

**NORTH UIST DISTILLERY LTD**

Private company limited by shares

Company Number SC560548

Incorporated in Scotland

on 15 March 2017 under the Companies Act 2006

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**ARTICLES OF ASSOCIATION**

(Adopted on 7 December 2022)

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**Company number SC560548**

**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**NORTH UIST DISTILLERY LTD**

**(Adopted by special resolution passed on 7 December 2022)**

## **INTRODUCTION**

### **1. INTERPRETATION**

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

<b>A1 Investor</b>	a holder of A1 Ordinary Shares.
<b>A1 Investor Director</b>	has the meaning given in Article 22.2.
<b>A1 Ordinary Shares</b>	the A1 Ordinary Shares of £0.0001 each in the capital of the Company.
<b>A2 Investor</b>	a holder of A2 Ordinary Shares.
<b>A2 Investor Director</b>	has the meaning given in Article 22.3.
<b>A2 Ordinary Shares</b>	the A2 Ordinary Shares of £0.0001 each in the capital of the Company.
<b>Act</b>	the Companies Act 2006 (as amended from time to time).
<b>Acting in Concert</b>	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).
<b>Articles</b>	the Company's articles of association for the time being in force.
<b>Associate</b>	in relation to any person means:  (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be

	determined in accordance with section 435 of the Insolvency Act 1986 (whether or not an associate as so determined); or
	(b) any Member of the same Group.
<b>Auditors</b>	the auditors of the Company from time to time.
<b>B Ordinary (Non-Voting) Shares</b>	the B ordinary shares of £0.0001 each in the capital of the Company with no voting or dividend rights and otherwise having the rights described in these Articles.
<b>Bad Leaver</b>	<p>a Relevant Employee who ceases to be an Employee as a consequence of:</p> <p>(a) such person's resignation as an Employee except in circumstances which constitute a constructive, wrongful and/or unfair dismissal save in the case that unfair dismissal is as a result of a procedural defect; or</p> <p>(b) that person's dismissal as an Employee for cause, where "cause" shall mean: (i) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment or consultancy; and/or (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996.</p>
<b>Business Day</b>	a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.
<b>Board</b>	the board of Directors and any committee of the Board as constituted from time to time.
<b>Civil Partner</b>	in relation to a Shareholder who is an individual, a civil partner (as defined in the Civil Partnerships Act 2004) of that Shareholder.
<b>Company</b>	North Uist Distillery Ltd, a company incorporated in Scotland with Company Number SC560549 and

	registered office at Bayview, Baymore, Grimsay, Isle of North Uist, HS6 5HX, United Kingdom.
<b>Company's Lien</b>	has the meaning given to it in article 30.1.
<b>Confidential Information</b>	as defined in Article 1.12.
<b>Conflict Situation</b>	a situation where a Conflicted Director has a conflict of interest which for the avoidance of doubt includes a conflict of interest and duty and a conflict of duties.
<b>Conflicted Director</b>	any Director, including any Shadow Director, who has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) as described in Article 25.6.
<b>connected</b>	has the meaning given in section 252 of the Act.
<b>Controlling Interest</b>	an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010.
<b>CTA 2010</b>	the Corporation Tax Act 2010.
<b>Data Protection Laws</b>	the United Kingdom General Data Protection Regulation, the Data Protection Act 2018 and all other mandatory laws and regulations of the United Kingdom which are applicable to the parties' processing of personal data under these Articles.
<b>Date of Adoption</b>	the date on which these Articles were adopted.
<b>Date of Incorporation</b>	the date of incorporation of the Company.
<b>Director(s)</b>	a director or the directors of the Company from time to time.
<b>Effective Termination Date</b>	the date on which the Relevant Employee's employment or consultancy terminates.
<b>EIS</b>	in respect of Shares, Shares that are eligible for EIS Relief, subject to HMRC approval.

<b>EIS Provisions</b>	the provisions of Part 5 of the Income Tax Act 2007 and relating to the Enterprise Investment Scheme.
<b>EIS Relief</b>	the tax relief available to Investors under the EIS Provisions.
<b>electronic address</b>	has the same meaning as in section 333 of the Act.
<b>electronic form and electronic means</b>	have the same meaning as in section 1168 of the Act.
<b>Eligible Director</b>	a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors.
<b>Eligible Shareholder</b>	a Shareholder who would be entitled to vote on a matter had it been proposed as a written resolution or as a resolution at a meeting of the Shareholders.
<b>Employee</b>	an individual who is employed by or who provides consultancy or advisory services to a Group Company (but, for the avoidance of doubt, excluding any Investor or Investor Director and person who is a Director of the Company but not also an employee or consultant of a Group Company).
<b>Encumbrance</b>	any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law).
<b>Equity Shares</b>	the A1 Ordinary Shares, A2 Ordinary Shares, Ordinary Shares and the B Ordinary (Non-Voting) Shares.
<b>Equity Securities</b>	has the meaning given in sections 560(1) to (3) inclusive of the Act and for the avoidance of doubt an allotment of Equity Securities includes a transfer of shares which immediately before such transfer were held by the Company as Treasury Shares.

<b>Exit</b>	a Share Sale or an IPO.
<b>Expert Valuer</b>	is as determined in accordance with Article 13.1.1.
<b>Fair Value</b>	has the meaning given in article 13.3.
<b>Family Trusts</b>	as regards any particular individual Shareholder or deceased or former individual Shareholder, trusts (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 individual and/or Privileged Relations of that individual; 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 such person or any voting or other rights attaching thereto are exercisable by or as directed by 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
<b>Founder</b>	each of Jonathan Ingledew and Kate MacDonald, together: the <b>Founders</b> .
<b>Founder Director</b>	means a person appointed as a Director by any of the Founders under Article 22.1.
<b>Founder Shares</b>	<p>in relation to a Founder, means all Ordinary Shares held by:</p> <ul style="list-style-type: none"> <li>(a) the Founder in question; and</li> <li>(b) any Permitted Transferee of that Founder; and</li> </ul> <p>other than those Shares that the Board (excluding the Founder in question) and acting with Investor Consent declares itself satisfied were subscribed for at the price paid by any arm's length investor at that time.</p>
<b>Good Leaver</b>	a Relevant Employee who ceases to be an Employee and who is not a Bad Leaver and shall

	include, without limitation, when the Directors determine that a person is not a Bad Leaver.
<b>Group</b>	the Company and its Subsidiary Undertaking(s) (if any) from time to time and <b>Group Company</b> : shall be construed accordingly.
<b>hard copy format</b>	has the same meaning as in section 1168 of the Act.
<b>Investment Agreement</b>	the investment agreement dated on or around the Date of Adoption between, amongst others, the Company and the A2 Investors (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being).
<b>Investors</b>	a holder(s) for the time being of Investor Shares.
<b>Investor Consent</b>	the prior consent in writing of the holder(s) for the time being of not less than 50% by nominal value of the A2 Ordinary Shares in issue from time to time.
<b>Investor Director Consent</b>	the prior consent of an A2 Investor Director.
<b>Investor Directors</b>	the A1 Investor Director and/or A2 Investor Director and <b>Investor Director</b> means either of them.
<b>Investor Majority</b>	the holder(s) for the time being of not less than 65% by nominal value of all Investor Shares held by Investors from time to time.
<b>Investor Shares</b>	the A1 Ordinary Shares and the A2 Ordinary Shares in issue from time to time.
<b>IPO</b>	the admission of all or any of the Shares or securities representing those shares to the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).
<b>IPO Realisation Value</b>	in respect of an IPO, the value of the Company determined by reference to the price at which shares are offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the IPO (excluding any shares to be subscribed

	and issued on the relevant Listing other than new shares to be paid up by way of a capitalisation of reserves or arising from any sub-division, consolidation or conversion of Shares), as determined by the investment bank, broker or other adviser appointed by the Board to advise in connection with the IPO (less the cost of the Listing) and agreed by an Investor Majority whose agreement shall be final and binding on the Company and its Shareholders
<b>Issue Price</b>	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.
<b>Lien Enforcement Notice</b>	has the meaning given in Article 30.4.
<b>Material Adverse Effect</b>	an act or omission, or the occurrence of a fact, matter, event or circumstance affecting the Company giving rise to, or which is likely to give rise to, a material adverse effect on the business, operations, assets, liabilities, financial condition or results of operations of the Company taken as whole.
<b>Member of the same Group</b>	as regards to any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking.
<b>Model Articles</b>	the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 ( <i>SI 2008/3229</i> ), as amended prior to the Date of Adoption.
<b>New Securities</b>	any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Date of Adoption.
<b>Ordinary Shares</b>	the ordinary shares of £0.0001 each in the capital of the Company.
<b>Ordinary Shareholder</b>	a holder for the time being of Ordinary Shares.
<b>Original Shareholder</b>	has the meaning given in article 11.1.



<b>Permitted Transfer</b>	a transfer of Shares made in accordance with article 11.
<b>Permitted Transferee</b>	<p>in relation to:</p> <ul style="list-style-type: none"><li>(a) a Shareholder who is an individual, any of their Privileged Relations or Trustees or Qualifying Companies;</li><li>(b) a Shareholder who is a Family Trust or its Trustees, the beneficiaries of such Family Trust;</li><li>(c) a Shareholder which is an undertaking (as defined in section 1161(1) of the Act), any Member of the same Group;</li><li>(d) a Shareholder who is a nominee for an individual, to the beneficial owner of such Shares or to the beneficial owner's Privileged Relations, Trustees, or Qualifying Companies;</li><li>(e) a Shareholder which is a company, a Member of the Same Group as that company.</li></ul>
<b>Priority Rights</b>	the rights of Shareholders to purchase Shares in the priority stipulated in Article 12.6.
<b>Privileged Relation</b>	in relation to a Shareholder who is an individual (or a deceased or former Shareholder who is an individual), a spouse, Civil Partner, parent, sibling, child or grandchild (including step or adopted or illegitimate child and their issue).
<b>Proceeds of Sale</b>	the consideration payable (including any deferred and/or contingent consideration and any other consideration which, having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Shares being sold) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale, less any fees, costs and expenses payable in respect of such Share Sale.
<b>Proposed Purchaser</b>	a bona fide independent third party proposed purchaser who at the relevant time has made an offer on arm's length terms.

<b>Proposed Sale Date</b>	has the meaning given in Article 15.3.
<b>Proposed Sale Notice</b>	has the meaning given in Article 15.3
<b>Proposed Sale Shares</b>	has the meaning given in Article 15.3.
<b>Proposed Transfer</b>	has the meaning given in Article 15.1
<b>Qualifying Company</b>	a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010).
<b>Qualifying Person</b>	has the meaning given in section 318(3) of the Act.
<b>Relative Majority</b>	where a candidate for a given position is appointed by a relative majority of Shares of a given class or held by certain Shareholders, the candidate who has received the support of Shareholders holding the largest number of such Shares.
<b>Relevant Employee</b>	an Employee other than a Founder.
<b>Relevant Employee Shares</b>	<p>in relation to a Relevant Employee means all Shares held by:</p> <ul style="list-style-type: none"> <li>(a) the Relevant Employee in question; and</li> <li>(b) any Permitted Transferee of that Relevant Employee (other than those Shares held by those persons that the Board declares itself satisfied were not acquired directly or indirectly from the Relevant Employee or by reason of their relationship with the Relevant Employee) ,</li> </ul> <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>
<b>Restricted Shares</b>	has the meaning given in article 14.8.
<b>Sale Proceeds</b>	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).
<b>Sale Shares</b>	has the meaning given in article 12.2.1.
<b>Seller</b>	has the meaning given in article 12.2.
<b>Shareholder</b>	a holder for the time being of any Share or Shares, but excluding any member holding Shares in treasury.
<b>Shareholder Majority</b>	the holders for the time being of not less than 75% by nominal value of all Ordinary Shares in issue from time to time and of not less than 65% by nominal value of all Investor Shares in issue from time to time.
<b>Share Option Plan(s)</b>	any share option scheme or plan of the Company the terms of which have been approved by Investor Consent or which the Board identifies as being a Share Option Plan for the purposes of these Articles.
<b>Shares</b>	shares (of any class) in the capital of the Company and <b>Share</b> : shall be construed accordingly.
<b>Share Sale</b>	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 purchaser of those Shares (or grantee of that right) and persons Acting in Concert with them together acquiring a Controlling Interest in the Company, 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 prior to the sale.
<b>Subscription and Shareholders Agreement</b>	the subscription and shareholders agreement entered into on or around the Date of Adoption between, inter alia, the A1 Investors, the Founders and the Company.
<b>Subsidiary</b>	has the meaning set out in section 1159 of the Act.
<b>Subsidiary Undertaking</b>	has the meaning set out in section 1162 of the Act.

<b>Transfer Notice</b>	has the meaning given in Article 12.2.
<b>Transfer Price</b>	has the meaning given in Article 12.
<b>Treasury Shares</b>	Shares held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act.
<b>Trustees</b>	in relation to a Shareholder means the trustee or the trustees of a Family Trust.

- 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 and neuter and vice versa.
- 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 Date of Adoption).
- 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 legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative 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 in these Articles to a holder, or the holder(s), of Shares, Equity Shares or any class of Shares as the case may be shall, in each case, be deemed to exclude any member holding Treasury Shares, unless stated otherwise.

- 1.11 A reference to **issued** Shares of any class shall exclude any Shares of that class held as Treasury Shares from time to time, unless otherwise stated.
- 1.12 A reference in these Articles to **Confidential Information** means any information or know-how of a secret or confidential nature relating to any Group Company or of any Shareholder, including, without limitation:
  - 1.12.1 any information regarding the Subscription and Shareholders Agreement, the Investment Agreement and the investment by the Investors in the Company;
  - 1.12.2 any financial information or trading information relating to a Group Company or any Shareholder which a Shareholder may receive or obtain as a result of entering into the Subscription and Shareholders Agreement and/or the Investment Agreement;
  - 1.12.3 in the case of any Group Company information concerning:
    - 1.12.3.1 its finances and financial data, business transactions, dealings and affairs and prospective business transactions;
    - 1.12.3.2 any operational model, its business plans and sales and marketing information, plans and strategies;
    - 1.12.3.3 its customers, including without limitation, customer lists, customer identities and contact details and customer requirements;
    - 1.12.3.4 any existing and planned product lines, services, price lists and pricing structures (including without limitation, discounts, special prices or special contract terms offered to or agreed with customers);
    - 1.12.3.5 its technology or methodology associated with concepts, products and services including research activities and the techniques and processes used for the development of concepts, products and services;
    - 1.12.3.6 its computer systems, source codes and software, including without limitation, software and technical information necessary for the development, maintenance or operation of websites;
    - 1.12.3.7 its current and prospective intellectual property;
    - 1.12.3.8 its directors, officers, employees and shareholders (including, without limitation, salaries, bonuses, commissions, and the terms on which such individuals are employed or engaged and decisions or contents of Board meetings;

1.12.3.9 its suppliers, licensors, licensees, agents, distributors or contractors (“**Professional Contacts**”), both current and during the previous two years, including the identity of such Professional Contacts and the terms on which they do business, or participate in any form of commercial co-operations with any Group Company;

1.12.3.10 information concerning or provided to third parties, in respect of which any Group Company owes a duty of confidence (in particular but without limitation, the content of discussions or communications with any prospective customers or prospective business partners;

1.12.3.11 any other information which it may reasonably be expected would be regarded by a company as confidential or commercially sensitive,

provided that Confidential Information shall not include any information which:

1.12.3.11.1 is, or becomes (other than through a breach of the Subscription and Shareholders Agreement or through the wrongful disclosure of any Shareholder), available in the public domain or otherwise available to the public generally without requiring a significant expenditure of labour, skill or money;

1.12.3.11.2 is, at the time of disclosure, already known to the receiving Shareholder without restriction on disclosure;

1.12.3.11.3 is, or subsequently comes, into the possession of the receiving Shareholder without violation of any obligation of confidentiality;

1.12.3.11.4 is independently developed by the receiving Shareholder without breach of these Articles;

1.12.3.11.5 is explicitly approved for release by the written consent of an authorised representative of the disclosing Shareholder; or

1.12.3.11.6 a Shareholder is required to disclose by law, by any securities exchange on which such Shareholder’s securities are listed or traded, by any regulatory or governmental or other authority with relevant powers to which such Shareholder is subject or submits, whether or not the requirement has the force of law, or by any court order.

## **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 8(2), 9(4), 10 (3), 11(2), 13,14, 17(2), 17(3), 19, 21, 26(5), 27, 28,29 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 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".

## **SHARES AND DISTRIBUTIONS**

### **3. SHARE CAPITAL**

- 3.1 In these Articles, unless the context requires otherwise, references to Shares of a particular class shall include Shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects with the Shares of the relevant class then in issue.
- 3.2 The Company's share capital is divided into A1 Ordinary Shares, A2 Ordinary Shares Ordinary Shares and B Ordinary (Non-Voting) Shares which, except as otherwise provided in these Articles, shall rank pari passu in all respects but shall constitute separate classes of shares.
- 3.3 Subject to the consent in writing of an Investor Majority and the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.
- 3.4 Paragraph (c) of article 24(2) of the Model Articles shall be modified by the insertion of the words "and the amount paid up on them" after the words "that the shares are fully paid".
- 3.5 For the avoidance of doubt, the Company shall not exercise any right in respect of any Treasury Shares, including without limitation any right to:
  - 3.5.1 receive notice of or to attend or vote at any general meeting of the Company;

3.5.2 receive or vote on any proposed written resolution;

3.5.3 receive a dividend or other distribution

save as otherwise permitted by section 726(4) of the Act.

#### **4. DIVIDENDS**

4.1 The Company shall not declare or pay any dividends unless the Company obtains Investor Consent to any such dividend.

4.2 The B Ordinary (Non-Voting) Shares shall not entitle the holders thereof to receive any dividends.

4.3 Save as otherwise provided in Article 4.2, any profits which the Company, on the recommendation of the Board, determines to distribute shall be distributed to the holders (from time to time) of Equity Shares (other than B Ordinary (Non-Voting) Shares) (pari passu as if the Equity Shares constituted one class of shares) pro rata to their respective holdings of Equity Shares.

4.4 If there are nil paid or partly paid Share(s), any holder of such Share(s) shall only be entitled, in case of any dividend, to be paid an amount equal to the amount of the dividend multiplied by the percentage of the amount that is paid up (if any) on such Share(s) during any portion or portions of the period in respect of which a dividend is paid. In addition, the proportions of the dividends not paid to holders of not fully paid Shares shall be waived by such holders and distributed to Shareholders who are fully paid up in proportion to their shareholding.

4.5 If:

4.5.1 a Share is subject to the Company's Lien;

4.5.2 the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company by the holder of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice. Money so deducted shall be used to pay any of the sums payable in respect of that Share and/or used to discharge any other indebtedness owing from the holder of that Share to the Company (as the Board may decide). The Company shall notify the distribution recipient in writing of;

4.5.2.1 the fact and sum of any such deduction;

4.5.2.2 any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction;

4.5.2.3 how the money deducted has been applied.



4.6 Article 31(1) of the Model Articles shall be amended by:

4.6.1 the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and

4.6.2 the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".

4.7 Notwithstanding any other provision of this Article 4, no dividend may be paid to the Company in respect of any Treasury Shares.

## 5. LIQUIDATION

On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares by the Company) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so) to the holders of Shares pro rata to the number of Shares held by them.

## 6. EXIT PROVISIONS

6.1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out below (unless all Shareholders holding Shares immediately prior to the Share Sale have agreed in writing to the contrary expressly for the purposes of this provision, whether in the agreement for the Share Sale or otherwise):

6.1.1 first in paying to the holders of Ordinary Shares, A1 Ordinary Shares and A2 Ordinary Shares the sum of £3.60 on each such Share held and, if there is a shortfall of Sale Proceeds to satisfy such payments in full, the proceeds shall be distributed to the holders of Ordinary Shares, A1 Ordinary Shares and A2 Ordinary Shares pro rata to the aggregate amounts due under this 6.1.1 to each such Share held as if they constituted shares of the same class;

6.1.2 second in paying to the holders of the B Ordinary (Non-Voting) Shares the Issue Price on each B Ordinary (Non-Voting) Share held and if there is a shortfall of Sale Proceeds remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the B Ordinary (Non-Voting) Shares pro rata to the aggregate amounts due under this article 6.1.2 to each such B Ordinary held; and

6.1.3 thereafter in distributing the balance pro rata to the number of Shares held as if they constituted Shares of the same class.

6.2 The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in the manner set out in Article 6.1 (save where all Shareholders holding Shares immediately prior to the Share Sale have agreed in writing to the

contrary or 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:

- 6.2.1 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 6.1 or as otherwise agreed by all Shareholders; and
  - 6.2.2 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 6.1.
- 6.3 Immediately before and conditional on an IPO approved by the Board the Shareholders shall enter into such reorganisation of the share capital of the Company to ensure that the IPO Realisation Value is allocated between Shareholders in the same proportion as the relevant provisions of Article 6.1 would have provided if the IPO Realisation Value were Sale Proceeds available for distribution to the Shareholders under the relevant provisions of Article 6.1. The details of any such share reorganisation shall be agreed by a Shareholder Majority and their agreement shall be final and binding on the Company and the Shareholders. The Shareholders undertake to do all such acts necessary (including by the exercise of any voting rights (whether as a Director or Shareholder)) so as to procure that any reorganisation agreed or determined as aforesaid takes place (including, as required, any sub-division, re-designation or consolidation).
- 6.4 In the event of an Exit approved by the Board (**Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are reasonably required by the Directors to facilitate the Proposed Exit

## 7. VOTING

- 7.1 The Ordinary Shares, A1 Ordinary Shares and A2 Ordinary Shares shall confer on each holder of such Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 7.2 The B Ordinary (Non-Voting) Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 7.3 Where Shares confer a right to vote, on a show of hands each holder of such Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

7.4 No voting rights attached to a Share which is nil paid or partly paid may be exercised:

7.4.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or

7.4.2 on any proposed written resolution,

unless all of the amounts payable to the Company in respect of that share have been paid.

## **8. VARIATION OF RIGHTS**

8.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such 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 at least 75% in nominal value of the issued Shares of that class, save that the special rights attached to the A2 Ordinary Shares may only be varied or abrogated with Investor Consent.

8.2 Without prejudice to the generality of Article 8.1, the special rights attaching to the A2 Ordinary Shares shall be deemed to be varied by the occurrence of any of the following events:

8.2.1 any alteration to the Articles or the articles of association any Group Company;

8.2.2 the purchase by the Company of any of its own Shares or any reduction of any amount standing from time to time to the credit of the share premium account or capital redemption reserve of the Company;

8.2.3 the application by capitalisation of any sum in or towards paying up any Shares or other securities of the Company;

8.2.4 any return of capital of the Company;

8.2.5 the entering into by any Group Company of a voluntary winding up;

8.2.6 the redenomination of any of the issued share capital of the Company; and

8.2.7 the creation of a new class of Shares which has preferential rights to the Investor Shares.

## **9. ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**

9.1 Unless otherwise agreed by an Investor Majority, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless

the Company has in the first instance offered them to all Shareholders (the **Subscribers**) on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares (as if the Shares constituted one and the same class) held by those Shareholders (as nearly as may be without involving fractions). The offer:

- 9.1.1 shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the **Subscription Period**) and give details of the number and subscription price of the New Securities; and
- 9.1.2 may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 9.2 If at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by them).
- 9.3 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered, subject to Article 9.6, to any other person as the Directors may determine over a period no longer than three months following the end of the Subscription Period at the same price and on the same terms as the offer to the Subscribers.
- 9.4 Subject to Articles 9.1 to 9.3 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 9.5 The provisions of Articles 9.1 to 9.2 (inclusive) shall not apply to:
  - 9.5.1 options to subscribe for B Ordinary (Non-Voting) Shares under any Share Option Plan and the issue of B Ordinary (Non-Voting) Shares on the exercise of any options so granted;
  - 9.5.2 New Securities issued or granted in order for the Company to comply with its obligations under these Articles and;
  - 9.5.3 New Securities issued in consideration of the acquisition by the Company of any company or business for which Investor Consent has been obtained;

- 9.5.4 the allotment and issue of New Securities pursuant to and in accordance with the terms of the Subscription and Shareholders' Agreement and the Investment Agreement.
- 9.6 No Shares shall be allotted (nor any Treasury Shares be transferred) to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

## **10. TRANSFERS OF SHARES: GENERAL**

- 10.1 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.
- 10.2 No Share shall be transferred unless it is made in accordance with these Articles.
- 10.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles they will be deemed immediately to have served a Transfer Notice in respect of all Shares held by them.
- 10.4 Any transfer of a Share by way of sale which is required to be made under Article 14, Article 14, Article 15 or Article 16 will be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 10.5 A Founder may transfer up to an aggregate of 10% of the Ordinary Shares they hold on the Date of Adoption at any time prior to an Exit without Board approval (other than in accordance with Article 16)
- 10.6 The Directors may refuse to register a transfer if:
  - 10.6.1 it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
  - 10.6.2 the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
  - 10.6.3 it is a transfer of a Share which is not fully paid:
    - 10.6.3.1 to a person of whom the Directors do not approve; or
    - 10.6.3.2 on which Share the Company has a lien;
  - 10.6.4 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the

Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

- 10.6.5 the transfer is in respect of more than one class of Shares;
  - 10.6.6 the transfer is in favour of more than four transferees; or
  - 10.6.7 these Articles otherwise provide that such transfer shall not be registered.
- 10.7 If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 10.8 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, agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between all or some 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 under any such agreement or other document) and if any condition is imposed in accordance with this Article 10.8, 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.
- 10.9 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may, with Investor Director Consent or Investor Consent, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors or any Investor Director may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name.
- 10.10 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.
- 10.11 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:
- 10.11.1 the Transfer Price for the Sale Shares will be as agreed between the Board (with Investor Director Consent or Investor Consent) (any director who is a Seller or with whom the Seller is connected (within the meaning of

section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

10.11.2 it does not include a Minimum Transfer Condition (as defined in Article 12.2.4; and

10.11.3 the Seller wishes to transfer all of the Shares held by it.

10.12 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

10.12.1 the transferor; and

10.12.2 (if any of the shares is partly or nil paid) the transferee.

10.13 Where any Share (other than a B Ordinary (Non-Voting) Share) is transferred to an existing member holding Shares, such Share so transferred shall, on and from the time of registration of the transfer of that Share in the register of members of the Company, be immediately and automatically (without resolution of the members or Directors) re-designated as a Share of the same class as the Shares already held by such member. The provisions of this Article 10.13 shall not apply to B Ordinary (Non-Voting) Share which shall remain as designated irrespective of the holding of a member to whom such Share is transferred.

## 11. PERMITTED TRANSFERS OF SHARES

11.1 Subject always to Article 10.2, a Shareholder (who is not a Permitted Transferee) (the **Original Shareholder**) may transfer all or any of their Shares to a Permitted Transferee without restriction as to price or otherwise save that the transfer of Ordinary Shares held by any Founder under this Article 11.1 shall be in accordance with Article 10.5.

11.2 Shares previously transferred as permitted by Article 11.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

11.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.

11.4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than 15 Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder

(which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

- 11.5 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 11.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:
  - 11.6.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);
  - 11.6.2 with the identity of the proposed trustee(s);
  - 11.6.3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - 11.6.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.
- 11.7 If a company to which a Share has been transferred under article 12.6 ceases to be a Qualifying Company, it must within 5 Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board to have given a Transfer Notice in respect of such Shares.
- 11.8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
  - 11.8.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - 11.8.2 give a Transfer Notice to the Company in accordance with Article 12.2, failing which he shall be deemed to have given a Transfer Notice.
- 11.9 On the death (subject to Article 11.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within 5 Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without



restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within 5 Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

- 11.10 A transfer of any Shares approved by the Board (acting with Investor Consent) may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.
- 11.11 The Company shall only be permitted to sell or transfer any Shares held as Treasury Shares to any person with Investor Consent.
- 11.12 Notwithstanding any other provision of this Article 11, a transfer of any Shares approved by the Directors (acting with Investor Consent or Investor Director Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors.

## 12. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 12.1 Save where the provisions of Articles 11 (Permitted Transfers) 14 (Compulsory Transfers) or 16 (Drag Along) apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 12. For the purposes of this Article 12 the A1 Ordinary Shares, A2 Ordinary Shares and Ordinary Shares shall be treated as Shares of the same class.
- 12.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
  - 12.2.1 subject to Article 10.11 and Article 14, the number and class of Shares they wish to transfer (the **Sale Shares**);
  - 12.2.2 if they wish to sell the Sale Shares to a third party, the name of the proposed transferee;
  - 12.2.3 subject to Article 10.11.3 and Article 14.6, the price (in cash) at which they wish to transfer the Sale Shares; and
  - 12.2.4 subject to Article 10.11, whether the Transfer Notice is conditional on all or a specific number of the Sale Shares (the **Minimum Number of Sale Share**) being sold to Shareholders (a **Minimum Transfer Condition**).

If no cash price is specified by the Seller in accordance with Article 12.2.3, the price at which the Sale Shares are to be transferred (the **Transfer Price**) must be agreed by the Board (acting with Investor Director Consent or Investor Consent). In

addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (acting with Investor Director Consent or Investor Consent). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 5 Business Days of the Company receiving the Transfer Notice.

12.3 Except with the written consent of the Board, or as otherwise specified in these Articles, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

12.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

12.5 As soon as practicable following the later of:

12.5.1 receipt of a Transfer Notice; and

12.5.2 in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 13,

the Board shall offer the Sale Shares for sale to Shareholders in the manner set out in the remaining provisions of this Article 12. Each offer must be in writing and shall give details of the number, class and Transfer Price of the Sale Shares offered.

## **12.6 Priority Rights for offer of Sale Shares**

12.6.1 If the Sale Shares are A1 Ordinary Shares, A2 Ordinary Shares or Ordinary Shares, the Company shall offer them in the following order of priority:

12.6.1.1 to all holders of A1 Ordinary Shares, A2 Ordinary Shares and Ordinary Shares (as if they constituted Shares of one and the same class); and

12.6.1.2 thereafter, to the Company;

In each case on the basis set out in Article 12.8.

12.6.2 If the Sale Shares are B Ordinary (Non-Voting) Shares the Sale Shares shall be offered in the following priority:

12.6.2.1 first, to any Employee Trust that the Directors (acting with Investor Consent) may nominate for the purpose and/or, subject to the Act, the Company on the basis set out in Article 12.7;

12.6.2.2 second to all holders of Shares on the basis set out in Article 12.8.

12.7 An offer of Sale Shares made in accordance with Article 12.6.2.1 shall remain open for acceptance for a period from the date of the offer to the date 20 Business Days

after the offer (both dates inclusive). Any Sale Shares not allocated within that period shall be dealt with in accordance with Article 12.8.

## **12.8 Transfers: Offer**

- 12.8.1 Subject to Article 12.7, the Board shall offer the Sale Shares pursuant to the Priority Rights to all Shareholders (other than the Seller) specified in the offer (the **Continuing Shareholders**) in the order of priority referred to in Article 12.6 (as appropriate) inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 12.8.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under this Article 12.8 will be conditional on the fulfilment of the Minimum Transfer Condition.
- 12.8.3 If 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 (fractional entitlements being rounded down to the nearest whole number) which their existing holding of Shares bears to the total number of Shares being offered held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation will be made to a Shareholder of more than the maximum number of Sale Shares which they have stated they are willing to buy.
- 12.8.4 If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be offered pursuant to the Priority Rights in accordance with Article 12.6 inviting them to apply in accordance with Article 12.8.1.

The process in Articles 12.8.1 to 12.8.4 inclusive shall be repeated *mutatis mutandis* until such time as the total number of Shares applied for is equal to or exceeds the number of Sale Shares and the Board has allocated all such Sale Shares to the relevant Continuing Shareholders or the Sale Shares have been offered to all Shareholders with Priority Rights in accordance with Article 12.6 and the process in Articles 12.8.1 to 12.8.4 has been exhausted. If at that time, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the relevant Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 12.9.1.

## **12.9 Completion of the transfer of Unallocated Sale Shares**

- 12.9.1 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 12.9.2, the Seller may, within sixty (60) days after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a

price at least equal to the Transfer Price (provided that if there was a Minimum Transfer Condition in the Transfer Notice, the Seller may only sell all (but not some) of the Sale Shares).

12.9.2 The right of the Seller to transfer Shares under Article 12.9.1 does not apply if the Board is of the opinion on reasonable grounds that:

12.9.2.1 The transferee is a person (or a nominee for a person) who the Board determine in their absolute discretion is a competitor with )or an Associate of a competitor with) the business carried on by the Company or a Subsidiary Undertaking of the Company at the relevant time;

12.9.2.2 the transferee has not complied with Article 15 (Tag Along);

12.9.2.3 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

12.9.2.4 the Seller has failed or refused to provide promptly information available to it or them and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

## **12.10 Completion of transfer of Sale Shares**

12.10.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for and/or allocated is less than the Minimum Number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 12.8 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

12.10.2 If:

12.10.2.1 the Transfer Notice does not include a Minimum Transfer Condition; or

12.10.2.2 the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under Article 12.8 and once the requirements of Article 15 have been fulfilled to the extent required, give written notice of allocation (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (an **Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

12.10.3 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

12.11 If the Seller fails to comply with article 12.10.3:

12.11.1 the chairperson of the Company or, failing them, one of the Directors, or some other person nominated by a resolution of the Board, may, on behalf of the Seller:

12.11.1.1 complete, execute and deliver in their name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

12.11.1.2 receive the Transfer Price and give a good discharge for; and

12.11.1.3 (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

12.11.2 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 such Seller has delivered to the Company their certificate or certificates for the relevant Shares (or an indemnity, in a form acceptable to the Board).

### 13. VALUATION OF SHARES

13.1 If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served (and the Transfer Price cannot be agreed between the Seller and the Board in accordance with the foregoing provisions) then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either (if required):

13.1.1 appoint an expert valuer in accordance with Article 13.2 (the **Expert Valuer**) to certify the Fair Value of the Sale Shares; or

13.1.2 specify, if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks specify that the Fair Value shall be the Fair Value of the Sale Shares to which the Transfer Notice relates.

13.2 The Expert Valuer will be either:

13.2.1 the Auditors; or

13.2.2 (if otherwise agreed by the Board and the Seller) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President

of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.

- 13.3 The **Fair Value** of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:
- 13.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
  - 13.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - 13.3.3 that the Sale Shares are capable of being transferred without restriction;
  - 13.3.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares (excluding any Shares held as Treasury Shares) without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and
  - 13.3.5 reflecting any other factors which the Expert Valuer reasonably believes should be taken into account.
- 13.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 13.5 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 13.6 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 13.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company, subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 13.8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within 5 Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 13.9 The cost of obtaining the Expert Valuer's certificate shall be paid by the Company unless:
- 13.9.1 the Seller cancels the Company's authority to sell; or

13.9.2 price of the Sale Shares certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the cost.

#### **14. COMPULSORY TRANSFERS**

14.1 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.

14.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of their death the Directors may require the legal personal representatives of that deceased Shareholder either:

14.2.1 to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer);or

14.2.2 to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 14.2 shall not be fulfilled to the reasonable satisfaction of the Directors, a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Directors may otherwise determine.

14.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.

14.4 If there is a change in control (as 'control' is defined in section 1124 of CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice.

14.5 Unless the Board determines that this Article 14.5 shall not apply, if a Relevant Employee ceases to be an Employee, the Relevant Employee, unless the Directors

otherwise direct in writing in respect of any particular Relevant Employee Shares prior to or within 15 Business Days after the relevant Effective Termination Date, be deemed to have been served on the Effective Termination Date in respect of all Relevant Employee Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Employee Shares before Effective Termination Date shall automatically lapse.

14.6 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the Relevant Employee is:

14.6.1 a Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares; and

14.6.2 a Good Leaver, be the amount of the aggregate Issue Price of such Sale Shares and aggregate Fair Value of such Sale Shares, whichever is greater.

For the purposes of this Article, Fair Value shall be as agreed between the Board and the Relevant Employee, or failing agreement within five Business Days of seeking to agree such price, shall be as determined in accordance with Article 13.

14.7 Notwithstanding the provisions of Article 14.6, the holders of the A2 Ordinary Shares may, by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) Transfer Price shall apply to any or all Sale Shares which would otherwise be subject to Article 14.6

14.8 Forthwith upon a Transfer Notice being deemed to be served under article 14.5 the Relevant Shares (**Restricted Shares**) shall cease to confer on the holder of them any rights:

14.8.1 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;

14.8.2 to receive dividends or other distributions otherwise attaching to those Shares; or

14.8.3 to participate in any future issue of Shares.

The Directors may reinstate the rights referred to in Article 14.8 at any time and, in any event, such rights shall be reinstated in on completion of a transfer of the Relevant Employee Shares (as evidenced by the transferees name being entered into the Company's register of members).

## 15. TAG ALONG

15.1 Except in the case of Permitted Transfers and transfers pursuant to Article 14 and Article 16, after going through the pre-emption procedure in Article 12, the provisions of Article 15.2 will apply if one or more Proposed Selling Shareholders



propose to transfer in one or a series of related transactions any Shares (the **Proposed Transfer**) which would, if put into effect, result in any person (the **Buyer**) (and Associates of their or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.

- 15.2 A Proposed Selling Shareholder must, before making a Proposed Transfer, procure the making by the Buyer of an offer (the **Offer**) to the other Shareholders to acquire all of the Shares held by them on the same terms and for a consideration per Share the value of which is at least equal to the Specified Price (as defined in Article 15.7).
- 15.3 The Offer must be given by written notice (a **Proposed Sale Notice**) at least 10 Business Days (the **Offer Period**) prior to the proposed sale date (**Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Buyer, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Buyer (the **Proposed Sale Shares**).
- 15.4 If any other holder of Shares is not given the rights accorded him by this Article, the Proposed Selling Shareholders will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 15.5 If the Offer is accepted by any Shareholder (an **Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 15.6 The Proposed Transfer is subject to the pre-emption provisions of Article 12 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 12.
- 15.7 For the purpose of this Article 15:
  - 15.7.1 the expression **Specified Price** shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Buyer:
    - 15.7.1.1 in the Proposed Transfer; or
    - 15.7.1.2 in any related or previous transaction by the Buyer or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the **Supplemental Price**, as defined in Article 15.7.2, equal to any other consideration (in cash or otherwise) (the **Supplemental Consideration**) paid or payable by the Buyer or any other person Acting in Concert with the Buyer, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for each Share of the Proposed Selling Shareholder and the Accepting Shareholders, provided that the total consideration paid by the Buyer in respect of the Proposed Transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of Article 6.1

where: A = number of Equity Shares being sold in connection with the relevant Proposed Transfer;

15.7.2 Supplemental Price =  $C/A$

where:

A is the number of Shares being sold in connection with the relevant Proposed Transfer by the Proposed Selling Shareholder;

C is the Supplemental Consideration paid or payable to the Proposed Selling Shareholder.

## 16. DRAG ALONG

16.1 If the holders of 75% of the Ordinary Shares and the holders of 75% of the A2 Ordinary Shares (the **Selling Shareholders**) wish to transfer all of their interest in Equity Shares (the **Selling Shareholders' Shares**) to a Proposed Purchaser, the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Equity Shares (the **Called Shareholders**) to sell and transfer all their interest in Equity Shares to the Proposed Purchaser or as the Proposed Purchaser may direct in accordance with the provisions of this Article 16.

16.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Selling Shareholders' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that :

16.2.1 the Called Shareholders are required to transfer all their Equity Shares (the **Called Shares**) pursuant to this Article 16;

16.2.2 the person to whom they are to be transferred;

16.2.3 the consideration for which the Called Shares are to be transferred (calculated in accordance with Article 16.5;

16.2.4 the proposed date of transfer;

16.2.5 the form of any sale and purchase agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale.

16.3 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this Article 16.

16.4 A Drag Along Notice shall be irremovable but will lapse if for any reason there is not a sale of the Selling Shareholders' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along

Notices following the lapse of any particular Drag Along Notice save if the lapse is in the circumstances set out on Article 16.9.

- 16.5 The consideration (in cash or any other consideration, which, having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the purchase price paid or payable for the Shares being sold) (the **Drag Consideration**) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration (which may be cash consideration and/or non-cash consideration) proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Selling Shareholders' Shares in accordance with the provisions of Article 6.1. Where the consideration is non-cash consideration, any valuation of such consideration applicable to the consideration payable to the Selling Shareholders shall also be applicable to the consideration payable to the Called Shareholders.
- 16.6 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer their Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder.
- 16.7 Within 5 Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice), (the **Drag Completion Date**) each Called Shareholder shall deliver:
- 16.7.1 duly executed stock transfer form(s) for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct;
  - 16.7.2 the relevant share certificate(s) (or a suitable indemnity in lieu thereof to the Company; and
  - 16.7.3 duly executed sale and purchase agreement, if applicable, specified in the Drag Along Notice or as otherwise specified by the Company,
- (together the **Drag Documents**)
- 16.8 On the Drag Completion Date, the Company shall pay or transfer to each Called Shareholder, on behalf of the Proposed Purchaser, the Drag Consideration that is due to the extent the Proposed Purchaser has paid such consideration to the Company or, if the consideration is non-cash consideration, the Proposed Purchaser has satisfied the consideration due to the Called Shareholders through the issue of Shares or securities or the payment or transfer of any other non-cash consideration due to be issued, paid or transferred to that Called Shareholder. The Company's receipt of the Drag Consideration shall be a good discharge to the Proposed Purchaser. Following the Company's receipt of the Drag Consideration, but pending its payment or transfer to the Called Shareholder, the Company shall

hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.

- 16.9 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration (for their cash and if relevant non-cash portion) or satisfied the Board that the Proposed Purchaser is in a position to issue, pay, transfer or otherwise satisfy such Drag Consideration, the Called Shareholders shall be entitled to the return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 16 in respect of their Shares.
- 16.10 If a Called Shareholder fails to deliver the Drag Documents for their Shares to the Company by the Drag Completion Date, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to execute and deliver the Drag Documents on behalf of the Called Shareholder and to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or their nominee(s) to the extent the Proposed Purchaser has, at the Drag Completion Date, paid the Drag Consideration (for their cash and if relevant non-cash portion) or has satisfied the Board that the Proposed Purchaser is in a position to issue, pay transfer or otherwise satisfy such Drag Consideration as is payable for such Called Shareholders' Shares offered to them. The Board shall then authorise registration of the transfer once the appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender their share certificate for their Shares (or provide a suitable indemnity) to the Company. On surrender, they shall be entitled to the Drag Consideration (in cash or otherwise) due to them.
- 16.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion 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 who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.
- 16.12 A transfer of Called Shares to a Proposed Purchaser (or as the Proposed Purchaser may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 12.
- 16.13 Any Transfer Notice or deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.

## 17. GENERAL MEETINGS

- 17.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting not later than 21

days after becoming subject to such requirement, for a date not later than 28 days after the date of the notice convening such meeting in accordance with section 304 of the Act.

- 17.2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50% in nominal value of the Shares (excluding Treasury Shares), any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 17.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairperson.
- 17.4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 17.5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded
- 17.6 No notice need be given of a poll not held 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 clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 17.7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver proxy notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

## **18. PROXIES**

- 18.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the Directors)".

18.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:

18.2.1 be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

18.2.2 be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director;

18.2.3 in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

## 19. DIRECTORS BORROWING POWERS

The Directors may, with Investor Director Consent or Investor Consent, exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party.

## 20. ALTERNATE DIRECTORS

20.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the **Appointor**) may appoint any Director or any other person as he thinks fit to be his alternate Director to:

20.1.1 exercise that Director's powers; and

20.1.2 carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

20.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.

20.3 The notice must:

- 20.3.1 identify the proposed alternate; and
- 20.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 20.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.
- 20.5 Except as these Articles specify otherwise, alternate Directors:
  - 20.5.1 are deemed for all purposes to be Directors;
  - 20.5.2 are liable for their own acts and omissions;
  - 20.5.3 are subject to the same restrictions as their Appointors; and
  - 20.5.4 are not deemed to be agents of or for their Appointors,and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.
- 20.6 A person who is an alternate Director but not a Director:
  - 20.6.1 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
  - 20.6.2 may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).No alternate may be counted as more than one Director for such purposes.
- 20.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision).
- 20.8 An alternate Director is not entitled to receive any remuneration from the Company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 20.9 An alternate Director's appointment as an alternate shall terminate:
  - 20.9.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

- 20.9.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
- 20.9.3 on the death of the alternate's Appointor; or
- 20.9.4 when the alternate's Appointor's appointment as a Director terminates.

## 21. NUMBER OF DIRECTORS

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall not exceed 6 and shall not be less than two.

## 22. APPOINTMENT OF DIRECTORS

- 22.1 The Founders will have the following rights to appoint and remove Directors to the Board of the Company:
  - 22.1.1 The Founders will be entitled to appoint and remove Directors of the Company from time to time (the **Founder Director(s)**) as follows:
    - 22.1.1.1 for so long as the Founders and their Permitted Transferees hold Shares, they will be entitled to appoint up to 3 persons as Directors of the Company from time to time, and the other Shareholders will not vote with their Shares so as to remove such persons from office.
    - 22.1.1.2 Each Founder will be entitled to appoint and remove themselves as a Founder Director.
    - 22.1.1.3 Any other Founder Directors will be appointed and/or removed by the holders of the majority of Shares held by the Founders.
- 22.2 In addition to the powers of appointment under article 17(1) of the Model Articles, the A1 Investors will have the following rights to appoint and remove a Director of the Company (the **A1 Investor Director**) as follows:
  - 22.2.1 For so long as the A1 Ordinary Shares represent not less than 12% of the Equity Shares in issue, the A1 Investors acting by a Relative Majority of the A1 Ordinary Shares held by them, have the right to:
    - 22.2.1.1 appoint and maintain in office one person as a Director; and
    - 22.2.1.2 to remove each A1 Investor Director so appointed; and
    - 22.2.1.3 upon removal of such A1 Investor Director, always acting by a Relative Majority of the A1 Ordinary Shares held by them, to appoint another A1 Investor Director in their place.



- 22.2.2 The other Shareholders will not vote with their Shares so as to remove the A1 Investor Director from office but should they do so, the A1 Shareholders, acting by a Relative Majority of the A1 Ordinary Shares held by them will be permitted to appoint that person or an alternative. Person as an A1 Investor Director.
- 22.3 In addition to the powers of appointment under article 17(1) of the Model Articles, the A2 Investors will have the following rights to appoint and remove a Director of the Company (the **A2 Investor Director**) as follows:
  - 22.3.1 the A2 Investors acting by a Relative Majority of the A2 Ordinary Shares held by them, have the right to:
    - 22.3.1.1 appoint and maintain in office one person as a Director; and
    - 22.3.1.2 to remove each A2 Investor Director so appointed; and
    - 22.3.1.3 upon removal of such A2 Investor Director, always acting by a Relative Majority of the A2 Ordinary Shares held by them, to appoint another A2 Investor Director in their place.
  - 22.3.2 The other Shareholders will not vote with their Shares so as to remove the A2 Investor Director from office. But should they do so, the A2 Shareholders, acting by a Relative Majority of the A2 Ordinary Shares held by them will be permitted to appoint that person or an alternative. person as an A2 Investor Director.
- 22.4 To the extent not already appointed at the Date of Adoption, an appointment or removal of a Director under this Article 22 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the Directors.
- 22.5 Each Investor Director shall be entitled at their request to be appointed to any committee of the Board established from time to time and to the board of Directors of any Subsidiary Undertaking.
- 22.6 The A2 Investors acting by a Relative Majority of the A2 Ordinary Shares shall be entitled to appoint one person to act as an observer to the Board, to the board of directors of any Subsidiary Undertaking and any committee of the Board or board of directors of any Subsidiary Undertaking established from time to time. The observer shall be entitled to attend and speak at all such meetings and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting

## 23. DISQUALIFICATION OF DIRECTORS

- 23.1 In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if:

- 23.1.1 he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or
- 23.1.2 in the case of Directors, other than a Founder Director or an Investor Director if a majority of his co-Directors serve notice on him in writing, removing him from office.

## **24. PROCEEDINGS OF DIRECTORS**

- 24.1 The quorum for Directors' meetings shall be two Directors who must include at least one Founder Director and one Investor Director (if appointed). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting and an Investor Director (if appointed). If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 24.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 24.3 Any Director who participates in the proceedings of a meeting by means of a communication device (including by phone) which allows all the other Directors present at that meeting (whether in person or by alternate or by means of that type of communication device) to hear at all times that Director and that Director to hear at all times all other Directors present at the meeting (whether in person or by alternate or by means of that type of communication device) shall be deemed to be present at the meeting and shall be counted when reckoning a quorum. A meeting held by these means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairperson shall be deemed to be the place of the meeting.
- 24.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 24.5 A Director may vote at a meeting of the Directors, and form part of a quorum present at that meeting, in relation to any matter in which they have, directly or indirectly, an interest or duty which conflicts or which may conflict with the interests of the Company, provided that they have previously disclosed the nature of such duty or interest to the Directors and complied with all relevant provisions in Article 25.

- 24.6 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of an equality of votes the chairperson shall not have a second or casting vote
- 24.7 The chairperson of the Board will be one of the Directors appointed by a Board majority. If the chairperson of the Board has not been appointed in accordance with this article within three months of the Date of Adoption or within three months of the resignation of a chairperson, the Board shall be entitled to appoint a chairperson, whether from the existing members of the Board or by the appointment of a new Director, by notice in writing addressed to the Company. Article 12 of the Model Articles shall be modified accordingly.
- 24.8 The Board shall meet at least 4 times in each calendar year.
- 24.9 A decision of the Directors 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this Article also.

## **25. DIRECTORS INTERESTS**

### **Specific Interests of a Director**

- 25.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- 25.1.1 where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
- 25.1.2 where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- 25.1.3 where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
- 25.1.4 where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the

office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;

- 25.1.5 where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- 25.1.6 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 25.1.7 any other interest authorised by ordinary resolution.

#### **Interests of an Investor Director**

- 25.2 In addition to the provisions of Article 25.1, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:
  - 25.2.1 an Investor;
  - 25.2.2 any body corporate or firm.

#### **Interests of which a Director is not aware**

- 25.3 For the purposes of this Article 25, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

#### **Accountability of any benefit and validity of any contract**

- 25.4 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided they have declared the nature and extent of their 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:
  - 25.4.1 shall be entitled to be to be a party to, or otherwise be directly or indirectly interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested and may hold any other office or place of profit under the

Company (except that of auditor or of auditor of a Subsidiary) in addition to the office of Director and may act by themselves or through their firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Directors may arrange either in addition to or in lieu of any remuneration provided for by any other Article;

25.4.2 shall be authorised to be a member, Director or other officer of, or employed by, or hold any other office or position with, or be directly or indirectly interested in, any contract, arrangement, transaction or proposal with or a party to or otherwise directly or indirectly interested in, any Group Company;

25.4.3 shall not, by reason of their office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which they derive from:

25.4.3.1 any matter, office, employment or position which relates to a Conflict Situation authorised in accordance with Article 25.8 ;or

25.4.3.2 any office, employment, contract, arrangement, transaction or proposal or other interest permitted pursuant Articles 25.4.1 and 25.4.2.

and no contract, arrangement, transaction or proposal shall be avoided on the grounds of any Director having any such interest or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit authorised in accordance with Article 25.7 or permitted pursuant to Articles 25.4.1 and 25.4.2 and the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in section 176 of the Act

25.5 In any situation permitted by this Article 25 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

#### **Terms and Conditions of Board Authorisation**

25.6 Subject to and in accordance with the Act:

25.6.1 the Directors may authorise any matter or situation in which a Conflicted Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) and for this purpose a conflict of interest includes a Conflict Situation;

- 25.6.2 any authorisation given in accordance with this Article 25 may be made on such terms and subject to such conditions and/or limitations as the Directors may, in their absolute discretion, determine (including, without limitation, excluding the Conflicted Director and any other interested Director from certain Directors' meetings, withholding from them or them certain Board or other papers and/or denying them access to Confidential Information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and
- 25.6.3 in considering any request for authorisation in respect of a Conflict Situation, the Directors shall be entitled to exclude the Conflicted Director from any meeting, voting (at a meeting of Directors or for a written Directors' resolution) or other discussion (whether oral or written) concerning the authorisation of such Conflict Situation and they shall also be entitled to withhold from such Conflicted Director any Board or other papers concerning the authorisation of such Conflict Situation.

#### **Terms and Conditions of Board Authorisation for an Investor Director**

- 25.7 Notwithstanding the other provisions of this Article 25, it shall not (save with the consent in writing of any such Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director (if any) in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in this Article 25.

#### **Conflicted Director's duties in Conflict Situation**

- 25.8 If any Conflict Situation is authorised or otherwise permitted under these Articles (and without prejudice to any equitable interest or rule of law which may excuse or release the Director from disclosing information in circumstances where disclosure may otherwise be required under these Articles) the Conflicted Director (for so long as they reasonably believe such Conflict Situation subsists):
  - 25.8.1 shall not be required to disclose to the Company (including the Directors or any committee) any Confidential Information in respect of which he owes a duty of confidentiality to a person other than the Company relating to such Conflict Situation which they obtain or have obtained otherwise than in their capacity as a Director of the Company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by them to another person;
  - 25.8.2 shall not be required to use or apply such Confidential Information for the purpose of or in connection with the performance of their duties as a Director;

25.8.3 shall be entitled to attend or absent themselves from all or any meetings of the Directors (or any committee) at which anything relating to such Conflict Situation will or may be discussed; and

25.8.4 shall be entitled to make such arrangements as they think fit to receive or not to receive documents or information (including, without limitation, Directors' papers (or those of any committee of the Directors)) relating to any such Conflict Situation and/or for such documents or information to be received and read by a professional adviser on their behalf,

and in so doing, such Conflicted Director shall not be in breach of any general duty they owe to the Company pursuant to sections 171 to 177 (inclusive) of the Act and the provisions of this Article 25.8 shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles.

25.9 Where the effect of excluding, pursuant to Article 25.6, a Director or Directors from counting in a quorum at any Board meeting would be such that the meeting would not be quorate then the quorum for the meeting at which any such authorisation is sought shall be any two Directors.

25.10 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of their interest, and subject to any restrictions on voting or counting in a quorum imposed by these Articles, or by the Directors in authorising any conflict of interest pursuant to this Article 25, at any meeting of the Directors (or of any Committee of the Directors) a Director may vote on any resolution, notwithstanding that it in any way concerns or relates to a matter in which they have, directly or indirectly, any kind of interest. If they do vote on any such resolution, their vote shall be counted. Such a Director shall be counted as part of the quorum present at the meeting (and in relation to such a resolution) whether or not the Director votes on the resolution, save to the extent that these Articles provide to the contrary.

#### **Requirement of directors to declare an interest**

25.11 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 25.1 or Article 25.2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:

25.11.1 falling under Article 25.1.6

- 25.11.2 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- 25.11.3 if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

#### **Shareholder approval**

- 25.12 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 25.
- 25.13 For the purposes of this Article 25:
  - 25.13.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties;
  - 25.13.2 the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
  - 25.13.3 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

## **26. NOTICES**

- 26.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:
  - 26.1.1 in hard copy form;
  - 26.1.2 in electronic form; or
  - 26.1.3 (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 26.



**Notices in hard copy form**

- 26.2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):
  - 26.2.1 to the Company or any other company at its registered office; or
  - 26.2.2 to the address notified to or by the Company for that purpose; or
  - 26.2.3 in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
  - 26.2.4 in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors;
  - 26.2.5 to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
  - 26.2.6 where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in 26.2.1 to 26.2.2 above, to the intended recipient's last address known to the Company.
- 26.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:
  - 26.3.1 if delivered, at the time of delivery;
  - 26.3.2 if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.
- 26.4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:
  - 26.4.1 be sent by email, provided that an email address has been notified to or by the Company for that purpose; or
  - 26.4.2 be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify:
    - 26.4.2.1 on its website from time to time; or
    - 26.4.2.2 by notice (in hard copy or electronic form) to all members of the Company from time to time.
- 26.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:

- 26.5.1 if sent by email (where an email address has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;
  - 26.5.2 if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
  - 26.5.3 if delivered in an electronic form, at the time of delivery; and
  - 26.5.4 if sent by any other electronic means as referred to in Article 26.4.2 at the time such delivery is deemed to occur under the Act.
- 26.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

#### **Notices by means of a Website**

- 26.7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website, so long as each recipient is notified by hard copy or electronic form of the existence and location of that document or information.

#### **General**

- 26.8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the **Primary Holder**). Notice so given shall constitute notice to all the joint holders.
- 26.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

### **27. INDEMNITIES AND INSURANCE**

- 27.1 Subject to the provisions of and so far as may be permitted by, the Act:
- 27.1.1 every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties,

powers or office, provided that no current or former Director or current or former director of any associated company is indemnified by the Company against:

27.1.1.1 any liability incurred by the director to the Company or any associated company;

27.1.1.2 any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature;

27.1.1.3 any liability incurred by the director:

27.1.1.3.1 in defending any criminal proceedings in which he is convicted;

27.1.1.3.2 in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him;

27.1.1.3.3 in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief.

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 27.1.1.1, 27.1.1.3.2 and 27.1.1.3.3 applying;

27.1.2 the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such current or former Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

27.1.3 The Company shall (if determined by the Board and at the costs of the Company) effect and maintain for each current or former Director or current or former director of any associated company policies of insurance insuring each such director against risks in relation to his office as each director may reasonably specify including without limitation, any

liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

## 28. DATA PROTECTION

28.1 Each of the Shareholders and Directors (from time to time) consent to the processing of their “special category personal data” as defined under the Data Protection Laws, by the Company, the Shareholders 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 sensitive personal data either electronically or manually. The sensitive 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. 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 (**Recipient Group Companies**) and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors (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

## 29. SECRETARY

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them

## 30. LIEN

30.1 The Company shall have a first and paramount lien (the **Company's Lien**) over every Share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share.

30.2 The Company's Lien over a share:

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

30.2.2 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.

- 30.3 Subject to the provisions of this Article 30, if:
- 30.3.1 a notice complying with Article 30.4 (a **Lien Enforcement Notice**) has been given by the Company in respect of a Share; and
  - 30.3.2 the person to whom the notice was given has failed to comply with it,
- the Company shall be entitled to sell that Share in such manner as the Directors decide.
- 30.4 A Lien Enforcement Notice:
- 30.4.1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of a sum payable and the due date for payment of that sum has passed;
  - 30.4.2 must specify the Share concerned;
  - 30.4.3 must require payment of the sum within fourteen (14) clear days of the notice;
  - 30.4.4 must be addressed either to the holder of the Share or to or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
  - 30.4.5 must state the Company's intention to sell the Share if the notice is not complied with.
- 30.5 Where any Share is sold under this article 30:
- 30.5.1 the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or to a person nominated by the purchaser; and
  - 30.5.2 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.
- 30.6 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:
- 30.6.1 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
  - 30.6.2 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 their estate or any joint holder of the shares) after the date of the Lien Enforcement Notice.

30.7 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:

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

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

### 31. CALL NOTICES

31.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a **Call Notice**) to a Shareholder who has not fully paid for that Shareholder's Share(s) requiring the Shareholder to pay the Company a specified sum of money (a **call**) which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice.

31.2 A Call Notice:

31.2.1 may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);

31.2.2 shall state when and how any call to which it relates it is to be paid; and

31.2.3 may permit or require the call to be paid by instalments.

31.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent.

31.4 Before the Company has received any call due under a Call Notice the Directors may:

31.4.1 revoke it wholly or in part; or

31.4.2 specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.

31.5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.

- 31.6 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 to:
- 31.6.1 pay calls which are not the same;
  - 31.6.2 pay calls at different times;
- 31.7 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):
- 31.7.1 on allotment;
  - 31.7.2 on the occurrence of a particular event; or
  - 31.7.3 on a date fixed by or in accordance with the terms of issue.
- 31.8 If the due date for payment of such a sum as referred to in Article 31.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.
- 31.9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below):
- 31.9.1 the Directors may issue a notice of intended forfeiture to that person; and
  - 31.9.2 until the call is paid, that person shall be required to pay the Company interest on the call from the Call Payment Date at the Relevant Rate (as defined below).
- 31.10 For the purposes of Article 31.9:
- 31.10.1 the **Call Payment Date** shall be 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;
  - 31.10.2 the "**Relevant Rate**" shall be:
    - 31.10.2.1 the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
    - 31.10.2.2 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
    - 31.10.2.3 if no rate is fixed in either of these ways, five per cent. a year,

provided that the Relevant Rate shall not exceed by more than five 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(a).

31.10.3 The Directors may waive any obligation to pay interest on a call wholly or in part.

31.10.4 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.

## **32. FORFEITURE OF SHARES**

32.1 A notice of intended forfeiture:

32.1.1 may be sent in respect of any Share for which there is an unpaid sum in respect of which a call has not been paid as required by a Call Notice;

32.1.2 shall 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;

32.1.3 shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice;

32.1.4 shall state how the payment is to be made; and

32.1.5 shall 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.

32.2 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, then 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.

32.3 Subject to these Articles, the forfeiture of a Share extinguishes:

32.3.1 all interests in that Share, and all claims and demands against the Company in respect of it;

32.3.2 all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company;

32.4 Any Share which is forfeited in accordance with these Articles:

32.4.1 shall be deemed to have been forfeited when the Directors decide that it is forfeited;



- 32.4.2 shall be deemed to be the property of the Company; and
- 32.4.3 may be sold, re-allotted or otherwise disposed of as the Directors think fit.
- 32.5 If a person's Shares have been forfeited:
  - 32.5.1 the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
  - 32.5.2 that person shall cease to be a Shareholder in respect of those Shares;
  - 32.5.3 that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
  - 32.5.4 that person shall remain 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
  - 32.5.5 the Directors shall be entitled to 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.
- 32.6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit.
- 32.7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer.
- 32.8 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 forfeited on a specified date:
  - 32.8.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share;
  - 32.8.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 32.9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

32.10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which:

32.10.1 was, or would have become, payable; and

32.10.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds.

### **33. SURRENDER OF SHARES**

33.1 A Shareholder shall be entitled to surrender any Shares:

33.1.1 in respect of which the Directors issue a notice of intended forfeiture;

33.1.2 which the Directors forfeit; and

33.1.3 which has been forfeited.

The Directors shall be entitled to accept the surrender of any such Share.

33.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.

33.3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited.