

FINAL

Company Number: 08793266

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MIDWICH GROUP PLC

Adopted by Special Resolution dated13 APRIL.....2016

MILLS & REEVE

INTRODUCTION

1 Interpretation

1.1 In these articles, unless the context requires otherwise:

"A Ordinary Shares" means the A ordinary shares of £0.01 each in the capital of the Company;

"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 from time to time);

"appointor" has the meaning given in article 13.1;

"Articles" means the Company's articles of association for the time being in force;

"associated company" means any subsidiary or holding company of the Company or any other subsidiary undertaking of the Company's holding company;

"Auditors" means the auditors of the Company for the time being or, if the Company has lawfully not appointed auditors, its accountants for the time being, or, if in either case such firm is unable or unwilling to act in any particular case, such firm of chartered accountants as may be agreed between the directors and the proposing transferor (as defined in article 24.1) or, in default of agreement within 5 business days of the party serving details by written notice of a suggested firm of accountants on the other, such independent firm of accountants as may be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or any successor body;

"Available Profits" means profits available for distribution within the meaning of section 830 of CA 2006;

"B1 Ordinary Shares" means the B1 ordinary shares of £0.01 each in the capital of the Company;

"B3 Ordinary Shares" means the B3 ordinary shares of £0.01 each in the capital of the Company;

"B5 Ordinary Shares" means the B5 ordinary shares of £0.01 each in the capital of the Company;

"B Ordinary Shares" means the B1 Ordinary Shares, B3 Ordinary Shares and B5 Ordinary Shares;

"Bad Leaver" means any Leaver who is not a Good Leaver;

"Board" means the board of directors of the Company from time to time;

"business day" means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

"CA 2006" means the Companies Act 2006;

"Calculation Date" means:

- (a) in the case of a Share Sale or Return of Capital, the date of such Share Sale or Return of Capital; and
- (b) in the case of a Listing, a date which facilitates the implementation of the anticipated Listing and which the Board, acting reasonably, resolves to be expected to be no more than two weeks prior to the date of the anticipated Listing save that in the event that a Listing does not take place within six weeks of any such Calculation Date, the Board shall resolve to set a revised Calculation Date which shall be no more than two weeks prior to the revised date of the anticipated Listing);

"Conflict" has the meaning given in article 8.2;

"Control" has the meaning given to it in section 995 of the Income Tax Act 2007;

"Controlling Interest" means an interest in Shares conferring Control;

"Coupon Payment Date" means 6 April in any calendar year or the date of an Exit;

"Deferred Shares" means the deferred shares of £0.01 each in the capital of the Company;

"Disqualification Event" means in relation to a director his disqualification pursuant to the Company Directors Disqualification Act 1986, or otherwise where such director is, in the reasonable opinion of the Board;

- (a) guilty of any gross misconduct, wilful neglect, fraud, dishonesty or conduct tending in the reasonable opinion of the Board to bring himself, the Company, or any Group Company into disrepute;
- (b) bankrupt or makes any composition or enters into any arrangement with his creditors;
- (c) of unsound mind or is or becomes a patient for any purpose of any enactment relating to mental health; or
- (d) convicted of any criminal offence (other than minor offences under the Road Traffic Acts or the Road Safety Acts for which a fine or non-custodial penalty is imposed) which might reasonably be thought to affect adversely the performance of his duties;

"eligible director" means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

"Employee Benefit Trust" means any trust or trusts set up by the Company or any Group Company from time to time following a recommendation of the directors to hold Shares and to transfer them (or to grant options to acquire them) to employees or officers (or former employees or officers) of the Company or any Group Company and the dependents of such employees or officers;

"Employee Member" means any shareholder or person who has Shares or a right to acquire Shares and who is or who becomes an employee or officer of the Company or any Group Company and which includes any Employee Shareholder;

"Employee Shareholder" means any person who is or becomes an employee shareholder pursuant to the provisions of section 205A of the Employment Rights Act 1996 or any other relevant legislation from time to time applicable to shares held in relation thereto;

"Equity Value" means:

- (a) in the case of a Share Sale, the aggregate consideration for the whole of the issued share capital of the Company expressed as a cash price (whether that consideration is to be satisfied in cash, shares, loan stock, deferred consideration or a combination thereof or otherwise, any non-cash consideration being valued by the Board) paid or payable pursuant to the agreement or the offer for such Shares;
- (b) in the case of a Listing, an amount equal to the aggregate value of the whole of the issued share capital (excluding for this purpose any additional shares issued at the time of the Listing for the purpose of a fundraising) based on the price per share at which funds are raised at the time of the Listing or, if there is no fundraising at the time of the Listing, the anticipated opening trading price per share, as certified by the Company's financial advisers at the time;
- (c) in the case of a Return of Capital, an amount equal to the total amount available for distribution to holders of Shares as a result of the Return of Capital by way of dividend, dividend on liquidation; and
- (d) in all other cases, an amount determined by the Board on a fair and reasonable basis to be the market value for the whole of the issued and to be issued share capital of the Company;

"Exit" means a Share Sale, Return of Capital or a Listing;

"Family Trust" means any trust which permits the settled property or the income therefrom to be applied only for the benefit of:

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

and under which no power of control is capable of being exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For the purposes of this definition **"settlor"** includes a testator or an intestate in relation to a Family Trust arising respectively under a settlement, testamentary disposition or an intestacy of a deceased member;

"Good Leaver" means:

- (a) an Employee Member who is a Leaver as a result of his or her:
 - (i) death;
 - (ii) Serious Ill Health;
 - (iii) wrongful dismissal; or
- (b) any Employee Member who would otherwise be treated as a Bad Leaver but whom the Board determines is to be treated as a Good Leaver;

"Group" means the Company and any subsidiary undertaking of the Company and any holding company of the Company or any other subsidiary undertaking of any such holding company or subsidiary undertaking;

"Group Company" means any company in the Group;

"holding company" has the meaning set out in section 1159 CA 2006;

"Leaver" means any Employee Member who ceases to be employed by, hold office in or provide services to the Company or any other Group Company without becoming or remaining an employee, officer or consultant of the Company or any other Group Company;

"Leaver Shares" has the meaning given in article 26.2.1;

"Listing" means the admission of all or any part of the share capital of the Company to a stock exchange trading facility (including, without limitation, the AIM Market of the London Stock Exchange Group plc, the Official List of the UK Listing Authority or any other recognised investment exchange (as defined by section 285 of the Financial Services and Markets Act 2000)) and such admission becoming effective;

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 of The Companies (Model Articles) Regulations 2008 (*S/2008/3229*) as at the date of adoption of these articles;

"Ordinary Shares" means the ordinary shares of £1.00 each in the capital of the Company;

"parent undertaking" has the meaning set out in section 1162 CA 2006;

"Preferred Dividends" means dividends payable to the holders of Preference Shares in accordance with these articles;

"Preference Shares" means the preference shares of £1.00 each in the capital of the Company;

"Privileged Relation" in relation to any member means the wife or husband or civil partner, and children and grandchildren (including step and adopted children and grandchildren) of the member, and the parents, brothers and sisters (including step and adopted brothers and sisters) of the member and their children or grandchildren (including step and adopted children and grandchildren) or a widow or widower of any of the above;

"Relevant Event" means in relation to any holder of Shares:

- (a) in relation to an individual member, such member becoming bankrupt or entering into a voluntary arrangement with his creditors;
- (b) a holder attempting to deal with or dispose of any of his Shares or any interest(s) in them otherwise than in accordance with these articles;
- (c) an Employee Member becoming a Leaver (subject always to article 26.8); and
- (d) in the case of a corporate member it entering into liquidation or suffering an administrative receivership, receiver or administrator being appointed over all or any of its assets or entering into a voluntary arrangement with its creditors including any analogous process under the law to which it is subject;

"Return of Capital" means a return of capital or assets to shareholders after payment of the Company's liabilities (and whether upon a voluntary liquidation of the Company, by way of scheme of arrangement or otherwise) which shall include a return of capital following the occurrence of a Trade Sale;

"relevant officer" means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) CA 2006), but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor);

"Serious Ill Health" means an illness or disability certified by a general medical practitioner (nominated by the Board) as rendering the departing person permanently incapable of carrying out their role as an employee and/or director save where such incapacity has arisen as a result of the abuse of drugs or alcohol;

"Shareholder Majority" means the holders of 94% of the Ordinary Shares;

"Share Plan" means any scheme for the grant of HM Revenue & Customs approved or unapproved share options or Enterprise Management Incentive share options pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 to employees or officers of the Company or any Group Company established and amended from time to time or any other issue of shares within the provisions of Part 7 of the Income Tax (Earnings and Pensions) Act 2003;

"Shares" means shares in the capital of the Company from time to time;

"Share Sale" means (other than in or as part of a Solvent Re-organisation) the completion of any sale of any interest in Shares (whether in one transaction or a series of related transactions) resulting in the transferee (either alone or in conjunction with any other person(s) connected with the transferee) obtaining Control where the transferee held no such Control prior to such sale;

"Solvent Re-organisation" means a solvent re-organisation of the Group by any means, including the acquisition of the Company by a new holding company or any other re-organisation of the Group involving its assets or the Company's share or debt capital;

"subsidiary" has the meaning set out in section 1159 CA 2006;

“**subsidiary undertaking**” has the meaning set out in section 1162 CA 2006;

“**Threshold Value**” means £25,000,000 (twenty five million pounds); and

“**Trade Sale**” means either the sale or other disposal whether by one transaction or a series of related transactions of the whole or substantially the whole of the undertaking, trade and assets of the Group (other than in or as part of a Solvent Re-organisation).

- 1.2 Save as otherwise specifically provided in these articles, words and expressions which have particular meanings in the Model Articles 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 CA 2006 have the same meanings in these articles.
- 1.3 Headings in these articles are for convenience only and shall not affect the construction or interpretation of these articles.
- 1.4 A reference in these articles to an “**article**” is a reference to the relevant article of these articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1 any subordinate legislation from time to time made under it; and
 - 1.5.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 The Model Articles apply to the Company, except in so far as they are modified or excluded by these articles.
- 1.8 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 36, 44(2), 52 and 53 of the Model Articles do not apply to the Company.

DIRECTORS

2 Directors to take decisions collectively

- 2.1 Article 7 of the Model Articles is amended by:
 - 2.1.1 the insertion of the words “for the time being” at the end of article 7(2)(a); and
 - 2.1.2 the insertion in article 7(2) of the words “(for so long as he remains the sole director)” after the words “and the director may”.

3 Unanimous decisions

- 3.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

3.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.

3.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

4 Calling a directors' meeting

4.1 Any director may call a directors' meeting by giving not less than 5 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the Company secretary (if any) to give such notice.

4.2 Notice of a directors' meeting shall be given to each director in writing.

5 Quorum for directors' meetings

5.1 Subject to article 5.2, the quorum for the transaction of business at a meeting of directors is directors representing shareholders holding not less than 94% of the Ordinary Shares then in issue.

5.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 8.1 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

5.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:

5.3.1 to appoint further directors; or

5.3.2 to call a general meeting so as to enable the shareholders to appoint further directors.

6 Casting vote

6.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

7 Transactions or other arrangements with the Company

7.1 Subject to the provisions of CA 2006 and provided he has declared the nature and extent of his interest, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company, notwithstanding his office:

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

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

7.1.3 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body

corporate promoted by the Company or in which the Company is otherwise (directly or indirectly) interested;

7.1.4 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 CA 2006)) derives from any such contract, transaction or arrangement or from any office or employment or from any interest in any body corporate which he is permitted to hold or enter into by virtue of articles 7.1.1, 7.1.2 or 7.1.3 and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 CA 2006; and

7.1.5 shall subject to article 8.1, be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) and shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, on any matter referred to in articles 7.1.1 to 7.1.3 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any such resolution his vote shall be counted.

8 Directors' conflicts of interest

8.1 A director shall be authorised for the purposes of section 175 CA 2006 to act or continue to act as a director of the Company notwithstanding that at the time of his appointment or subsequently he also holds office as a director or other officer of, or is employed by, or is otherwise interested in (including by the holding of shares), any other Group Company and no further authorisation under article 8.2 shall be necessary in respect of any such interest.

8.2 For the purposes of section 175 CA 2006, the directors may authorise any matter proposed to them in accordance with these articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company (a "**Conflict**"). Any such authorisation will be effective only if:

8.2.1 any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and

8.2.2 the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

The directors may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they may expressly impose but such authorisation is otherwise given to the fullest extent permitted. The directors may vary or terminate any such authorisation at any time.

For the purposes of these articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

8.3 A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a Conflict, this article applies only if the existence of that relationship has been approved by the directors pursuant to article 8.1. In particular, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 CA 2006 because he fails:

8.3.1 to disclose any such information to the board or to any director or other officer or employee of the Company; and/or

8.3.2 to use or apply any such information in performing his duties as a director of the Company.

8.4 Where the existence of a director's relationship with another person has been approved by the board pursuant to article 8.1 and his relationship with that person gives rise to a Conflict, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 CA 2006 because he:

8.4.1 absents himself from meetings of the board at which any matter relating to the Conflict will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

8.4.2 makes arrangements not to receive documents and information relating to any matter which gives rise to the Conflict sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser,

for so long as he reasonably believes such Conflict subsists.

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

9 Records of decisions to be kept

9.1 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

10 Number of directors

10.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be more than six and shall not be less than two.

10.2 Article 17(1) of the Model Articles is amended by the insertion of the words "provided that the appointment does not cause the number of directors in office for the time being (excluding alternate directors who are not also directors) to exceed any maximum number fixed or otherwise determined in accordance with these articles".

11 Appointment of directors

- 11.1 Provided no Disqualification Event has occurred in respect of him/her, for long as each of them respectively shall hold not less than 5% in nominal value of the total Ordinary Shares in issue Stephen Fenby and Jane Fenby shall each be entitled to appoint at any time and from time to time by the delivery of a written notice to the Company one person as a director of the Company. The relevant member shall be entitled to remove such person from office by giving written notice of such to the Company and the Company shall give effect to the provisions of any such notice.
- 11.2 The appointment of any directors in addition to those directors appointed in accordance with article 11.1 shall require the approval of a Shareholder Majority.
- 11.3 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

12 Directors' expenses

- 12.1 Article 20 of the Model Articles is amended by:
- 12.1.1 the deletion of the word "may" and insertion of the word "must" in its place before the words "pay any reasonable expenses"; and
- 12.1.2 the insertion of the words "(including alternate directors) and the secretary, if so appointed," before the words "properly incur".

13 Appointment and removal of alternate directors

- 13.1 Any director ("**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:
- 13.1.1 exercise that director's powers; and
- 13.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.
- 13.2 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.
- 13.3 The notice must:
- 13.3.1 identify the proposed alternate; and
- 13.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

14 Rights and responsibilities of alternate directors

- 14.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor(s).
- 14.2 Except as the articles specify otherwise, alternate directors:
- 14.2.1 are deemed for all purposes to be directors;
 - 14.2.2 are liable for their own acts and omissions;
 - 14.2.3 are subject to the same restrictions as their appointors; and
 - 14.2.4 are not deemed to be agents of or for their appointors,
- and, in particular, 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.
- 14.3 A person who is an alternate director but not, in the absence of such appointment, a director:
- 14.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
 - 14.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
 - 14.3.3 shall not be counted as more than one director for the purposes of articles 14.3.1 and 14.3.2.
- 14.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his 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), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 14.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but 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.

15 Termination of alternate directorship

- 15.1 An alternate director's appointment as an alternate terminates:
- 15.1.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 15.1.2 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;

- 15.1.3 on the death of the alternate's appointor; or
- 15.1.4 when the alternate's appointor's appointment as a director terminates.

16 Secretary

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

SHARES AND DISTRIBUTIONS

17 Share Rights

- 17.1 The share capital of the Company shall, as at the date of adoption of these articles, comprise of the Ordinary Shares, the A Ordinary Shares, B1 Ordinary Shares, B3 Ordinary Shares, B5 Ordinary Shares and the Preference Shares, each of which shall be treated as a separate class of share.
- 17.2 The A Ordinary Shares, the B Ordinary Shares and the Preference Shares shall not confer any rights on the holders thereof, save as expressly set out in these articles.
- 17.3 Save as set out in these articles, the Preference Shares, Ordinary Shares, A Ordinary Shares and B Ordinary Shares are non-redeemable and are non-convertible. For the avoidance of doubt, save as set out in these articles, the holders of the Preference Shares have no other rights in respect of those shares to share in the profits of the Company.
- 17.4 Dividends and distributions

17.4.1 The Company shall, without resolution of the Board or of the Company in general meeting and before application of any profits to reserve or for any other purpose pay in respect of each **Preference Share**, a fixed cumulative preferential dividend at the annual rate of 1.5% of the nominal value of the Preference Share (net of any associated tax credit) ("**Preference Share Coupon**") to the person registered as its holder. The Preference Share Coupon shall accrue daily from the date on which such Shares are issued and shall be payable in cash on each Coupon Payment Date (calculated in respect of the period to a Coupon Payment Date assuming a 365 day year). The following provisions shall apply in respect of the Preference Share Coupon:

- (i) each Preference Share Coupon shall be deemed to accrue from day to day as well after as before the commencement of a winding-up and shall therefore be payable by a liquidator in respect of any period after such commencement in priority to other claims or rights of shareholders in respect of share capital;
- (ii) notwithstanding that such Preference Share Coupon is expressed to be cumulative, each Preference Share Coupon shall automatically become a debt due from and immediately payable by the Company on each Coupon Payment Date. If and to the extent that the debt so constituted is not paid in full on the relevant Coupon Payment Date, the unpaid amount shall continue to

accrue interest in respect of the period from and including the relevant Coupon Payment Date concerned to the date of actual payment;

- (iii) the Company shall procure (so far as it is able) that each of its subsidiaries which has Available Profits shall from time to time declare and pay to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company or parent undertaking) such dividends as are necessary to permit lawful and prompt payment by the Company of the Preference Share Coupon; and
- (iv) if the Company is unable to pay any Preference Share Coupon in full on any Coupon Payment Date by reason of having insufficient Available Profits then it shall on such date pay the same to the extent that it is lawfully able to do so and the unpaid amount shall continue to accrue interest in respect of the period from and including the payment date concerned down to and including the date of actual payment. Such interest shall accumulate and form part of the Preference Share Coupon to which it relates. It shall not therefore become payable until the Company has sufficient Available Profits with which to pay the relevant Preference Share Coupon.

17.4.2 Subject to the provisions of CA 2006 and to these articles, and provided that all Preferred Dividends have been paid or otherwise provided for and that there are sufficient Available Profits to justify the same, dividends and other distributions within the meaning in section 829 of CA 2006 may be made, declared or paid by the Company on the Ordinary Shares and/or on the A Ordinary Shares and/or B Ordinary Shares in each case of such amount per share as the Board shall determine or where applicable as the Board shall recommend and the holders of the Ordinary Shares shall approve by ordinary resolution. Amounts to be distributed to the holders of the Ordinary Shares and/or to the holders of the A Ordinary Shares and/or the B Ordinary Shares shall be allocated to them pro rata to the number of shares of the relevant class or classes held by them.

17.5 Voting

17.5.1 The Ordinary Shares shall confer on the holders thereof the right to vote, receive any notice of or attend or speak at any general meetings of the Company and receive or sign any written resolutions circulated to any of the members.

17.5.2 The Preference Shares, the A Ordinary Shares and the B Ordinary Shares shall not confer on the holders thereof any right to vote, receive any notice of or attend or speak at any general meetings of the Company or receive or sign any written resolutions circulated to any of the members.

17.6 Realisation of Equity Value on an Exit

- 17.6.1 The purpose of the following provisions of this article 17.6 is to set out the allocation of Equity Value to be made between the classes of Shares on an Exit.
- 17.6.2 In the event of a Listing:
- (i) all of the Preference Shares (unless the Board resolve to redeem the Preference Shares in accordance with article 17.10.1), A Ordinary Shares and B Ordinary Shares shall automatically convert into Ordinary Shares immediately before the Listing;
 - (ii) each holder of the relevant Preference Shares, A Ordinary Shares or B Shares converted or to be converted shall deliver the certificate(s) (or an indemnity in a form reasonably satisfactory to the Board for any lost share certificate) for the Shares being converted (together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company at its registered office for the time being and if any shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting shareholder to sign an indemnity in a form reasonably satisfactory to the Board for any lost share certificate;
 - (iii) a conversion pursuant to Article 17.6.2(i) above shall only be effective immediately before the Listing and if such Listing does not become effective, or does not take place, such conversion shall be deemed not to have occurred;
 - (iv) on the date of conversion, the Company shall enter the holder of the relevant converted shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares;
 - (v) where the relevant Preference Shares, A Ordinary Shares and B Ordinary Shares are to convert into a number of Ordinary Shares which is lower than the number of the relevant shares in issue, then the relevant number of Preference Shares, A Ordinary Shares and B Ordinary Shares shall convert into Ordinary Shares on a one for one basis and the remaining shares of the relevant class shall convert into Deferred Shares on a one for one basis; and
 - (vi) on conversion pursuant to Article 17.6.2(i) above the relevant Preference Shares, A Ordinary Shares or B Ordinary Shares shall (without any further authority than that contained in these Articles but subject to such other adjustment as the shareholders may, by special resolution, make at the time) stand converted into Ordinary Shares so that the value of each shareholder's holding of Shares immediately prior to completion of the Listing is equivalent to the proportion of the Equity Value to which such shareholder is entitled when calculated in accordance with Article 17.6.4 (subject to adjustment to take account of any sub-division, consolidation or re-classification or bonus issue in relation to any class of share capital or any other change to any class of share capital as a result of a capitalisation of profits or reserves at any time before or at the

time of any Listing) and the Ordinary Shares resulting from the conversion shall rank pari passu in all respects with the existing issued Ordinary Shares; and

- (vii) the shareholders shall procure that any steps necessary or desirable to give effect to this Article 17.6.2 in the context of the Listing are completed, including, without limitation, any appropriate sub-division, consolidation, re-classification or bonus issue in relation to any class of share capital or any other change to any class of share capital as a result of a capitalisation of profits or reserves at or shortly prior to any Listing.

17.6.3 In the event of an Exit that is not a Listing, the shareholders shall procure (to the greatest extent possible) that each shareholder's entitlement pursuant to the terms of the Exit is equivalent to such shareholder's proportion of the Equity Value as calculated in accordance with Article 17.6.4.

17.6.4 On an Exit, a shareholder's entitlement to their proportion of the Equity Value shall be calculated as follows:

- (i) first, Equity Value shall be allocated to the holder of each Preference Share in preference to the holders of all other classes of Shares until each Preference Share has been allocated a return equal to the amount paid up, or treated as having been paid up, on such Preference Share on issue (together with any accrued but unpaid dividends payable on such share) and the holder of each Preference Share shall have no further right to participate in Equity Value in respect of such shares;

(ii) second:

(A) where the Equity Value remaining (after deduction of the amounts allocated to holders of Preference Shares in article 17.6.4(i) above) is less than the Threshold Value, the Equity Value remaining shall be allocated to the holder of each Ordinary Share and A Ordinary Share (with the Equity Value being allocated amongst the holders of Ordinary Shares and A Ordinary Shares pro rata to the number of such shares respectively held by them and treating them for these purposes as if they were one class of share); or

(B) where the Equity Value remaining (after deduction of the amounts allocated to holders of Preference Shares in article 17.6.4(i) above) is equal to or greater than the Threshold Value, the Equity Value remaining shall be allocated as follows:

first,

- 1) each B3 Ordinary Share shall be allocated the B3 Share Value (as defined in Article 17.7) converted into pounds sterling at the rate of exchange on the

business day prior to the relevant Calculation Date;
and

- 2) each B5 Ordinary Share shall be allocated the B5 Share Value (as defined in Article 17.7); and

second;

- 3) the balance of the Equity Value which remains (after the allocations to be made to the holders of Preference Shares, B3 Ordinary Shares and B5 Ordinary Shares (specified above)) shall be allocated to the holder of each Ordinary Share, A Ordinary Share and B1 Ordinary Share (with the Equity Value being allocated amongst the holders of Ordinary Shares, A Ordinary Shares and B1 Ordinary Shares pro rata to the number of such shares respectively held by them and treating them for these purposes as if they were one class of share).

17.7 In this article:

“B3 Share Value” means the value per B3 Ordinary Share determined as follows. On the Calculation Date, the Board shall procure the calculation by the Company of B3 Profit (as defined below). The B3 Share Value shall be calculated by reference to the amount of B3 Profit achieved as set out in the following table:

B3 Profit	B3 Share Value
Less than €1.2 million	Nil
€1.2 million or more, but less than €1.3 million	€104.47
More than €1.3 million but less than €1.5 million	€139.30
More than €1.5 million	€174.12

“B3 Profit” means the profits before tax of Square One Distribution Limited (a Group Company incorporated under the laws of Ireland with registered number 243979) in respect of the last accounting period before the relevant Calculation Date for which annual accounts have been prepared.

“B5 Share Value” means the value per B5 Ordinary Share determined as follows. On the Calculation Date, the Board shall procure the calculation by the Company of B5 Profit (as defined below). The B5 Share Value shall be calculated by reference to the amount of B5 Profit achieved as set out in the following table:

B5 Profit	B5 Share Value
Less than AUS \$0.75 million	Nil

AUS \$0.75 million or more, but less than AUS \$1 million	£34.82
More than AUS \$1 million but less than AUS \$1.5 million	£69.65
More than AUS \$1.5 million	£139.30

“**B5 Profit**” means the aggregate profit before tax of both IDT Pty Limited (a Group Company incorporated under the laws of Australia with registered number 082 281 543) and IDTNZ Limited (a Group Company registered under the laws of New Zealand with registered number 2117315) in respect of the last accounting period before the relevant Calculation Date for which annual accounts have been prepared.

17.8 For the purposes of the calculations required pursuant to this Article 17 and for the purposes of determining the Calculation Date for the purposes of a Listing, the decisions of the Board shall, in the absence of manifest error or bad faith, be final and binding on the holders of Shares.

17.9 Deferred Shares

17.9.1 The Ordinary Shares and the Deferred Shares shall be separate classes of shares, but except as expressly provided in these Articles, shall rank pari passu in all respects.

17.9.2 The Deferred Shares shall have the rights and be subject to the restrictions set out below:

- (i) the Deferred Shares give no right to participate in or receive any dividends declared, made or paid by the Company;
- (ii) the Deferred Shares do not give any entitlement to receive a distribution, return of capital, or share certificate;
- (iii) the Deferred Shares give no right to receive notice of, or attend or vote at, any general or class meeting of the Company;
- (iv) the prior written consent of the directors shall be required for any transfer of Deferred Shares; and
- (v) the Company may:
 - (A) purchase all or any of the Deferred Shares in issue at any time for a consideration of £0.01, in aggregate, payable to each holder of Deferred Shares for their entire holding of Deferred Shares; or
 - (B) acquire all or any of the Deferred Shares in issue for nil consideration at any time,

and pending such purchase or acquisition each holder of any of the Deferred Shares shall be deemed to have irrevocably authorised the Company to appoint any person to execute a transfer thereof and/or an agreement to transfer the same to the

Company, or such person(s) as the Company may determine as custodian thereof.

17.10 Preference Shares

17.10.1 The Preference Shares may, subject to the requirements of CA 2006 and if the Board so resolve, be redeemed immediately prior to, or in anticipation of, an Exit.

17.10.2 On redemption of the Preference Shares in accordance with article 17.10.1, the holders of such Preference Shares shall receive a return on each Preference Share equal to the amount paid up, or treated as having been paid up, on such Preference Share on issue (together with any accrued but unpaid dividends payable on such share).

18 Variation of share rights

18.1 Whenever the share capital of the Company is divided into different classes of share, 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 winding-up) with the consent in writing of the holders of shares of that class carrying more than three-fourths of the total voting rights exercisable by the holders of issued shares of that class. However, the following matters shall not constitute a variation, modification or abrogation of any of the rights, privileges or restrictions attaching to any class of share and shall not therefore require any such class consent:

18.1.1 the allotment and issue of shares of any class; and/or

18.1.2 the admission of any person (and whether by subscription or transfer) as a shareholder of the Company; and/or

18.1.3 the grant or agreement to grant any option over shares of any class or any uncalled capital of the Company or the issue of any obligations convertible into shares of any class; and/or

18.1.4 the buy back of shares of any class by the Company; and/or

18.1.5 the capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve of the Company or any redemption of share capital or the redemption or purchase of any shares of any class or any other reorganisation of the share capital; and/or

18.1.6 any resolution required to implement the provisions of article 17.6, including, without limitation, the conversion, reduction, consolidation, division, subdivision, redenomination, re-designation, re-classification or other alteration of shares of any class in the capital of the Company in the context of an actual or proposed Listing.

19 Directors' authority to allot shares

19.1 Subject to article 20.1, the directors of the Company are generally and unconditionally authorised in accordance with section 551 CA 2006 and in substitution for any existing authority conferred on them to exercise all the powers of the Company:

19.1.1 to allot shares in the Company; and/or

19.1.2 to grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**"),

up to an aggregate nominal amount of £5,000,000 for a period of five years from the date of adoption of these articles save that in accordance with section 551(7) CA 2006 the Company may before the expiry of such period make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors may allot shares or grant Rights pursuant to such offer or agreement as if this authority had not expired.

20 Allotment of shares

20.1 Save in respect of any Shares to be allotted to any Employee Benefit Trust, to any Employee Member pursuant to any Share Plan or to any Employee Shareholder, and subject always to article 20.2, all Shares which the directors propose to issue shall be dealt with in accordance with the following provisions of this article 20.1.

20.1.1 any Shares proposed to be issued shall first be offered to the members holding Shares of the same class as those proposed to be issued in proportion to the number of existing Shares of that class held by them respectively, unless a Shareholder Majority shall otherwise direct;

20.1.2 each such offer shall be made by notice specifying the total number of Shares being offered to the members as a whole, the proportionate entitlement of the member to whom the offer is made and the price per Share (which shall be the same for each Share) and shall require each member to state in writing within a period (not being less than 28 days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said Shares he is willing to take up (up to his proportionate entitlement);

20.1.3 an offer if not accepted within the period specified in the notice as regards any Shares, will be deemed to be declined as regards those Shares. After the expiration of such period, any Shares so deemed to be declined (or actually declined) by such members shall be offered in the proportion and on the same terms aforesaid to the members holding Shares of classes other than those proposed to be issued in proportion to the number of existing Shares held by them respectively;

20.1.4 pursuant to such offer and further offer made in accordance with this article 20.1 no fractions of Shares shall be issued and where any holder of Shares would be entitled to a fraction of a Share, the directors shall in their absolute discretion determine how such fractions of Shares shall be allocated amongst the holders of Shares so as to ensure that only whole Shares are issued; and

- 20.1.5 any Shares not taken up following such offer and further offer made in accordance with this article 20.1 and any Shares released from the provisions of this article 20.1 with the written consent of a Shareholder Majority in accordance with this article 20.1 shall be under the control of the directors, who may allot Shares or grant Rights to such persons, on such terms, and in such manner as they think fit save that those Shares shall not be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the holders of Shares.
- 20.2 The provisions of articles 20.1.1 to 20.1.5 (inclusive) may be disapplied or varied (in whole or in part) with the written consent of a Shareholder Majority, provided that such provisions shall apply in all instances where any Shares are proposed to be issued to any existing holders of Ordinary Shares.
- 21 Exclusion of statutory pre-emption rights**
- 21.1 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the Company.
- 22 Replacement share certificates**
- 22.1 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" are deleted and replaced with the words "evidence and indemnity".
- 23 Transmittees bound by prior notices**
- 23.1 Article 29 of the Model Articles is 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".
- 24 Transfers of Shares**
- 24.1 Subject to articles 24.11, 24.12 and 25.3, any person ("**proposing transferor**") proposing to transfer any Shares (or any interest therein) shall give notice in writing ("**transfer notice**") to the Company that he desires to transfer the same and specifying the price per Share at which he is willing to sell them. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of those Shares comprised in the transfer notice together with all rights then attached thereto to the other holders of Shares willing to purchase the same ("**purchasing members**") at the price specified therein or if the directors so decide or if no price is specified or if the transfer notice is given pursuant to articles 24.10 or 26 or if the transfer notice is deemed to be given under any provision in these articles, then such price as is certified in accordance with article 24.4 (unless another price is payable for such Shares in accordance with the provisions of these articles). A transfer notice shall not be revocable except with the sanction of the directors given any time prior to completion of the transfer of the Shares in question, or unless notified in writing to the Company by the proposing transferor not more than seven days following receipt by him of notice of the certified fair value of each Share (if relevant) provided such transfer notice has not been given pursuant to articles 24.10 or 26 or deemed to have been given under any provision of these articles.

- 24.2 The Shares comprised in any transfer notice shall be offered to the members holding Shares of the same class as those comprised in the transfer notice (other than the proposing transferor and any other person holding Shares who has given or is deemed to have given a transfer notice) as nearly as may be in proportion to the number of Shares of that class held by them respectively. Such offer shall be made by notice in writing ("**offer notice**") immediately following the expiry of 15 business days from the date of the transfer notice or the date of receipt by the Company of the Auditors' certificate given in accordance with article 24.4, as appropriate.
- 24.3 The offer notice shall:
- 24.3.1 state the identity of the proposing transferor, the number of Shares comprised in the transfer notice and the price per Share specified in the transfer notice and inform the members that Shares are offered to them in accordance with the provisions of this article 24;
 - 24.3.2 contain a statement to the effect that the Shares are offered in the first instance in the proportion referred to in article 24.2 but go on to invite each member to state in his reply whether he wishes to purchase more or less Shares than his proportionate entitlement and if so what number; and
 - 24.3.3 state the period in which the offer may be accepted (not being less than 10 business days or more than 25 business days after the date of the offer notice).

For the purpose of this article an offer shall be deemed to be accepted (subject to revocation of the transfer notice as provided in article 24.1) on the day on which the acceptance is received by the Company and may, if so specified in the acceptance, be accepted by a member in respect of a lesser number of Shares than his full proportionate entitlement. If all the members do not accept the offer in respect of their respective proportions in full the Shares not so accepted shall be used to satisfy any claims for additional Shares (notified in response to the invitation referred to in article 24.3.2) as nearly as may be in proportion to the number of Shares of that class already held by the members claiming additional Shares, provided that no member shall be obliged to take more Shares than he shall have applied for. If any Shares shall not be capable of being offered to the members in proportion to their existing holdings, except by way of fractions, the same shall be offered to the relevant members, or some of them, in such proportions as the directors may think fit. Any Shares not accepted by members holding shares of the same class as those comprised in the transfer notice shall then be offered to members holding shares of classes other than those in the transfer notice in proportion to the number of shares held by them regardless of class or nominal value and the foregoing provisions of this article 24.3 shall apply accordingly to such offer *mutatis mutandis*.

- 24.4 If the directors so decide or if no price is specified in the transfer notice or if the transfer notice is given pursuant to articles 24.10 or 26 or if the transfer notice is deemed to be given under any provision in these articles, then (unless another price is payable for such Shares in accordance with these articles) the Company shall instruct the Auditors to certify the fair value of the Shares comprised in the transfer notice at the date of that notice and the costs of producing such certificate shall be apportioned among the proposing transferor and the purchasing members (but borne solely by the proposing transferor in the case of any revocation of a transfer notice) and borne by any one or more of them as the Auditors in their absolute discretion shall decide. In certifying the fair value as aforesaid, the Auditor shall assume a sale on arms' length terms as between a willing buyer as at the date of the transfer notice

(or the date it is deemed to be given pursuant to these articles) and assuming the sale of the entire issued share capital of the Company with the proposing transferor obtaining his proportionate amount of the overall price by reference to the rights attaching to those particular Shares as provided for in these articles PROVIDED THAT in making the certification, the Auditor will not take account of whether the relevant Shares comprise a majority or minority interest in the Company, nor of the fact that transferability of such Shares is restricted by these articles. In certifying the fair value the Auditors shall be considered to be acting as expert and not as arbitrator or arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply.

- 24.5 If purchasing members shall be found for all the Shares comprised in the transfer notice within the appropriate period specified in article 24.3, the Company shall not later than five business days after the expiry of such appropriate period give notice in writing to the proposing transferor specifying the purchasing members and the number of Shares to be purchased by each purchasing member and the proposing transferor shall be bound upon payment of the price due in respect of all the Shares comprised in the transfer notice to transfer the Shares to the purchasing members.
- 24.6 If purchasing members shall be found for part of the Shares comprised in the transfer notice within the appropriate period specified in article 24.3, the Company shall not later than five business days after the expiry of such appropriate period give notice in writing to the proposing transferor specifying the purchasing members and the number of Shares to be purchased by each purchasing member, whereupon (except in the case of a transfer notice given pursuant to articles 24.10 or 26 or a transfer notice deemed to have been given under any provision of these articles) the proposing transferor shall have the right to either refuse to transfer the Shares, in which case the transfer notice shall be deemed to have been withdrawn, or upon payment of the price due in respect of such part of the Shares comprised in the transfer notice be bound to transfer such Shares to the purchasing members.
- 24.7 If in any case the proposing transferor after having become bound as aforesaid makes default in transferring any Shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such Shares on behalf of and as attorney for the proposing transferor in favour of the purchasing members. The receipt of the Company for the purchase money shall be a good discharge to the purchasing members. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the proposing transferor but the Company shall not be bound to earn or pay interest on it. The proposing transferor irrevocably authorises the Board to approve the registration of the transfer of any such Shares pursuant to this article.
- 24.8 If the Company shall not have found purchasing members for some or all of the Shares comprised in the transfer notice within the appropriate period specified in article 24.3, then the proposing transferor shall, during the period of three months following the expiry of the time so specified, be at liberty to transfer all (but not some only) of such unsold Shares comprised in the transfer notice to any person or persons provided that:
- 24.8.1 the price per Share obtained upon such transfer shall in no circumstances be less than the price per Share at which the Shares were offered to the members without first being re-offered to the members in accordance with the provisions of this article 24; and

- 24.8.2 the directors may refuse (in their absolute discretion) to register the transfer of such unsold Shares.
- 24.9 Any transfer or purported transfer of a Share made otherwise than in accordance with the foregoing provisions of articles 24.1 to 24.8 (inclusive), articles 24.11, 24.12, 25 (Permitted transfers), 26 (Compulsory transfers), 27 (Drag along) or 28 (Tag along) shall be null and void and of no effect.
- 24.10 The directors may from time to time require any member or other person entitled to transfer a Share or any person named as the transferee in any transfer lodged for registration to provide the Company with such information and evidence as the directors may consider necessary to ensure that any transfer lodged for registration is authorised under this article 24 or that no circumstances have arisen in which a transfer notice ought to be given or deemed to be given. If such information or evidence shall not be provided to the satisfaction of the directors within a reasonable time or shall disclose that any such circumstances have arisen the directors shall be entitled to refuse to register the transfer of concerned or (as the case may be) to require by notice that a transfer notice be given in respect of the Shares concerned provided that any director nominated by the proposing transferor or whose shareholding in the Company includes the Shares in the transfer notice or prospective transfer notice shall not be entitled to vote at any board meeting considering the registration of a transfer or to require by notice in writing that a transfer notice be given in respect of the Shares in question.

For the avoidance of doubt the directors shall not refuse to register a transfer of Shares made pursuant to articles 24.1 to 24.8 (inclusive) and articles 24.11, 24.12.3, 25 (Permitted transfers), 26 (Compulsory transfers), 27 (Drag along) or 28 (Tag along).

- 24.11 The provisions of articles 24.1 to 24.10 (inclusive) may be waived in any particular case if the Shareholder Majority gives its consent in writing.
- 24.12 The provisions of articles 24.1 to 24.10 (inclusive) shall not apply in respect of:
- 24.12.1 a compulsory transfer of Leaver Shares, which shall be subject to the provisions of article 26.1.4 or 26.2 (unless the Board determines otherwise in accordance with article 26.2.1 (iii));
 - 24.12.2 any transfer of Shares made under article 25 (Permitted transfers), articles 27.1.1 to 27.1.4 (Drag along) or in acceptance of an offer obliged to be made under article 28.1(Tag along); or
 - 24.12.3 the exercise by the Company of any option to buyback Ordinary Shares granted to it by members of the Company and contained in any agreement entered into on or before the date of adoption of these articles.

25 Permitted transfers

- 25.1 Notwithstanding any other provisions of these articles and subject always to article 25.3:
- 25.1.1 any member being an individual (other than a bankrupt or trustee of a Family Trust or a trustee in bankruptcy) may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any Shares held by him to:

- (i) a Privileged Relation not being an infant or an undischarged bankrupt; or
- (ii) to trustees to be held upon a Family Trust of which he is the settlor;

25.1.2 where any Shares are held by trustees upon a Family Trust:

- (i) on any change of trustees such Shares may be transferred to the new trustees of that Family Trust;
- (ii) such Shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor;

25.1.3 any member being a corporation may at any time transfer all or any Shares held by it:

- (i) to any subsidiary undertaking of the member; or
- (ii) to any company of which the member is a subsidiary undertaking or any subsidiary undertaking of any such company; or
- (iii) to a company formed to acquire the whole or a substantial part of the undertaking and assets of such member as part of a scheme of amalgamation or reconstruction;

25.1.4 the Employee Benefit Trust may transfer any Preference Shares held by it to any person to whom it is entitled to transfer Shares pursuant to the terms of such trust or grant any option or right to any such persons to acquire any Preference Shares held by it;

25.1.5 Stephen Fenby may transfer any Shares held by him to any proposed Employee Member as part of an incentive plan for any such proposed Employee Member;

25.1.6 any person may transfer any of the Preference Shares held by him to the Employee Benefit Trust; and

25.1.7 where any Preference Shares are held by the Employee Benefit Trust, on any change of trustees such Shares may be transferred to the new trustees of the Employee Benefit Trust,

and the directors shall, save as may be required by law, register any transfer to which this article 25 applies.

25.2 If the personal representatives of a deceased member are permitted under these articles to become registered as the holders of any of the deceased member's Shares and elect to do so then such Shares may at any time be transferred by those personal representatives to any person to whom under this article those Shares could have been transferred by the deceased member if he had remained the holder thereof, but no other transfer of such Shares shall be permitted under this article.

25.3 No A Ordinary Shares or B Ordinary Shares shall be the subject of a transfer without the prior written consent of the Board and for the purposes of this article 25.3, "transfer" shall mean:

25.3.1 any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share or Shares be allotted, issued or transferred to some other person than himself; and

25.3.2 any sale or any other disposition of any legal or equitable interest in a Share (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by written instrument.

25.4 Subject to article 25.3, A Ordinary Shares or B Ordinary Shares may:

25.4.1 be transferred pursuant to any offer made in the circumstances specified in articles 27 (Drag along) and 28 (Tag along) and in accordance with the applicable requirements thereof;

25.4.2 be acquired by the Company by way of a share buyback, subject to compliance with the requirements of CA 2006 (including in the circumstances set out in articles 26.1.3 and 26.1.4);

25.4.3 be transferred by any holder thereof to any Employee Benefit Trust (including in the circumstances set out in articles 26.1.3 and 26.1.4);

25.4.4 be offered to other members pursuant to the procedure set out in article 24 (including in the circumstances set out in articles 26.1.3 and 26.1.4); or

25.4.5 be transferred to any person approved by the Board in advance.

26 Compulsory transfers

26.1 Subject to article 26.8, on the happening of any Relevant Event a transfer notice shall be deemed to have been immediately given in respect of:

26.1.1 all the Shares as shall be registered in the name of the relevant member immediately prior to such Relevant Event;

26.1.2 all Shares held immediately before such Relevant Event by the relevant member's Privileged Relations and/or Family Trusts and/or personal representatives (other than Shares which the directors are satisfied were not acquired by such holders either:

(i) directly or indirectly from such member; or

(ii) by reason of their connection with such member (and the decision of the Board in this respect will be final); or

(iii) after the date of such Relevant Event under any Share Plan).

The following provisions of this article shall then apply.

26.1.3 If the Relevant Event shall be the bankruptcy of a member (or insolvency event relating to a corporate member), the provisions of article 24 shall apply mutatis mutandis save that:

- (i) the proposing transferor shall not be entitled to withdraw or revoke any transfer notice; and
- (ii) in the alternative and where the insolvent or bankrupt member concerned is an Employee Member, the Board may determine (in their absolute discretion) that the Shares in question be acquired as provided for in articles 25.4.2 to 25.4.5 (inclusive), but that the price payable for such Shares shall be their par value and in which case the procedure for transferring the relevant Shares set out in article 26.3 shall apply mutatis mutandis;
- (iii) where the Board has determined that the relevant Shares may be offered to existing members as provided for in article 24, if any of the Shares which are offered to the members and/or to the Company pursuant to the transfer notice are not accepted ("**Unsold Shares**"), after the expiration of the periods during which the Unsold Shares might have been purchased by the members or the Company pursuant thereto, the Board may make a direction under article 26.1.3(ii), but otherwise the trustee in bankruptcy or such other person who has become entitled to the Unsold Shares in consequence of the bankruptcy of the member shall be entitled to:
 - (A) sell the Unsold Shares to any person in the same manner and subject to the same conditions (mutatis mutandis) as the member would be entitled to under article 24; or
 - (B) elect at any time to be registered himself as the holder of the Unsold Shares (but so that such election shall not give rise to any obligation to serve a further transfer notice in respect of the Unsold Shares).

26.1.4 If the Relevant Event shall be an Employee Member attempting to deal with or dispose of any of his Shares or any interest(s) in them otherwise than in accordance with these articles, then the provisions of article 24 shall apply mutatis mutandis save that:

- (i) the proposing transferor shall not be entitled to withdraw or revoke any transfer notice; and
- (ii) the Board may determine in the alternative (and in their absolute discretion) that the Shares in question be acquired as provided for in articles 25.4.2 to 25.4.5 (inclusive), but that the price payable for such Shares shall be their par value and in which case the procedure for transferring the relevant Shares set out in article 26.3 shall apply mutatis mutandis.

26.2 If the Relevant Event shall be an Employee Member becoming a Leaver, then the Employee Member shall be required to transfer his Shares and (subject to article 26.9) the following additional provisions shall apply:

26.2.1 all Shares held by that Employee Member or by the relevant Employee Member's Privileged Relations and/or Family Trusts and/or personal representatives pursuant to a permitted transfer (together the "**Leaver Shares**") shall either (as the Board may determine):

- (i) be subject to the relevant provisions of CA 2006, be acquired by the Company by way of share buyback;
- (ii) be offered to an Employee Benefit Trust;
- (iii) be offered to other members pursuant to the procedure set out in article 24; or
- (iv) be transferred to such other persons as may be approved by the Board;

26.2.2 the price payable for Leaver Shares shall be determined as follows:

- (i) where the Employee Member is a Bad Leaver, the price payable shall be the par value of the Leaver Shares;
- (ii) where the Employee Member is a Good Leaver but, as at the date he becomes a Leaver, a period of less than five years has elapsed since the Leaver Shares were originally issued and allotted to him, the price payable by the relevant buyer shall be the par value of the Leaver Shares; and
- (iii) where the Employee Member is a Good Leaver and, as at the date he becomes a Leaver, a period of five years or more has elapsed since the Leaver Shares were originally issued and allotted to him, the price payable shall be the fair value of the Leaver Shares, which shall be an amount agreed between the Board and the Employee Member (or his personal representatives), or in the absence of agreement within 30 business days of the date of Relevant Event, as may be determined by the Auditors in the manner provided for in article 24.4; and

26.2.3 the date upon which the relevant holder becomes a Leaver (being the Relevant Event in those circumstances) shall be:

- (i) where a contract or employment is terminated by the employer by giving notice to the employee of termination of the employment, the date of that notice (whether or not payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);
- (ii) where a contract of employment is terminated by the employee by giving notice to the employer of the termination of the employment, the date of that notice; and
- (iii) where a contract of employment is terminated for any reason other than in the circumstances set out in this article 26.2.3, the date on which the action or event giving rise to the termination occurs.

26.3 The relevant Employee Member (or his personal representatives) and the Company shall take all necessary action and shall execute all documentation (in the form required by the Company) and do all things within their respective powers to conclude the compulsory transfer of any Shares required by this article 26, including in relation to any buyback of Leaver Shares by the Company. The relevant Employee Member (or his personal representatives) shall on request deliver to the

Company the share certificates for his Leaver Shares being sold and shall ensure that the Leaver Shares are unencumbered. If any relevant Employee Member (or his personal representatives) shall fail to take any action required by this article, the directors shall be irrevocably authorised to appoint one of their number to act as agent or attorney for the shareholder in question and to enter into all documents and do all acts and things on behalf of and in the name of the relevant Employee Member (or his personal representatives) as shall be necessary to give effect to the Employee Member's obligations under this article. The Company may receive or hold any purchase money on behalf of the relevant Employee Member (or his personal representatives) and the receipt of or retention by the Company for the purchase money in respect of the Leaver Shares shall be a good discharge to any relevant acquirer. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the Employee Member (or his personal representatives) but the Company shall not be bound to earn or pay interest on it. The Employee Member irrevocably authorises the Board to approve the registration of the transfer of any such Leaver Shares pursuant to this article.

- 26.4 If a corporate member ceases to be within the control (as such term is defined by section 1124 Corporation Tax Act 2010) of the person(s) who controlled such company on the date on which it became a member of the Company it shall (unless a Shareholder Majority shall agree in writing otherwise) be deemed to have immediately given a transfer notice in respect of all the Shares as shall then be registered in its name.
- 26.5 If and whenever a Privileged Relation to whom Shares have been transferred ceases to be a Privileged Relation of the shareholder who made the transfer, unless the Shares are transferred back to the shareholder who made the transfer within 30 days of the transferee so ceasing, a transfer notice shall be deemed to have been given in respect of the relevant Shares (as hereinafter defined) by the holders thereof and such Shares may not otherwise be transferred.
- 26.6 If and whenever any Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor, to any Privileged Relation of the settlor or other permitted transfer) or there ceases to be any beneficiaries of the Family Trust other than a charity or charities a transfer notice shall be deemed to have been given in respect of the relevant Shares (as hereinafter defined) by the holders thereof and such Shares may not otherwise be transferred.
- 26.7 For the purposes of articles 26.5 and 26.6 the expression "**relevant Shares**" means and includes the Shares originally transferred to the trustees or Privileged Relation and any additional Shares issued or transferred to the trustees or Privileged Relation by virtue of the holding of the relevant Shares or any of them.
- 26.8 Where at any time any of Stephen Fenby, Jane Fenby or an exempted member may fall within the definition of Employee Member:
- 26.8.1 they shall not be required to compulsorily transfer any of their Shares in accordance with this article 26 in circumstances where they may become Leavers; and
- 26.8.2 where they are the subject of any other Relevant Event, they shall not be classed as an Employee Member for the purposes of this article 26,

and for the purposes of this article 26.8 the expression "**exempted member**" shall mean a holder of shares in relation to whom the directors have agreed, on behalf of the Company and on such terms as the directors and such holder may agree, should be treated as an exempted member for the purposes of this article 26.8.

- 26.9 Any proposed buyback by the Company from an Employee Shareholder of any Shares in accordance these articles shall (in accordance with the provisions of section 205A (12) of the Employment Rights Act 1996) be subject to any terms or specific requirements which the Secretary of State may by regulations provide from time to time should apply in relation to any such buyback PROVIDED THAT any such terms and specific requirements shall only apply where they are expressed by such regulations to override any provisions contained in these articles which relate to a buyback by the Company of such Shares, failing which the relevant provisions of these articles shall continue to apply (unless otherwise determined by the Board).

27 Drag along

If a bona fide third party offeror for Shares (unconnected whether directly or indirectly with any shareholder or director of any Group Company) makes bona fide offers to all the members of the Company which are acceptable to the holders of more than 60% of the Ordinary Shares then provided such offer includes an offer to purchase all the Shares for the same consideration per Share of the relevant class and the same terms are available in relation to all Shares of the relevant class (in each case calculated by reference to the entitlements in respect of those Shares which would arise on an Exit in accordance with the provisions of these articles):

- 27.1.1 such offeror may give notice to any non-accepting holders of Shares and any persons who have the right to acquire Shares pursuant to rights granted prior to such offer requiring him to accept the offer within 14 days and stating that, failing such acceptance, he shall be deemed to have accepted such offer in respect of all Shares held by him and irrevocably to have waived any pre-emption rights he may have in relation to any Shares the subject of such offer;
- 27.1.2 upon the expiry of such notice each recipient thereof shall be obliged to deliver to the offeror (or as he may direct) an executed share transfer form and share certificate(s) in respect of the Shares which were the subject of the notice together with an executed waiver of pre-emption rights, if appropriate, against receipt of full payment of the purchase monies payable on an Exit and any amounts repayable on an Exit pursuant to the terms of any loan notes which they may hold, in cleared funds;
- 27.1.3 if any such member fails to deliver executed share transfer form(s), share certificate(s) and pre-emption waiver(s) (if appropriate) as set out above he shall be deemed to have appointed any director to be his agent and attorney to execute such documents on his behalf and, against receipt by the Company (on trust for such member) of the appropriate purchase monies, to deliver such executed transfer(s) and pre-emption waiver(s) (if appropriate) to the offeror and it shall be no impediment to completion of the transfer that such member's share certificate(s) has/have not been produced; and
- 27.1.4 after such offeror or his nominee has been registered as the holder of Shares transferred in accordance with this article the validity of such transaction shall not be questioned by any person.

28 Tag along

28.1 Save for any permitted transfer of Shares under article 25, no sale or transfer of the legal or beneficial interest in any Shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by any person or group of persons Acting in Concert who do not already have a Controlling Interest at the date of such transfer, unless the proposed transferee or transferees or his or their nominees are independent third party bona fide purchasers acting in good faith and has or have offered to purchase the entire issued and to be issued Shares in the Company at the Specified Price (calculated as set out below), such offer to be open for acceptance for at least 30 days.

28.2 In this article 28 the “**Specified Price**” means:

28.2.1 the consideration (in cash or otherwise) per Share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the Shares of the relevant class being acquired, plus

28.2.2 the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other Shares of the relevant class 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, plus all arrears and accruals of the dividends on such Share calculated down to the date of the sale or transfer,

and in each case calculated by reference to the entitlements which would arise in respect of the relevant Shares on an Exit in accordance with the provisions of these articles.

In the event of disagreement the calculation of the Specified Price shall be referred to the Auditors for determination whose decision shall be final and binding. If a Shareholder Majority reasonably considers that the proposed transfer is not bona fide arms length and representing a reasonable market value for the Shares the Specified Price shall be an amount determined by the Auditors as being a fair value for such Shares in accordance (mutatis mutandis) with the provisions of article 24.4.

29 Purchase of own shares

29.1 The Company is authorised to purchase its own shares with cash in accordance with section 692 CA 2006.

30 Capitalisation of profits – authority to capitalise and appropriation of capitalised sums

30.1 The directors may, if they are so authorised by an ordinary resolution:

30.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying Preferred Dividends, or any sum standing to the credit of the Company’s share premium account or capital redemption reserve; and

30.1.2 appropriate any sum which they so decide to capitalise (a “**capitalised sum**”) to:

- (i) the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions (“**Entitled Members**”); and/or
 - (ii) any person whom it is proposed shall become an Employee Member (“**Proposed Employee Member**”).
- 30.2 The directors may, if they are so authorised by an ordinary resolution, apply any capitalised sum:
 - 30.2.1 on behalf of Entitled Members in the same proportions as a dividend would have been distributed to them; and/or
 - 30.2.2 in paying up any shares proposed to be issued and allotted to any Proposed Employee Member.
- 30.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to Entitled Members and/or Proposed Employee Member (as applicable) as they may direct.
- 30.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to Entitled Members and/or Proposed Employee Member (as applicable).
- 30.5 The directors may:
 - 30.5.1 apply capitalised sums in accordance with articles 30.3 and 30.4 partly in one way and partly in another;
 - 30.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
 - 30.5.3 authorise any person to enter into an agreement with the Company on behalf of all to Entitled Members and/or Proposed Employee Members (as applicable) which is binding on them in respect of the allotment of shares and debentures to them under this article.

DECISION MAKING BY SHAREHOLDERS

31 Poll votes

- 31.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 CA 2006) present and entitled to vote at the meeting.
- 31.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words “A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made” as a new paragraph at the end of that article.

32 Proxies

- 32.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words “is delivered to the Company in accordance with the articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the

right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate”.

- 32.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words “and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting” as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

33 Means of communication to be used

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

33.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

33.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

33.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

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

For the purposes of this article, no account shall be taken of any part of a day that is not a business day.

- 33.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by CA 2006.

34 Indemnity

- 34.1 Subject to the provisions of, and so far as may be consistent with, CA 2006 and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the Company shall indemnify every relevant officer out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer

PROVIDED that in the case of any director, any such indemnity shall not apply to any liability of that director:

34.1.1 to the Company or to any of its associated companies;

34.1.2 to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

34.1.3 incurred:

(i) in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the Company, or any of its associated companies, in which judgment is given against him; or

(ii) in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief,

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234 CA 2006.

34.2 Every director shall be entitled to have funds provided to him by the Company to meet expenditure incurred or to be incurred in connection with any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a director, provided that he will be obliged to repay such amounts no later than:

34.2.1 in the event he is convicted in proceedings, the date when the conviction becomes final;

34.2.2 in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or

34.2.3 in the event of the court refusing to grant him relief on any application under any statute for relief from liability, the date when refusal becomes final

in each case where the conviction, judgment or refusal by the court is final within the meaning stated in section 234 CA 2006.

35 Insurance

35.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

35.2 In this article a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company.

36 Liability of members limited

36.1 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.