

THE COMPANIES ACT 2006
ORDINARY & SPECIAL RESOLUTION
OF
208 B1 LIMITED ("The Company")

Company Number - 8622192

At a General Meeting of the Company held at 16 DUDLEY STREET, GRIMSBY DN31 2AB

on the 2nd day of December 2013

the following resolutions were passed as Ordinary Resolutions

ORDINARY RESOLUTIONS:

- A **THAT** the 1 issued share as held by GRAEME LESLIE HOLTBY shall remain unchanged The new Articles will allow for a share capital that is comprised of £20,000 Ordinary Shares of £1 each and £450,000 Preference Shares of £1 each
- B **THAT** the Directors be unconditionally authorised pursuant to S 551 of the Companies Act 2006 to allot shares in the share capital of the Company which are unissued at the time of the passing of this resolution at any time or times during the period of five years from the date hereof

the following resolution was passed as a Special Resolution

SPECIAL RESOLUTION:

1. **THAT** the regulations set forth in the printed document produced to this meeting be approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, all existing Articles thereof

Dated this 2nd day of December 2013

TUESDAY



A05 *A2OF1GEW* 31/12/2013 #204
COMPANIES HOUSE

Director - Graeme Leslie Holtby

**FIRST CORPORATE
16 CHURCHILL WAY
CARDIFF
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THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
208 B1 LIMITED
COMPANY NUMBER 8622192

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

208 B1 LIMITED

(Adopted by written resolution passed on 2nd December 2013)

1 INTERPRETATION

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

Act: the Companies Act 2006, in force from time to time

Acting in Concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended)

Asset Sale: the disposal by the Company of all, or a substantial part of, its business and assets

Available Profits: the profits available for distribution within the meaning of Part 23 the Act

Board: the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles

Business Day: a day (other than a Saturday, Sunday or public holiday) when clearing banks in the City of London are open for the transaction of normal banking business

Company: 208 B1 Limited

Connected Persons: has the meaning given in section 1122 of the Corporation Tax Act 2010

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

Director: a director of the Company from time to time

Encumbrance: 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)

Equity Shares: the Preference Shares and the Ordinary Shares

Exit: a Share Sale, an Asset Sale or a Listing

Founder: Graeme Leslie Holtby

Group: the Company and each and any of its subsidiaries from time to time, and **Group Company** shall be construed accordingly

Independent Expert: an independent firm of accountants

Investor: any holder of Preference Shares from time to time

Investor Consent: the prior written consent of the Investor Directors and if the Investor has not appointed an Investor Director, the consent of the relevant Investor

Investor Director: the directors of the Company nominated by the Investors under article 13

Original Subscription Price: for the Preference Shares, £1 per share

Ordinary Shares: the ordinary shares of £1 each in the capital of the Company

Preferred Dividends: the fixed preferential dividend referred to in article 4.2

Preferred Dividend Payment Dates: 15th January, 15th April, 15th July, 15th October

Preference Shares: the preferred shares of £1 each in the capital of the Company

Profit after Tax: the amount of consolidated profit (or loss) of the Group for a financial year, as shown in the statutory accounts of the Company for that year

- (a) before any provision or reserve has been made for or in respect of
 - (i) the payment of any dividend or other distribution or the transfer of any sum to reserves,
 - (ii) the amortisation or writing-off of goodwill arising in consolidation,
 - (iii) the redemption of the Preference Shares, and
 - (iv) any exceptional items which reduce that profit or increase that loss, and
- (b) after provision has been made for corporation tax (or any other tax levied on, or measured by reference to, profits earned by the Group)

Sale: an Asset Sale or a Share Sale

Sale Shares: the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice

Seller: the transferor of shares pursuant to a Transfer Notice

Shares: the Ordinary Shares and the Preference Shares from time to time

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

Shareholder: a holder of shares in the Company

Table A: The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (*SI 1985/805*) as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (*SI 2007/2541*) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (*SI 2007/28*), and as otherwise amended before the adoption of these Articles

Transfer Notice: a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any shares Where such notice is deemed to have been served, it shall be referred to as a **Deemed Transfer Notice**

- 1 2 Article headings shall not affect the interpretation of these Articles
- 1 3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular
- 1 4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders
- 1 5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date)
- 1 6 A reference in these Articles to
- (a) an Article is a reference to the relevant numbered article of these Articles, and
 - (b) a regulation is a reference to the relevant numbered regulation of Table A,
- unless expressly provided otherwise
- 1 7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision
- 1 8 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms
- 1 9 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act [and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of
- (a) another person (or its nominee), by way of security or in connection with the taking of security, or

- (b) its nominee

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership, and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights

2. ADOPTION OF TABLE A

- 2 1 Table A shall apply to the Company, except insofar as they are varied or excluded by, or are inconsistent with, the following Articles The model articles for private companies limited by shares set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) shall not apply to the Company
- 2 2 In Regulation 1 of Table A, the words "and in Articles of association adopting the same" shall be inserted after the word "Regulations" in the last paragraph of that Regulation The sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force " shall be inserted at the end of that Regulation
- 2 3 Regulations 8, 29 to 31 (inclusive), 54, 62, 76, 77, 82, 94 to 98 (inclusive) and 118 of Table A shall not apply to the Company
- 2 4 Regulation 6 of Table A shall be modified so that reference to the company seal is deleted
- 2 5 Regulation 18 of Table A shall be modified by adding the following words at the end of the first sentence "and all expenses that may have been incurred by the Company because of such non-payment "
- 2 6 Regulation 78 of Table A shall be modified by deleting the words " and may also determine the rotation in which any additional Directors are to retire"
- 2 7 Regulation 84 of Table A shall be modified by deleting the third and final sentences
- 2 8 Regulation 89 of Table A shall be modified
 - (a) by the deleting the words " may be fixed by the Directors and unless so fixed at any other number " in the first sentence, and
 - (b) by the adding the following as a new final sentence "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 that only one Director is physically present "

- 2 9 Regulation 101 of Table A shall be modified by adding the words " if the Company has one," after the words "the seal" at the beginning of that Regulation The following sentence shall also be added to that Regulation "Any instrument expressed to be executed by the Company and signed by two Directors, or by one Director and the Secretary, by the authority of the Directors or of a committee authorised by the Directors shall (to the extent permitted by the Act) have effect as if executed under seal "

3 SHARE CAPITAL

- 3 1 The authorised share capital of the Company at the date of adoption of these Articles is £470,000, divided into

- (a) 450,000 Preference Shares, and
- (b) 20,000 Ordinary Shares

- 3 2 Unless the context requires otherwise, references in these Articles to shares of a particular class shall include shares created and/or issued after the date of adoption of these Articles and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue

- 3 3 Except as provided in these Articles, the Preference Shares and the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares

4. DIVIDENDS

- 4 1 In any financial year, the Available Profits of the Company shall be used to pay dividends as set out in this article 4

- 4 2 The Company shall, without resolution of the Board or the Company in general meeting and before application of any Available Profits to reserve or for any other purpose, pay the holders of the Preference Shares a fixed preferential dividend (**Preferred Dividend**) at an annual gross rate of 15% (12% net of tax payable) of the Original Subscription Price per Preference Share to be paid in four equal instalments on the Preferred Dividend Payment Dates in each year to the person registered as its holder on the relevant date

- 4 3 Once all the Preferred Dividends have been paid, any Available Profits remaining that the Company determines to distribute shall be distributed among the holders of the Ordinary Shares and Preference Shares (pari passu as if they were one class of share)

- 4 4 Each dividend shall be distributed to the appropriate shareholders pro rata according to the number of shares held by them respectively and shall accrue daily (assuming a 365-day year) All dividends are paid net and shall be paid in cash

- 4 5 If the Company is unable to pay the Preferred Dividend in full on the due date because there are insufficient Available Profits, it shall pay the Preferred Dividend on that date to the extent that it is lawfully able to do so

4 6 Unless the Company has insufficient Available Profits, the Preferred Dividend shall be paid immediately on the Preferred Dividend Payment Date. Such payment shall be made notwithstanding Regulations 102 to Regulation 108 inclusive of Table A or any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting.

4 7 If there are insufficient Available Profits to pay any instalment or part thereof of the Preferred Dividend on the Preferred Dividend Payment Date, the Company shall have no further liability to pay that instalment or such part thereof which remains unpaid.

5. LIQUIDATION PREFERENCE

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion, redemption or purchase of shares), the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority:

- (a) first, in paying to the holders of the Preference Shares an amount equivalent to the Original Subscription Price per Preference Share, together with a sum equal to any arrears and accruals of the Preferred Dividend calculated down to and including the date of the return of capital and, if there is a shortfall of assets remaining to satisfy the entitlements of holders of Preference Shares in full, the proceeds shall be distributed to the holders of the Preference Shares in proportion to the amounts due to each such share held,
- (b) second, in paying the Ordinary Shares and Preference Shares pro rata as if they constituted one and the same class.

6. EXIT PROVISIONS

6 1 The proceeds of a Share Sale shall be distributed in the order of priority set out in article 5. The Directors shall not register any transfer of Shares if the proceeds of sale are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale), provided that, if the proceeds of sale are not settled in their entirety on completion of the Share Sale:

- (a) the Directors may register the transfer of the relevant shares, provided that the proceeds have been distributed in the order of priority set out in article 5, and
- (b) the Shareholders shall take any action required by the Investors to ensure that the proceeds of sale are distributed in the order of priority set out in article 5.

6 2 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) in the order of priority set out in article 5. If it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Investors (including (but not limited to) any actions that may be necessary to put the Company into voluntary liquidation so that article 5 applies).

6.3 In the event of an Exit approved by the Board and the Investors in accordance with the terms of these Articles (**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 take all applicable actions that are required by the Board to facilitate the Proposed Exit. If any Shareholder fails to comply with this article 6.3

- (a) the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit,
- (b) the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents, and
- (c) the Company may receive any purchase money due to the defaulting Shareholder in trust for each defaulting Shareholder

7 REDEMPTION OF PREFERENCE SHARES

7.1 Subject to the Act, the Preference Shares shall be redeemed in full on a date (**First Redemption Date**) two years from the date of issue of the Preference Shares to the Investor by the relevant holder giving notice of the redemption to the Company at least 30 days prior to the First Redemption Date (**First Redemption Notice**). Those shares shall be redeemed within 30 days of the First Redemption Date.

7.2 If the Investor does not provide the Company with the First Redemption Notice in accordance with Article 7.1 then subject to the Act, the Preference Shares shall be redeemed in full on a date (**Second Redemption Date**) four years from the date of issue of the Preference Shares to the Investor. Those shares shall be redeemed within 30 days of the Second Redemption Date.

7.3 On either of the First Redemption Date or the Second Redemption Date, the Company shall pay the Original Subscription Price on each of the Preference Shares redeemed. The Preferred Dividends on the redeemed shares shall stop accruing from the date on which the redemption amount is paid.

7.4 On either of the First Redemption Date or the Second Redemption Date the Company shall pay to each registered holder of Preference Shares the amount payable in respect of such redemption. On receipt of that amount, each such holder shall surrender to the Company the certificate for the shares that are to be redeemed (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost share certificate) to be cancelled. If any certificate (or indemnity) so surrendered includes any shares that are not redeemable at that time, the Company shall issue a new share certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of Preference Shares, any redemption shall be made among such holders pro rata (as nearly as possible) to their respective holdings.

8. VOTING

8.1 Subject to any other provisions in these Articles concerning voting rights, Shares in the Company shall carry votes as follows

- (a) the Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company, and each Ordinary Share shall carry one vote per share,
- (b) the Preference 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 each Preference Share shall carry one vote per share, and

8 2 Where shares confer a right to vote, votes may be exercised

- (a) on a show of hands by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding shares with votes shall have one vote), or
- (b) on a poll by every Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case, each Shareholder holding shares with votes shall have one vote for each such share held)

9. TRANSFER OF SHARES

9 1 In article 9, article 10, and article 11, reference to the transfer of a Share includes the transfer or assignment 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

9 2 No Share may be transferred unless the transfer is made in accordance with these Articles

9 3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have served a Transfer Notice immediately in respect of all Shares held by him

9 4 Any transfer of a Share by way of sale that is required to be made under article 9, article 10 and article 11 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee

9 5 In addition to the provisions of Regulation 24 of Table A, the Directors may refuse to register a transfer if

- (a) it is a transfer of a share to a bankrupt, a minor or a person of unsound mind, or
- (b) the transfer is to an employee, Director or prospective employee or director and that person has not entered into a Section 431 Election with the Company

Regulation 24 of Table A shall be modified accordingly

9 6 The Directors may, as a condition to the registration of any transfer of shares in the Company, 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 any of the

Shareholders and the Company in such form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) If any condition is imposed in accordance with this article 9 6, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

9 7 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, and shall if so requested in writing by the Investor Directors, 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 the Investor Directors may reasonably believe to have information relevant to that purpose, to provide to the Company with any information and evidence that the Directors request regarding any matter which they deem relevant to that purpose If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur

- (a) the relevant shares shall cease to confer on the holder of them (or any proxy) any rights
 - (i) to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question These rights shall not cease if, as a result of such cessation, the Company would become a subsidiary of an Investor, or
 - (ii) to receive dividends or other distributions (other than the amount they may be entitled to pursuant to the application of article 4 2) otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder, and
- (b) the holder may be required, at any time following receipt of the notice, to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder

The rights referred to in article 9 7(a) may be reinstated by the Board subject to the Investor Consent or, if earlier, shall be reinstated on the completion of any transfer referred to in article 9 7(b)

9 8 Where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within 20 Business Days of demand being made, a Deemed Transfer Notice shall be given at the end of that period If a Transfer Notice is required to be given, or is deemed to have been given, under these Articles, the Transfer Notice shall be treated as having specified that

- (a) the Transfer Price (as defined in article 10) for the Sale Shares shall be as agreed between the Board (any Director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within 20 Business Days after the date on which the Board becomes aware that a Deemed Transfer Notice has been given, the Transfer Price shall be the fair value (as determined in accordance with article 10) of the Sale Shares,
- (b) whether there is a Minimum Transfer Condition (as defined in article 10 2(d)), and
- (c) the Seller wishes to transfer all of the Shares held by it

10. TRANSFER OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 10 1 Except where the provisions of article 10 and article 11 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 10
- 10 2 A Seller shall, before transferring or agreeing to transfer any Shares, give notice a Transfer Notice to the Company specifying
- (a) the number of Sale Shares,
 - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
 - (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (including the Investor Directors)) (**Transfer Price**), and
 - (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**)
- 10 3 Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn
- 10 4 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 10 5 As soon as practicable following the later of
- (a) receipt of a Transfer Notice, or
 - (b) where the Transfer Price has not been specified, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under article 10,
- the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in article 10 6 to article 10 8 Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered
- 10 6 If the Sale Shares are Preference Shares, the Company shall offer them in the following priority

- (a) first, to the holders of Preference Shares and to any holders of Ordinary Shares (insofar as their holdings of Ordinary Shares were previously Preference Shares), and
- (b) second, to the holders of Preference Shares, and of Ordinary Shares (other than those referred to in article 10 6(a)) (as if they constituted a single class of share),

in each case on the basis as set out in article 10 8

10 7 If the Sale Shares are Preference Shares and/or Ordinary Shares, they shall be offered in the following priority

- (a) first, to the holders of Preference Shares, and
- (b) second, to the holders of Ordinary Shares,

and in each case on the basis as set out in article 10 8

10 8 The Board shall offer the Sale Shares in the priority referred to in article 10 6 and article 10 7 (as appropriate), to all shareholders specified in the offer other than the Seller (**Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 5 Business Days after the offer (inclusive) (**First Offer Period**) for the maximum number of Sale Shares they wish to buy

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 10 8 and article 10 9 shall be conditional on the fulfilment of the Minimum Transfer Condition

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 Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If only some of the Sale Shares are allocated in accordance with this article 10 8, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this article 10 8.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Initial Surplus Shares**) shall be dealt with in accordance with article 10 9.

10 9 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 5 Business Days after the date of the offer (inclusive) (**Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion that his existing holding of Shares (including Sale Shares) bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (**Second Surplus Shares**) shall be offered to any other person in accordance with article 10.12.

- 10.10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 10.8 and article 10.9, stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If

- (a) the Transfer Notice does not include a Minimum Transfer Condition, and
- (b) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under article 10.8 and article 10.9, give written notice of allocation (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (**Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 5 Business Days not more than 20 Business Days after the date of the Allocation Notice).

- 10.11 On the service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

If the Seller fails to comply with this article 10.11

- (a) the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
 - (ii) receive the Transfer Price and give a good discharge for it, and
 - (iii) (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

- (b) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company
- 10 12 If an Allocation Notice does not relate to all the Sale Shares then, subject to article 10 13 and within 4 weeks following service of the Allocation Notice, the Seller may transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price. The sale of the Second Surplus Shares in accordance with this article 10 12 shall continue to be subject to any Minimum Transfer Condition
- 10 13 The Seller's right to transfer Shares under article 10 12 does not apply if the Board reasonably considers that
 - (a) the transferee is a person (or a nominee for a person) who the Investor Directors determine, in their absolute discretion, is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company, or
 - (b) 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
 - (c) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board to enable it to form the opinion mentioned above
- 10 14 The restrictions imposed by this article 10 may be waived in relation to any proposed transfer of Shares with Investor Consent the consent of Shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this Article

11. COMPULSORY TRANSFERS

- 11 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Share at such time as the Directors determine
- 11 2 If a company that is a Shareholder resolves to appoint a liquidator, administrator or administrative receiver over it (or a material part of its business), that Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by it at such time as the Directors determine

12. NUMBER OF DIRECTORS

Unless and until the Company in general meeting determines otherwise, the number of directors shall not be less than one

13. INVESTOR DIRECTORS

- 13 1 Each Investor shall be entitled to nominate one person to act as a Director of the Company from time to time. The other Shareholders shall not vote their Shares so as to remove any Director appointed pursuant to this article 13 1 from office. Each Investor shall be entitled to remove their Investor Director from office and appoint another person to act in his place.
- 13 2 Any appointment or removal of an Investor Director under article 13 1 shall take effect at the time that the notice is received at the Company's registered office or produced to a Board meeting.

14. DISQUALIFICATION AND PROCEEDINGS AT MEETINGS OF DIRECTORS

- 14 1 In addition to the provisions of Regulation 81 of Table A, the office of Director shall also be vacated if
- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office should be vacated, or
 - (b) in the case of Directors, other than Investor Directors, if a majority of his co-Directors serve notice on him in writing, removing him from office.
- 14 2 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director may appoint any person he thinks fit to be his, her or its alternate Director. The appointment of an alternate Director shall not require approval by a resolution of the Directors. Regulation 65 of Table A shall be modified accordingly.
- 14 3 Meetings of the Board shall take place at least 4 times each year, with a period of not more than 12 weeks between any two meetings. At least 5 Business Days' advance notice of such meeting shall be given to each Director (except with the Investor Consent, when board meetings may take place less frequently or on shorter notice).
- 14 4 To be quorate, any meeting of the Board shall include one Investor Director. If the necessary 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 such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 14 5 Any Director who participates in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) that allows all the other Directors present at the meeting (whether in person, alternate or using a communication device) to hear that Director at all times, and that Director to hear all other Directors present at the meeting (by whatever means) at all times, shall be deemed to be present at the meeting and counted in the quorum. A meeting held by these means shall be deemed to take place where the largest number of participants is assembled. In the absence of a majority, the Chairman's location shall be deemed to be the place of the meeting.

14 6 A Director may vote at a Board meeting, and form part of a quorum present at that meeting, in relation to any matter in which he has, directly or indirectly, an interest or duty which conflicts (or may conflict) with the interests of the Company, provided that he has previously disclosed the nature of such duty or interest to the Directors. The provisions of Regulation 86 of Table A shall apply equally to any disclosure to be made under the provisions of this article 14

14 7 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman shall have a second or casting vote.

15. LIEN

The lien conferred by Regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not, and to all shares registered in the name of any person indebted or under liability to the Company, whether he is the sole registered holder of the shares or one of several joint holders.

16. PARTLY PAID SHARES

If the subscription price of any share (including any premium) is partly paid, the rights to dividend and on a return of capital of any such share shall be reduced in the same proportion as the unpaid amount bears to the total subscription price.

17. INDEMNITY

17 1 Subject to the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, each director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a director or other officer of the Company or any company that is a trustee of an occupational pension scheme (as defined in section 235(6) of the Act) in the actual or purported execution and/or discharge of his duties, or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs.

17 2 The Company may buy and maintain insurance against any liability falling upon its Directors or other officers or auditors which arises out of their respective duties to the Company, or in relation to its affairs.

18. DATA PROTECTION

18 1 Each of the Shareholders and Directors (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a **Recipient**) for due

diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

18.2 The personal data that may be processed for such purposes under this article 18 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 any regulated authority, that personal data shall not be disclosed by a Recipient or any other person, except to

- (a) its Parent Undertaking,
- (b) to Subsidiary Undertakings of that Parent Undertaking (**Recipient Group Companies**),
- (c) to employees, directors and professional advisors of that Recipient or the Recipient Group Companies, and
- (d) to funds managed by any of the Recipient Group Companies

18.3 Each of the Shareholders and Directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any 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.