

11th August 2014

Buyagift plc

**MEMORANDUM
AND ARTICLES
OF ASSOCIATION**

(A Public Limited Company adopting Table A with modifications)

Re-registered as a plc on 12 December 2008

Company Number

3883868



The Companies Acts 1985 to 2006

Public Company Limited by Shares

MEMORANDUM OF ASSOCIATION

of

Buyagift plc

1. The Company's name is Buyagift plc.
2. The Company is to be a Public Company.
3. The Company's registered office is to be situated in England and Wales.
4. The Company's objects are:
 - (a) To carry on business as a general commercial company acting particularly but not exclusively as specialists in the supply through the internet of gift vouchers for the purchase of goods and services and to provide all equipment, appliances, facilities and back up services for its use; to undertake all forms of direct marketing and off the page systems; to arrange for press inserts; to deal in telecom airtime and to enter into contracts with telecommunications and telephone companies and the commercial sector as to the use thereof; to undertake all forms of general marketing and vending services all kinds of internet, computer, telephone and facsimile sales work and to enter into contracts with persons, firms and companies to sell or market their products or services by such means and to act as commission and marketing agents; to arrange introductions between vendors and purchasers, to enter into agency and franchise agreements, to obtain concessions in trade; to undertake all forms of market and consumer research and to carry on business as importers, exporters, dealers in, agents for, brokers and general factors and distributors, wholesalers, retailers and mail order dealers of all forms of raw and natural produce and products, foodstuffs, manufactured articles and appliances for personal, domestic, industrial, commercial and domestic use and also to act as general administrative and management consultants.
 - (b) To carry on business within the United Kingdom and abroad as specialists, advisors and consultants on and to organise and manage training courses in techniques relating to the marketing, sale and promotion of manufactured and engineered articles, plant, machinery and products and all other services, goods and produce; to act as general advertising agents.

- (c) To carry on business as advisors and consultants on wholesalers, retailers, mail order dealers and installers of and to export and import and generally deal in and also to design, develop, manufacture, operate, repair and maintain all mobile, cellular and car phones, all general telecommunication, telephone, telephonic, facsimile, radio, radar, computerised, aeronautical, marine and allied plant, systems, modems and equipment.
- (d) To carry on any other business of any description whatsoever which may seem to the Company or in the opinion of the Directors thereof be advantageously carried on in connection with or ancillary to the objects of the Company or any of them and calculated directly or indirectly to render more profitable the Company's business.
- (e) To purchase or by any other means acquire, sell, lease, rent, licence, surrender, accept surrenders of, mortgage, charge or otherwise deal in any freehold, leasehold or other property wheresoever situate.
- (f) To erect, construct, pull down, dismantle, remove or replace, repair and maintain, alter, hire, enlarge and adapt any buildings both portable and otherwise and use the same for the Company's business or any of them.
- (g) To buy, sell, import, export, manufacture, exchange or part exchange, let on hire, build, construct, install, erect, enlarge, improve, adapt, dismantle, re-model, repair and maintain any engine, machinery, plant and material of any description capable of being conveniently made, used or sold in any of the businesses or trades aforesaid.
- (h) To purchase or by any other means acquire, take over and undertake all or any part of the business, property, liabilities and assets of any person, firm or company carrying on or formed to carry on any business which this Company is authorised to carry on or possessed of property suitable to the purposes of this Company and which is calculated to advance the interests of this Company and make more profitable the Company's business and to pay cash or to issue shares, stock, debentures or debenture stock of this Company as the consideration for such acquisition and to undertake any liabilities or obligations relating to the business or property so purchased or acquired.
- (i) To enter into partnership or any arrangement of any kind with any person, persons, firm or company having for its objects similar objects to those of this Company or any of them with a view to increasing the business of the Company.
- (j) To purchase, subscribe for or otherwise acquire shares, stock or other interests in any Company or Corporation.
- (k) To act as agents or brokers for any person, firm or company and to undertake and perform sub-contracts for any person, persons, firms or companies and also to appoint such agents, sub-contractors and brokers and to act in any of the businesses of the Company through them.

- (l) To apply for, register, purchase or by any other means acquire and protect and prolong and renew trade marks, patents, licences, concessions and designs which may be capable of being dealt with by the Company or likely to benefit the Company and to grant licences or privileges thereout.
- (m) To sell, let, licence, develop or otherwise deal with the undertaking or all or any part of the property or assets of the Company upon such terms as the Company may approve with power to accept shares, debentures or securities of, or interests in any other Company.
- (n) Either with or without the Company receiving any consideration or advantage, direct or indirect from giving any such guarantee or indemnity and so as to be an independent object of the Company, to guarantee the performance of the obligations of others including the payment of capital or principal together with any premium of and any dividends or interest on or other payment in respect of loans, credits, stocks, shares, or securities or other obligations of any nature whatsoever and without limiting the generality of the foregoing obligations for the repayment of money and/or discharge of liabilities both present and future, actual or contingent and insofar as the same is not prohibited by law, obligations and liabilities incurred in connection with or for the purpose of the acquisition of shares in the Company or in any company which is for the time being the Company's Holding Company as defined by section 736 of the Companies Act 1985 as amended by Section 144 of the Companies Act 1989 due, owing or incurred to bankers or any other person of any company, firm or person, and in particular, (but not by way of limitation) of the Company's Holding Company or any company which is contemplated to become the Company's Holding Company or a subsidiary, as defined by Section 736 of the Companies Act 1985 as amended by Section 144 of the Companies Act 1989 of the Company or of the Company's Holding Company, or otherwise associated with the Company in business or of any company, firm or person which the directors of the Company shall think appropriate and to create mortgages, charges or liens upon all or any of the property or assets of the Company (both present and future) including its uncalled capital in support of such guarantees or otherwise as security for any such obligations and liabilities of others.
- (o) To invest and deal with the moneys of the Company not immediately required in such shares or upon such securities and in such manner and on such conditions as may from time to time be determined.
- (p) To borrow and raise money upon such terms and on such security as may be considered expedient and in particular by the issue or deposit of debentures or debenture stock and to secure the repayment of any money borrowed, raised or owing by mortgage charge or lien upon the whole or any part of the undertaking, property and assets of the Company, both present and future, including its uncalled capital.
- (q) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable instruments.
- (r) To lend and advance money and give credit to any persons, firms or companies on such terms and conditions as the Company may decide.

- (s) To make advances to customers and others and allow them credit without security to enable them to purchase the goods, produce or products of the Company or use its services and for any purpose calculated to enhance the Company's business.
- (t) To promote the Company's interests by advertising its products, works or services in any manner and to take part in competitions, displays and exhibitions and offer prizes, gifts and concessions to customers or prospective customers as might seem desirable.
- (u) To remunerate any person, firm or company rendering services to this Company in any manner whatsoever.
- (v) To grant pensions, allowances, gratuities and bonuses to existing or former employees and officers (including Directors or ex-Directors) of the Company or the dependants of such persons and to establish and maintain or concur in maintaining trusts, funds or schemes, (whether contributory or non-contributory) with a view to providing pensions or other funds for any such person as aforesaid or their dependants and to establish and support or to aid in the establishment and support of any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether such institutions or societies be solely connected with the business carried on by the Company or not, and to institute and maintain any club or other establishment or profit sharing scheme calculated to advance the interests of the Company or of the persons employed by the Company.
- (w) To pay all and any expenses incurred in connection with the promotion, formation and incorporation of this Company and to promote or aid in the promotion of any other companies.
- (x) To distribute any property in specie among the members of the Company.
- (y) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

It is declared that the foregoing sub-clauses or any of them shall be construed independently of each other and none of the objects herein mentioned shall be deemed to be merely subsidiary to the objects contained in any other sub-clauses.

- 5. The liability of the members is limited.
- 6. The Company's share capital at the adoption of this Memorandum of Association is £56,000 divided into 5,000,000 ordinary shares, 500,000 "A" ordinary shares, 16,000 "L-1" shares and 84,000 "L-2" shares (together the "L-1" shares and the "L-2" shares, the "L" shares) all of 1 penny each.

Dated: 11th August 2014

Company Number: 3883868

THE COMPANIES ACTS 1985 and 1989

A PUBLIC COMPANY LIMITED BY SHARES

Amended

ARTICLES OF ASSOCIATION *

of

BUYAGIFT PLC

PRELIMINARY

- 1 Subject as hereinafter provided the Regulations set out in Table A of the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000 shall apply to this Company and reference to any Regulation in these Articles of Association shall be a reference to such Regulations.
- 2 The following Regulations of the said Table A shall not apply to this Company, namely Regulations 24, 46, 47, 50, 64 to 69, 73, 74, 75, 76, 77, 78, the second and third sentences of Regulation 79, Regulation 81, the fifth sentence of Regulation 88 and Regulations 94 and 95.
- 3 Any reference in these Articles to “the Act” shall mean the Companies Act 1985 as amended or extended by any other enactment.

CAPITAL

- 4 The Directors of the Company shall within a period of five years from the adoption of these Articles of Association be entitled to exercise the Company’s power to allot, grant options over or otherwise dispose of the shares which are comprised in the authorised share capital with which the Company is incorporated and no other authority for the Directors to allot, grant options over or otherwise dispose of any shares shall be valid for more than five years from the date of passing the members resolution to which it relates. The authorised capital of the Company at the adoption of these Articles of Association is £56,000 divided into 5,000,000 ordinary shares, 500,000 “A” ordinary shares, 16,000 “L-1” shares and 84,000 “L-2” shares (together the “L-1” shares and the “L-2” shares, the “L” shares) all of one penny each to which shall be attached the following rights, privileges and restrictions:-

AS TO VOTING

- 5 The fully paid ordinary shares shall carry the right to be notified of and attend and vote either in person or by proxy at all the Meetings of the Company but no such rights shall in any circumstances attach to the “A” ordinary shares nor the “L” shares.

* Adopted by special resolution dated 11th August 2014

AS TO INCOME

- 6 Both the fully paid ordinary shares and the fully paid "A" ordinary shares shall carry the right to the receipt of such dividends payable on such class or classes of shares, in such amounts, at such frequency, at such times as, on the recommendation of the Directors, the Company shall, in General Meeting, in accordance with the provisions of Article 52, prescribe. The "L" shares shall carry no rights to the receipt of dividends.

AS TO REPAYMENT

- 7 In the event of a liquidation or winding up after the Company has discharged all its debts, obligations and liabilities then the surplus assets (the "**Surplus Assets**") shall, subject to article 7.3, be distributed on the basis that if the Surplus Assets divided by 7.25 ("**Surplus EBIT**") are less than or equal to €5.2 million then article 7.1 shall apply and if the Surplus EBIT is in excess of €5.2 million then article 7.2 shall apply.
 - 7.1 if the Surplus EBIT is less than or equal to €5.2 million then article 7.2 shall not apply and the fully paid ordinary shares and the fully paid "A" ordinary shares shall (i) carry an equal right to repayment of capital at their par value and thereafter (ii) shall both carry an equal right to participate in the distribution of any surplus in a direct and pro-rata proportion to the number of fully paid ordinary shares and "A" ordinary shares held irrespective of their class. The "L" shares shall have no right to participate in any distribution of Surplus Assets or Surplus EBIT; and
 - 7.2 if the Surplus EBIT is in excess of €5.2 million then article 7.1 shall not apply and the "L" shares shall participate in the distribution of Surplus Assets on the basis of the formula and calculation set out in Article 26 with any balance being paid to the ordinary shares and the fully paid "A" ordinary shares which shall (i) carry an equal right to repayment of capital at their par value and thereafter (ii) shall both carry an equal right to participate in the distribution of any surplus remaining in a direct and pro-rata proportion to the number of fully paid ordinary shares and "A" ordinary shares held irrespective of their class.
 - 7.3 In the event that there is a liquidation or winding up of the Company prior to 30 April 2015, then if Article 7.2 applies when making any calculation pursuant to Article 26 then any reference to "EBIT" shall be replaced with and be construed as if it were a reference to Surplus EBIT.
- 8 Sections 89(1), section 90(1) to (5)(inclusive) and section 90(6) of the Act shall not apply in relation to the issue of any equity securities by the Company but in substitution therefor the provisions of Article 9 below shall apply.
- 9 Save as provided by Article 4 and save in respect of the issue of shares pursuant to an employees' share scheme or as otherwise directed by the Company in General Meeting, any shares which are not comprised in the authorised share capital with which the Company is incorporated from time to time created shall before they are issued be offered to the members holding that class of share in proportion as nearly as possible to the number of shares of that class held by them. Any such offer shall be made by notice specifying the number and class of share offered and limiting a time within which the offer, if not accepted, will be deemed to be declined and after the expiration of such time any shares not accepted and any shares which, by reason of the ratio which the shares to be issued bear to the shares held by persons entitled to an offer thereof, cannot, in the opinion of the Directors, conveniently be offered under this Article, shall be at the disposal of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons at such times and on such terms as they think proper. This Article 9 shall not apply to the "L"

shares.

- 9A In the event of a Sale (as defined below) prior to 30 April 2015, then in relation to the L shares the extent to which the L shares shall be entitled to participate in the proceeds of any such sale shall be calculated in accordance with Article 26, save that any reference to EBIT shall be a reference to Sale EBIT (as defined below). The shareholders shall, if any amount is to be assigned to the L shares on a Sale following completion of the calculation in Article 26, procure that the L shares shall receive any amount so calculated and shall distribute the balance of any Sale Proceeds between the remaining share classes pro rata.

For the purposes of this Article 9A:

Sale shall mean the completion of an agreement for the sale of the entire share capital of the Company to a person who is not already a shareholder in the Company (other than to the extent it is a permitted transfer pursuant to these Articles)

Sale Proceeds shall mean the amount of monies actually available to the shareholders (taking into account the value of any non cash consideration offered as part of the Sale and assuming that any deferred consideration shall be receivable in full, save that no money shall be payable to the holders of L shares until actual receipt of any deferred consideration) after taking into account all costs incurred by the shareholders and/or the Company that are directly attributable to the Sale.

Sale EBIT shall mean an amount equal to the Sale Proceeds divided by a factor of 7.25.

REDEEMABLE SHARES AND PURCHASE OF OWN SHARES

- 10 Subject to Chapter VII of Part V of the Act, and to Regulation 12, the Company may purchase its own shares (including redeemable shares) whether out of distributable profits or the proceeds of a fresh issue of shares or otherwise.
- 11 Subject to Chapter VII of Part V of the Act, any shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, at the option of the Company or the members, liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine, and whether out of distributable profits or the proceeds of a fresh issue of shares or otherwise. The "L" shares may not be issued as redeemable shares and shall not be capable of being redeemed.

FINANCIAL ASSISTANCE

- 12 Subject to Chapter V of Part VI of the Act, the Company may give financial assistance for the purpose of or in connection with any acquisition of shares made or to be made in the Company or its holding company.

LIEN

- 13 The lien conferred by Regulation 8 shall attach to all shares 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 be the sole holder thereof or one of two or more joint holders. The Company shall have a first and paramount lien on every share (not being fully paid) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (including fully paid shares) registered in the name of any

person indebted or under liability to the Company whether he be the sole holder thereof or one of two or more joint holders for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any shares to be wholly or in part exempt from the provisions of Regulation 8, as amended by this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

TRANSFER OF SHARES

- 14 Subject to Article 19, except for a transfer of shares permitted under Articles 20 to 25 (inclusive) and save as may be otherwise agreed by all the members for the time being, if any of the members (the "Selling Shareholder") wishes to transfer any shares, the following provisions shall have effect:-
- 14.1 before agreeing or making any such transfer, the relevant Selling Shareholder (or his personal representative(s) in the case of death) shall deliver to the Company at its registered office written notice ("Transfer Notice") detailing the number of shares ("Sale Shares") he wishes to sell, being either all of the shares registered in the name of the Selling Shareholder or all or some of them as stipulated by the Selling Shareholder (or his personal representatives) in the Transfer Notice, together with his share certificate(s) for the Sale Shares. The Transfer Notice shall constitute the Company (acting by the Directors) as the agent of the Selling Shareholder to sell the Sale Shares at the price and in the manner hereinafter set out;
- 14.2 upon receipt of the Transfer Notice, the Company shall copy the Transfer Notice to the members (other than the Selling Shareholder) and also to the Selling Shareholder where the Transfer Notice is a deemed Transfer Notice under Article 14.12 and the Company shall instruct the auditors of the Company at the Company's expense, acting as experts and not as arbitrators, to certify the fair value of the Sale Shares at the date of the Transfer Notice. If the auditors shall be unable or unwilling to carry out such certification, either the Selling Shareholder or the Company may, at the Company's expense, apply to the President of the Institute of Chartered Accountants in England and Wales for the appointment of an independent expert to assess the fair value of the Sale Shares;
- 14.3 the Company shall give prompt written notice to the members of the auditors' or independent expert's valuation. In the event that the Selling Shareholder shall not agree with a certification by the auditors, and gives written notice to the Company of such disagreement within 14 days of the notice from the Company of the auditors' valuation, the Selling Shareholder shall have the right, at the Company's expense, to apply to the President of the Institute of Chartered Accountants in England and Wales for the appointment of an independent expert to assess the fair value of the Sale Shares. If the Selling Shareholder does not exercise the right to object within 14 days, then the auditors' certification shall be final and binding on all the members and the Company, in the absence of manifest error;
- 14.4 an independent expert appointed under Article 14.2 or 14.3 shall act as an expert and not as arbitrator and his decision as to the fair value shall be final and binding on all the members and the Company, in the absence of manifest error.
- 14.5 the auditors or the independent expert, as the case may be, will certify the fair value of the Sale Shares as at the date of the Transfer Notice using the following assumptions and bases:-

- (a) by valuing the Sale Shares as on an arms' length sale between a willing vendor and a willing purchaser; and
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so.

If any difficulty shall arise in applying any of the foregoing assumptions or bases, then such difficulty shall be resolved by the auditors or the independent expert, as the case may be, in such manner as he shall in his absolute discretion think fit. The Company will use its best endeavours to procure that the auditors or the independent expert, as the case may be, determines the Transfer Price within 21 days of being requested to do so.

- 14.6 upon receipt of the auditor's or the independent expert's certificate the Directors shall forthwith offer in writing the Sale Shares to the members (other than the Selling Shareholder) at the fair value. In the event of competition between the members for the Sale Shares, the acceptances shall be scaled back on a pro rata basis in proportion to the holdings of shares of those members who wish to accept a proportion of the Sale Shares greater than their proportionate holding of shares. The offer shall be open for acceptance for 21 days from the date of the offer notice and acceptance shall be made by sending to the Company's registered office a written notice of acceptance together with a remittance by way of a banker's draft made payable to the Selling Shareholder for the whole of the purchase price for the Sale Shares accepted by the member;
- 14.7 in the event that the Sale Shares or some of them still remain unsold after implementation of Article 14.6:
 - (a) the members (other than the Selling Shareholder) and the Company shall have the right, exercisable within three months of the end of the 21 day period in Article 14.6, to find a person or persons wishing to purchase some or all of the Sale Shares at the fair value assessed under Articles 14.2 to 14.5 (inclusive), and the provisions of Article 14.9 shall mutatis mutandis apply; and
 - (b) subject to compliance with the applicable statutory requirements, the Company shall have the right exercisable within three months of the end of the 21 day period in Article 14.6 to repurchase some or all of the Sale Shares at the fair value assessed.
- 14.8 in the event that the Sale Shares remain unsold after implementation of Article 14.7, the share certificate (or in the case of a part sale the certificate for the balance of Sale Shares) shall be sent to the Selling Shareholder who shall be at liberty to sell such shares at a price no lower than the fair value in the period of 3 months following the end of the 3 month period in Article 14.7 to a third party.
- 14.9 if, by the foregoing procedure, the Directors shall receive acceptances in respect of some but not all of the Sale Shares they shall forthwith give notice in writing to the Selling Shareholder and to the person or persons who have agreed to purchase the same ("purchaser" or "purchasers"). Every such notice shall state the name and address of each purchaser, the number of Sale Shares agreed to be purchased by him and the place and time appointed by the Directors for the completion of the purchase (being not less than 7 days nor more than 28 days after the date of the said notice). The Selling Shareholder shall thereupon become bound upon payment of the fair value to the Selling

Shareholder (whose receipt shall be a good discharge to the purchaser, the Company and the Directors therefor, none of whom shall be bound to see to the application thereof) to transfer to each purchaser those Sale Shares accepted by him. The purchase shall be completed at the time and place appointed by the Directors; and

14.10 where the Selling Shareholder has stipulated that all (and not some) of the shares detailed in the Transfer Notice are to be sold and the Directors shall not, by the foregoing procedure, receive acceptances in respect of all of the Sale Shares the Directors shall forthwith give notice of that fact to the Selling Shareholder and the Sale Shares shall thereupon cease to be the subject of a Transfer Notice, but the foregoing shall be without prejudice to the continuing application of Article 14.7 and Article 14.8 to the extent provided in those articles.

14.11 In Articles 14.12 and 14.13, a “**Relevant Event**” means:-

- (a) a member being adjudicated bankrupt or being a corporation taking any corporate action or other steps being taken or legal or other proceedings being started for its winding-up, dissolution or re-organisation (other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation) or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of it or of any or all of its assets; or
- (b) a member dying and in consequence of which the person or persons who became entitled to the shares are not persons to whom the shares may be transferred in accordance with Article 23; or
- (c) a member is, or may be, suffering from mental disorder and either (i) he is admitted to hospital in pursuance of an application for admission for treatment under Section 3 of the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect of his property or affairs; or
- (d) a member making any voluntary arrangement or composition with his creditors or being a corporation being unable to pay its debts as they fall due; or
- (e) an encumbrancer taking possession of or a distress execution sequestration or process being levied or enforced upon the whole or a material part of a member's undertaking or assets.

14.12 Upon the happening of any Relevant Event the member in question shall be deemed to have immediately given a Transfer Notice in respect of all (and not some) of the shares as shall then be registered in the name of such member and all of the shares (if any) as shall then be registered in the name of a permitted transferee (as defined in Article 20). In such event the Selling Shareholder shall not be entitled to stipulate as envisaged by Article 14.1 that all of the shares rather than all or some of them shall be subject to a deemed Transfer Notice.

14.13 If the Relevant Event shall be the death of a member and if all of the shares which are

offered pursuant to the deemed Transfer Notice shall not be sold after the expiration of the period in Article 14.7 then the personal representatives of the member in question shall be entitled to elect at any time before the shares are disposed of by them to be registered themselves as the holders of the unsold shares.

- 15 The members shall pass all resolutions necessary to enable the provisions of Article 14 to be effected within a reasonable period of time.
- 16 If in any case any member or members either as a group or any number of them having become bound to transfer any shares held by them pursuant to the provisions of Article 9 or Article 10 shall make default in transferring those shares, the Directors shall authorise some person to execute on behalf of and as attorney for each member in default any necessary transfers and may receive the purchase money and shall then (subject to due stamping) cause the name of the purchasers to be entered in the register of members as the holders of those shares and hold the purchase money in trust for each member in default. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the selling member until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.
- 17 The members agree to procure that the Directors shall approve for registration any transfer of shares in relation to which the provisions of Articles 14 to 25 (inclusive) have been complied with.
- 18 No member will mortgage, charge or declare a trust or otherwise transfer, dispose or deal in the legal or beneficial ownership of any shares except as permitted by these Articles of Association or with the written consent of the other members.
- 19 The provisions of Article 14 and Article 20 shall not apply to the "L" shares. The "L" shares may only be transferred with the prior written consent of Smart & Co SAS. Any consent given or refused shall be at the sole discretion of Smart & Co SAS, any consent may also be subject to any restriction or condition that is stated, in Smart & Co SAS' sole discretion, as part of the consent.

PERMITTED TRANSFERS

- 20 For the purpose of Articles 21 to 23 (inclusive):-
 - 20.1 "**permitted transferee**" means a person to whom a member has transferred one or more shares under a permitted transfer and "**permitted transfer**" means a transfer under Articles 21 to 23 (inclusive);
 - 20.2 "**privileged relation**" in relation to a member means the spouse (or widow or widower) or cohabiting partner of the member and the member's lineal descendants and for these purposes a step-child or adopted child or illegitimate child of any member shall be deemed to be a lineal descendant of such member; and
 - 20.3 "**family trust**" means, in relation to a member being an individual or a deceased member, a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) which does not permit any of the settled property or the income

therefrom to be applied otherwise than for the benefit of (i) that member and/or a privileged relation of that member or (ii) 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 no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such member or his privileged relations.

- 21 A member being an individual (not being in relation to the shares in question a holder thereof as a trustee of a family trust) may at any time transfer all or any of the shares held by him:
- 21.1 to a privileged relation; or
- 21.2 to trustees to be held upon a family trust of such member.
- 22 Where shares are held by trustees upon a family trust:
- 22.1 such shares may on any change of trustees be transferred to the new trustees of that family trust;
- 22.2 such shares may at any time be transferred to any person to whom under Article 21 the same could have been transferred by the settlor if he had remained the holder thereof;
- 22.3 if and whenever any such shares cease to be held upon a family trust (otherwise than in consequence of a transfer authorised by Article 22.2 or there cease to be any beneficiaries of that family trust other than a charity or charities the trustees shall be deemed immediately to have given a Transfer Notice in respect of all their relevant shares; and
- 22.4 for the purposes of this Article 22.4, the expression “**relevant shares**” means and includes (so far as the same remain from time to time held by the trustees) the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.
- 23 The personal representatives of a member may at any time transfer all or any of the shares to which they are entitled to any person to whom the registered holder would have been permitted to transfer the same under Articles 21 or 22.
- 24 Any member may at any time transfer all or any of his shares to any person with the prior written consent of members holding not less than 75% of the issued shares by nominal value. This Article 24 shall not apply to the “L” shares, the transfer of which such shares shall be subject to Article 19. For the avoidance of doubt, any transfer for which consent is given pursuant to this Article 24 shall remain subject to the provisions of Articles 35 to 44 (inclusive).
- 25 Where there is a sequence of two or more transfers to permitted transferees:
- 25.1 neither the first, nor any subsequent, permitted transferee shall make a permitted transfer to anyone who does not qualify as someone to whom the person who made the first such permitted transfer could make a permitted transfer, and if any permitted transferee shall cease to be so qualified, such permitted transferee shall immediately

retransfer the shares concerned to such original transferor in the sequence; and

- 25.2 in relation to a member who has made a permitted transfer the initial and each subsequent permitted transferee in a sequence following from his transfer shall be regarded as his permitted transferee.

VALUE OF "L" SHARES

- 26 As soon as reasonably practicable after finalising the accounts of the Company for the 12 month period to 30 April 2015 (the "Accounts"), or in any event before 31 August 2015, the directors shall make a calculation of the value of the "L" shares. The value of the "L" shares shall be calculated by reference to EBIT (as defined below) ("EBIT"). Following calculation of the value of the "L" shares the directors shall notify in writing the holders of "L" shares of the calculation made pursuant to this Article and the value of their "L" shares (the "Calculation Date"). The value of the "L" shares shall be by reference to each class of "L" share and to a value per "L" share. Save in the case of manifest error or mistake, the value at the Calculation Date notified by the directors to the holder of "L" shares shall be the final binding value of the "L" shares for the purpose of these Articles.

If EBIT is:

- 26.1 less than or equal to €5,200,000, the value of the "L" shares shall be nil; or
- 26.2 in excess of €5,200,000, then the value of the "L" shares shall be calculated with the following formula:

$$[(X-Y) \times A \times 7.25 \times 89.9\%] - Z,$$

Where:

X = EBIT

Y, A and Z depend on whether the "L" shares are "L-1" shares or "L-2" shares, as represented in the following table:

	"L-1" shares	"L-2" shares
Y	€2,617,693	€3,094,234
A	1.6%	8.4%
Z	€24,737	€129,868

The value of an L-1 or L-2 share shall be calculated by dividing the result of the appropriate formula above by the number of L-1 or L-2 shares in issue at the Calculation Date.

For the purposes of these Articles, EBIT shall be calculated as follows (the following figures being taken from the management accounts for the 12 month period to 30 April 2015):

Sales: being recognised at full sales value at the point of sale, together with an estimate of the non-redemption amount that is expected to occur when the vouchers expire

LESS

Cost of Sales, Marketing, Credit Cards and Overheads: being recognised on the same basis as Sales

ADD

Interest receivable

LESS

Bonuses accrued in the year

AND EXCLUDING

All provisions for long term incentive plans, share schemes, foreign exchange and exceptionals

With the final calculation and determination of EBIT as outlined above being for the sole determination of the directors of the Company and which shall, except in the case of manifest error or mistake, be binding for the purposes of these Articles.

PUT AND CALL OPTIONS

- 27 In consideration of the grant of a corresponding call option ("**Call Option**") Smart & Co SAS grants to each holder of L shares a put option for each such holder of L shares to require Smart & Co (or such person as is nominated by Smart & Co for the purpose) to purchase the L shares held by each holder of L shares in accordance with the terms of Articles 30 to 35 (inclusive).
- 28 In consideration of the grant of a corresponding put option ("**Put Option**") each holder of L shares grants to Smart & Co (or such person as is nominated by Smart & Co for the purpose) a call option for Smart & Co SAS to require each holder of L shares to sell the L shares held by each holder of L shares in accordance with the terms of Articles 30 to 35 (inclusive).
- 29 For the purpose of Articles 30 to 34 (inclusive) the Call Option and the Put Option are "the Options".
- 30 The Options shall become exercisable following the Calculation Date (as defined in Article 26), and shall be exercisable for a period of one month from this date after which date they shall lapse and not be capable of being exercised.
- 31 An Option may be exercised in respect of all (and not some only) of the "L" shares (the "**Option Shares**") by the issuance of a notice in writing (an "**Exercise Notice**") on Smart & Co SAS or the holder of "L" shares as the case may be.
- 32 The Option Shares shall be sold with full title guarantee free from all liens, charges and encumbrances and with all rights attached to them at the Completion (as defined below).

- 33 Completion shall be the completion of the sale and purchase of the Option Shares (“**Completion**”) and shall take place at the registered office of the Company or at any other place that the parties agree and on the day that is no more than 21 days following the issuance of the Exercise Notice or such other date as the parties may agree.
- 34 The consideration for the Option Shares shall be the value ascertained pursuant to Article 26.

DRAG-ALONG RIGHTS

- 35 After first giving a Transfer Notice and going through the procedure set out in Articles 14 to 18 (inclusive), if Smart & Co SAS (the “**Majority Shareholder**”) wishes to transfer all (but not some only) of their shares (the “**Sale Shares**”) to a bona fide purchaser on arm’s length terms (the “**Proposed Buyer**”), the Majority Shareholder may require some or all other shareholders (“**Called Shareholders**”) to sell and transfer all their shares (“**Called Shares**”) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of Articles 36 to 40 (inclusive) (“**Drag Along Option**”).
- 36 The Majority Shareholder may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (“**Drag Along Notice**”) at any time before the transfer of Sale Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- 36.1 that the Called Shareholders are required to transfer all their Called Shares ;
- 36.2 the person to whom the Called Shares are to be transferred;
- 36.3 the purchase price payable for the Called Shares which shall, for each Called Share, be (i) in respect of the Ordinary Shares and “A” Ordinary Shares an amount at least equal to the price per share offered by the Proposed Buyer for the Sale Shares and (ii) for the “L” shares shall be the value of the “L” shares calculated in accordance with Article 26 (save that in the event that the L shares become Called Shares prior to 30 April 2015, then Article 26 shall be construed as if references to EBIT are references to “Sale EBIT”);and
- 36.4 the proposed date of the transfer.
- 37 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Majority Shareholder has not sold the Sale Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Majority Shareholder may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 38 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in these Articles.
- 39 Completion of the sale of the Called Shares shall take place on the date proposed for completion of the sale of the Sale Shares (the “**Completion Date**”) unless all of the Called Shareholders and the Majority Shareholder agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders
- 40 The proposed sale of the Sale Shares by the Majority Shareholder to the Proposed Buyer is subject to the rights of pre-emption set out in Articles 14 to 18 (inclusive), but the sale of the Called Shares by the Called Shareholders shall not be subject to those provisions.

TAG-ALONG RIGHTS

- 41 In the event of a sale of shares by Smart & Co SAS that would result in an unconnected third party acquiring all the shares held by Smart & Co SAS (the "**Tag Along Sale Shares**"), the transfer of the Tag Along Sale Shares may not be completed unless the proposed acquirer has first made an offer (the "**Tag Offer**") to buy all of the shares held by the other shareholders together with all their interests in, and rights in respect of, such shares (the "**Tag Along Shares**").
- 42 Any purchases pursuant to the Tag Offer are completed at the same time as the proposed sale. The Tag Offer must:
- 42.1 be made by written notice;
 - 42.2 be at a purchase price payable for the Tag Along Shares which shall, for each Tag Along Share, be (i) in respect of the Ordinary Shares and "A" Ordinary Shares an amount at least equal to the price per share offered by the Proposed Buyer for the Tag Along Sale Shares and (ii) for the "L" shares shall be the value of the "L" shares calculated in accordance with Article 26 (save that in the event that the L shares become Tag Along Shares prior to 30 April 2015, then Article 26 shall be construed as if references to EBIT are references to "**Sale EBIT**");
 - 42.3 specify that completion of the purchase of the Tag Along Shares will be conditional on the completion of the Tag Along Sale Shares and will occur at the same time;
 - 42.4 be open for acceptance for a period of not less than 10 working days; and
 - 42.5 otherwise have no terms or conditions that are less favourable for the holder of Tag Along Shares.
- 43 The purchase of shares pursuant to the Tag Offer is not subject to any of the other restrictions on transfer of shares under these Articles.
- 44 No Tag Offer need be made if a Drag Along Notice has been served under Article 36.

PROCEEDINGS AT GENERAL MEETINGS

- 45 At any General Meeting a Resolution put to the vote of the Meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or any member in person or by proxy. Unless a poll is so demanded a declaration by the Chairman that a Resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such Resolution. The demand for a poll may be withdrawn. In the event of an equality of votes the Chairman shall not have a second or casting vote. If from time to time there should be only one member of the Company pursuant to the provisions of the Companies (Single Member Private Limited

Companies) Regulations 1992, the provisions of section 370A of the Companies Act 1985 shall apply and Regulation 40 shall be amended accordingly.

DIRECTORS

- 46 The number of Directors of the Company shall not be subject to any maximum but if and so long as there is a sole Director such Director may act alone in exercising all the powers and authorities by Table A or these Articles vested in the Directors generally and Regulations 89 and 90 shall be modified accordingly. The first Directors of the Company shall be the person or persons named in the Statement delivered to the Registrar of Companies prior to the formation of the Company and deemed to be appointed Directors accordingly. A Director need not hold shares in the Company and no Director shall be subject to retirement by rotation.
- 47 Each member holding in aggregate at least 10% in nominal value of the ordinary shares shall have the right to appoint one Director (who may be himself or any other person) and at any time to remove and/or replace any such person.
- 48 The Company shall not be subject to section 293 of the Act and accordingly any person may be appointed or elected as a Director whatever his age and no Director shall be required to vacate his office of Director by reason of his attaining or having attained the age of seventy years or any other age.
- 49 In the case of an equality of votes at any Directors' Meeting, the Chairman of the Meeting shall not have a second or casting vote.
- 50 In relation to Directors' Meetings the following provisions shall apply:
- 50.1 If a Directors' Meeting, or part of a Directors' Meeting, is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in that Meeting, or part of a Meeting, for voting or quorum purposes.
- 50.2 If Article 50.3 applies, a Director who is interested in an actual or proposed transaction or arrangement with the Company:
- (a) is to be counted as participating in a decision at a Directors' Meeting, or part of a Directors' Meeting, relating to it, and
 - (b) is entitled to vote on a proposal relating to it.
- 50.3 This Article applies when:
- (a) the Company by Ordinary Resolution disapplies the provision in Article 50.1 which would otherwise prevent a Director from being counted as participating in, or voting at, a Directors' Meeting;
 - (b) the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the Director's conflict of interest arises from a permitted cause as set out in Article 50.4.

50.4 For the purposes of this Article, the following are permitted causes:

- (a) a guarantee given, or to be given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the Company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- (c) arrangements pursuant to which benefits are made available to employees and Directors or former employees and Directors of the Company or any of its subsidiaries which do not provide special benefits for Directors or former Directors.

50.5 Subject to Article 50.6, if a question arises at a Meeting of Directors or of a committee as to the right of a Director to vote, the question may, before the conclusion of the Meeting, be referred to the Chairman of the Meeting whose ruling in relation to any Director other than the Chairman is to be final and conclusive.

50.6 If any question as to the right to participate in the Meeting (or part of the Meeting) should arise in respect of the Chairman of the Meeting, the question is to be decided by a decision of the Directors at that Meeting, for which purpose the Chairman of the Meeting is not to be counted as participating in the Meeting (or that part of the Meeting) for voting or quorum purposes.

SECRETARY

51 The first Secretary of the Company shall be the person or persons named as Secretary in the Statement delivered to the Registrar of Companies prior to the incorporation of the Company and deemed to be appointed accordingly.

DIVIDENDS

- 52
- (a) Subject to the provisions of the Act and to Article 52(d), the Company may, by Ordinary Resolution passed at a General Meeting of the Company, upon the recommendation of the Directors declare a dividend.
 - (b) Subject to Article 52(d), every General Meeting at which a dividend is declared shall, by Ordinary Resolution, direct that such dividend be paid either in respect of one class of shares to the exclusion of another class, or in respect of the ordinary and "A" ordinary classes of shares. "L" shares shall have no right to receive a dividend.
 - (c) Subject to Article 52(d), where a dividend is declared in respect of two classes of shares the Company may, by Ordinary Resolution, differentiate between the classes as to the amount or percentage of dividend payable, but in default the shares in each such class shall be deemed to rank *pari passu*, in all respects as if they constituted one class of shares.
 - (d) Provided always that no dividend shall be declared to a class of shares where the Directors recommend that no dividend should be declared nor shall any dividend be

declared to any class which exceeds the amount recommended by the Directors in respect of that class

- (e) When paying interim dividends the Directors may make payments to one class of shares to the exclusion of another class or to all classes of shares. When making such payments the Directors may differentiate between the classes as to the amount or percentage of dividend payable. Regulations 102 and 103 shall be construed accordingly.

BORROWING POWERS OF THE DIRECTORS

- 53 The Directors of the Company may exercise all the powers of the Company to borrow money, whether in excess of the nominal amount of the share capital of the Company for the time being issued or not and to mortgage or charge its undertaking, property or uncalled capital, or any part thereof, and subject to section 80 of the Act to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

- 54 Any Director may in writing appoint any person to be his alternate to act in his place at any Meeting of the Directors at which he is unable to be present. Every such alternate shall be entitled to notice of Meetings of the Directors and to attend and vote thereat as a Director when the person appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. The remuneration of such an alternate shall be payable out of the remuneration payable to the Director appointing him and the proportion thereof shall be agreed between them. An alternate need not hold any share qualification.

EXECUTIVE DIRECTORS

- 55 (a) The Directors may from time to time appoint to the office of Executive Director any employee or shareholder of the Company. The number of Executive Directors shall not exceed the number of Directors for the time being of the Company and they shall have such duties and powers as the Directors may from time to time determine. An Executive Director shall not be required to hold any share qualification. The Executive Directors shall not be entitled to notice of or to attend at Meetings of the Directors except in cases where the Directors resolve that their presence is required and they shall not vote on any Resolution submitted to a Meeting of the Directors other than a Resolution on which the Meeting decides that they shall be allowed to vote. The appointment of an Executive Director shall not constitute him as a Director within the meaning of the expression 'Director' as defined in the Act, or for the purposes of Table A or these Articles, and he shall remain at all times and in all respects subject to the control of the Directors and he may at any time be removed or suspended from office by the Directors.
- (b) An Executive Director may be paid out of the funds of the Company such remuneration (if any) for his services as an Executive Director as the Directors shall from time to time determine in addition to his remuneration for his other employment with the Company.
- (c) An Executive Director appointed pursuant to this Article may be described by the Company as an Associate Director, or a Technical, Works, Sales or Special Director or by any other name the Directors may from time to time specify.

INDEMNITY

- 56.1 Subject to Article 56., a relevant officer of the Company or an associated company may be indemnified out of the Company's assets against:
- (a) any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
- (b) any liability incurred by that officer in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in the Act); and
- (c) any other liability incurred by that officer as an officer of the Company or an associated company.
- 56.2 Articles 56.1 to 56.3 (inclusive) do not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.
- 56.3 In Articles 56.1 to 56.3 (inclusive):
- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any Director, former Director or other officer of the Company or an associated company (but not its auditor).

DISQUALIFICATION OF DIRECTORS

57 The office of a Director shall be vacated:-

- (a) If by notice in writing to the Company he resigns the office of Director;
- (b) If he ceases to be a Director by virtue of section 291 of the Act;
- (c) If he becomes bankrupt or insolvent or enters into any arrangement with his creditors;
- (d) If he becomes of unsound mind;
- (e) If he is prohibited from being a Director by any order made under sections 1 to 7, section 8 (as amended by section 79 of the Companies Act 1989) and sections 9 and 10 of the Company Directors Disqualification Act 1986; or
- (f) If he is removed from office by a resolution duly passed under section 303 of the Act.

NOTICES

- 58
- (a) Subject to the provisions of Article 58(b) and Article 58(c) , proof that an envelope containing a notice was properly addressed, prepaid and posted by registered or recorded delivery or other similar service to his registered address shall be conclusive evidence that notice was given.
 - (b) Any notice served on a person at an address within the United Kingdom shall be deemed to have been served at the expiration of forty-eight hours after the envelope containing it was posted as aforesaid or in the event of a notice being served personally at the time such service took place.
 - (c) Any notice served on a person at an address outside the United Kingdom shall be deemed to have been served at the expiration of seventy-two hours after the envelope containing it was posted as aforesaid or in the event of a notice being served personally at the time such service took place.

THE COMPANY SEAL

- 59 Pursuant to section 36A of the Act, the Company may execute documents and deeds without the use of a Seal and any Share Certificate signed by a Director and Secretary or by two Directors shall be as valid as a Certificate sealed with the Seal of the Company and Regulations 6 and 101 shall be amended accordingly. The Company may in accordance with section 39 of the Act have an official seal for use in any territory district or place elsewhere than in the United Kingdom but which shall only be used by a Director and Secretary or by two Directors or by such person or persons on such occasions and in such circumstances as are specifically authorised by a Resolution of the Directors for the time being of the Company who shall have the authority to amend, suspend or withdraw such authority as they think fit.