and
- 17.6.2 second, to the holders of A3 Shares,
- in each case on the basis set out in *article 17.8* to *article 17.14* (inclusive)
- 17.7 An offer of Sale Shares made in accordance with *article 17.6.1* shall remain open for acceptance for a period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with *article 17.8* and *article 17.9*.
- 17.8 Subject to *article 17.6*, the Directors shall offer the Sale Shares to the holders of the Equity Shares other than the Seller (the **Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 17.9 If:
- 17.9.1 at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the

Directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares being offered. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,

17.9.2 not all Sale Shares are allocated following allocations in accordance with *article 17.9 1*, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in *article 17.9.1*. The procedure set out in this *article 17.9.2* shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

17.9.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the Initial Surplus Shares) shall be dealt with in accordance with *article 17.10*.

17 10 At the end of the First Offer Period, the Directors shall offer the Initial Surplus Shares (if any) to the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

17.11 If:

17.11.1 at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by the Continuing Shareholders. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors). No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy;

17.11.2 not all Initial Surplus Shares are allocated following allocations in accordance with *article 17.11.1*, but there are applications for Initial Surplus Shares that have not been satisfied, the Directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in *article 17.11.1*. The procedure set out in this *article 17.11.2* shall apply on

any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and

17.11.3 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance shall not be offered to any other person, other than the Company which may purchase any or all of the balance of the Initial Surplus Shares, and the Seller shall remain the holder of such Shares.

17.12 Where allocations have been made in respect of all the Sale Shares the Directors shall, when no further offers or allocations are required to be made under *article 17.7 to article 17.11* (inclusive), give notice in writing of the allocations of Sale Shares (an Allocation Notice) to the Seller and each Shareholder to whom Sale Shares have been allocated (each an Applicant). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days, but not more than 15 Business Days, after the date of the Allocation Notice).

17.13 On the date specified for completion in the Allocation Notice, the Seller shall, against due payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.

17.14 If the Seller fails to comply with *article 17.13*:

17.14.1 the Chairman (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller:

- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
- (b) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and
- (c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

17.14.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company.

- 18.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of Directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share. When agreeing or determining the Transfer Price the Directors and the Seller shall also agree a suitable payment profile for the Transfer Price provided that the Applicant, or the Company as the case may be, shall not be obliged to pay the Transfer Price in less than four equal instalments over a period of two years and may not request paying in more than six equal instalments over a three year period.
- 18.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- 18.2.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
 - 18.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 18.2.3 that the Sale Shares are capable of being transferred without restriction;
 - 18.2.4 contemporaneously with the sale of each Sale Share all Preference Shares will be redeemed and all accrued Preferred Dividends paid;
 - 18.2.5 valuing the Sale Shares as a rateable proportion of the total value of all the issued Equity Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - 18.2.6 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 18.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 18.4 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Company, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose.
- 18.5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 18.6 The Independent Expert shall be requested to determine the Fair Value within 10 Business Days of its appointment and to deliver its certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.

18.7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs unless:

18.7.1 the Seller withdraws the relevant Transfer Notice in accordance with *article 17.3*; or

18.7.2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

in which case the Seller shall bear the cost.

19 Compulsory transfers

19.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer notice in respect of that Share at such time as the Directors may determine.

19.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine.

19.3 If an Employee becomes a Departing Employee a Transfer Notice shall, unless the Directors otherwise direct in writing in respect of any particular Relevant Shares prior to or within 10 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee becomes a Departing Employee shall automatically lapse.

19.4 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall be the Fair Value of such Sale Shares.

20 Drag along

20.1 After first giving a Transfer Notice and going through the procedure set out in article 17, if the holders of the majority of the Equity Shares in issue for the time being (**Selling Shareholders**) wish to transfer all (but not some only) of their Equity Shares (**Sellers' Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other Shareholders (**Called Shareholders**) to sell and transfer all their Equity Shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (**Drag Along Option**).

20.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**)

at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:

- 20.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this *article 20*;
 - 20.2.2 the person to whom the Called Shares are to be transferred;
 - 20.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - 20.2.4 the proposed date of the transfer.
- 20.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 20 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 20.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *article 20*.
- 20.5 After the redemption of the Preference Shares in accordance with *article 13.1*, completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders.
- 20.6 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is subject to the rights of pre-emption set out in *article 17*, but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.
- 20.7 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to *article 20 2.3* to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 20.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this *article 20* in respect of their Shares.

- 20.9 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 20.7) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of shares under this article 20.
- 20.10 Following the issue of a Drag Along Notice, upon any person exercising a pre-existing option to acquire shares in the Company or exercising a conversion right in respect of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 20 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place on the Completion Date or immediately upon the New Shareholder becoming a Shareholder of the Company, if later.

21 Tag along

- 21.1 Except in the case of transfers pursuant to article 19, and after going through the pre-emption procedure set out in article 17, the provisions of article 21.2 to article 21.6 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 21.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other holders of the Equity Shares to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 3 months preceding the date of the Proposed Transfer (**Specified Price**).
- 21.3 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 21.3.1 the identity of the Buyer;
 - 21.3.2 the Specified Price and other terms and conditions of payment;
 - 21.3.3 the Sale Date; and
 - 21.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).

- 21.4 If the Buyer fails to make the Offer to all of the persons listed in article 21.2 in accordance with article 21.2 and article 21.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 21.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within 5 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 21.6 The Proposed Transfer is subject to the pre-emption provisions of Article 17, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

DECISION-MAKING BY SHAREHOLDERS

22 General meetings

- 22.1 No business other than, subject to *article 22.2*, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 22.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting

23 Voting

- 23.1 Subject to any other provisions in these Articles concerning voting rights, each Equity Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company. The Preference Shares shall not have the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 23.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 23.3 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.
- 23.4 Model article 45(1) shall be amended by:
- 23.4.1 the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the

notice of the general meeting (or adjourned meeting) to which they relate"; and

- 23.4.2 the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

24 Purchase of own shares

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

24.1.1 £15,000; and

24.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each Financial Year.

- 24.2 Subject to the remaining provisions of this article 24, on a purchase of Shares in accordance with Chapter 4 of Part 18 of the Act, the Company may:

24.2.1 hold the Shares (or any of them) in treasury;

24.2.2 deal with any of the Shares, at any time, in accordance with section 727, or

24.2.3 cancel any of the Shares, at any time, in accordance with section 729 of the Act.

25 Company's Lien over Shares

- 25.1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future.

- 25.2 The Company's Lien over a share:

25.2.1 takes priority over any third party's interest in that Share; and

25.2.2 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.

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.

26 Enforcement of the Company's Lien

- 26.1 Subject to the provisions of this *article 26*, if:

- 26.1.1 a Lien Enforcement Notice has been given in respect of a Share;
and
 - 26.1.2 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.
- 26.2 A Lien Enforcement Notice:
- 26.2.1 may only be given in respect of a Share which is subject to the
Company's Lien and in respect of a sum payable to the Company for
which the due date for payment has passed;
 - 26.2.2 must specify the Share concerned;
 - 26.2.3 must require payment of the sum within 14 clear days of the notice
(that is, excluding the date on which the notice is given and the
date on which that 14 day period expires);
 - 26.2.4 must be addressed either to the holder of the Share or to a
transmittee of that holder; and
 - 26.2.5 must state the Company's intention to sell the Share if the notice is
not complied with.
- 26.3 Where Shares are sold under this *article 26*:
- 26.3.1 the Directors may authorise any person to execute an instrument of
transfer of the Shares to the purchaser or to a person nominated by
the purchaser; and
 - 26.3.2 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.
- 26.4 The net proceeds of any such sale (after payment of the costs of sale and
any other costs of enforcing the Company's Lien) must be applied:
- 26.4.1 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; and
 - 26.4.2 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 an indemnity in a
form reasonably satisfactory to the Directors 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 by that
person (or his estate or any joint holder of the shares) after the
date of the Lien Enforcement Notice.

A statutory declaration by a Director or the company secretary that the
declarant is a Director or the company secretary and that a Share has been
sold to satisfy the Company's Lien on a specified date:

26.4.3 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

26.4.4 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

ADMINISTRATIVE ARRANGEMENTS

27 Means of communication to be used

27.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

27.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

27.1.2 if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 00 am on the second Business Day after posting; or

27.1.3 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

27.1.4 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

27.1.5 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; or

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

27.1.7 if deemed receipt under the previous paragraphs of this article 27.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

27.2 To prove service, it is sufficient to prove that:

27.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

27.2.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or

27.2.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.

27.3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

28 Indemnity and insurance

28.1 Subject to *article 28.2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

28.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer:

(a) in the actual or purported execution and/or discharge of his duties, or in relation thereto,

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

28.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in *article 28.1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

28.2 This *article 28* does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

28.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

28.4 In this *article 28*:

28.4.1 **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company) or any pension fund or employees' share scheme of the Company; and

28.4.2 **Relevant Officer** means any director or other officer or former director or other officer of the Company.