

Company Limited by Shares

Written Resolution of the Members

Of

**PROPELLERNET LIMITED**

**Company Number: 4668888**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006

Passed. 12 November 2013

We, the undersigned, being the only persons entitled to vote on the resolutions on the circulation date, hereby irrevocably agree to the resolutions set out below and proposed by the directors pursuant to Chapter 2 Part 13 of the Companies Act 2006. The resolutions are proposed as special resolutions.

It is resolved that

1 The Company's Articles of Association be amended by:

- 1.1 the insertion of the Articles set out in the Appendix to this Written Resolution as the new Articles 6, 7 and 8 by renumbering existing clause 6 to 17 as clauses 9 to 20,
- 1.2 replacing the word "member" in the existing Article 9 (new Article 12) with the words "Founder Shareholder".

2 The:

- 2.1 7600 Ordinary Shares of £1.00 each, be classified as 7600 Founder Ordinary Shares of £1.00 each, and
- 2.2 2400 Ordinary Shares of £1.00 each, be classified as 2400 Executive Ordinary Shares of £1.00 each

3 The Propellernet Enterprise Management Incentive Scheme Rules and the Propellernet Enterprise Management Incentive Option Agreements for Rachel Krish, Nikki Winton, James Stafford, Gary Preston, Ed Lamb and Vicky Cohen (the "EMI Scheme") in the form produced to the Meeting, be and the same is hereby approved and that the directors be and they are hereby authorised to give effect to the EMI Scheme.

4. Notwithstanding the provisions of the Articles of Association of the Company the directors shall have the power to authorise the grant of options under the EMI Scheme from time to time over ordinary shares of 1 penny each to such persons as they shall in their absolute discretion think fit and to allot shares on the exercise of any such options.

5 All persons being the members of the above named Company for the time being entitled to attend and vote at general meetings and who are currently registered as the respective holders of Ordinary Shares in the Company ("Current Shareholders"), hereby waive their pre-emption right attributed to them

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## THE APPENDIX

### 6. SHARES

6 1 The share capital of the Company as at the date of adoption of these Articles is £10,000 divided into

- 6 1 1 7600 Founder Ordinary Shares of £1 00 each, (the "**Founder Shares**"), and
- 6 1 2 2400 Executive Ordinary Shares of £1 00 each (the "**Executive Shares**")

### 7. TRANSFER OF SHARES BY EXECUTIVE SHAREHOLDERS

#### 7 1 Pre- Emption Rights & Share Price

7.1.1 Except in the case of a transfer pursuant to Article 7.2 (**Drag Along**) and Article 7 3 (**Leavers**), no share or beneficial ownership of the Executive Shareholding shall be transferred until the rights of pre-emption hereinafter conferred have been exhausted. Any obligation to transfer a share pursuant to this Article is an obligation to transfer the entire legal and beneficial interest in such share

7.1 2 An Executive Shareholder who is obliged or intends to transfer any share or any interest therein (including for this purpose the assignment of the beneficial interest in, or the creation of any charge or other security interest over, such share or the renunciation or assignment of any right to receive or subscribe for such share) ("**the Executive Seller**") shall submit notice ("**the Transfer Notice**") to the directors of his/her intention and the particulars of the shares ("**the Transfer Shares**") together with the price per share which shall be

(a) IF, in the opinion of the board of directors or, if any different, a remuneration committee (the "**Remuneration Committee**"), the Executive Seller is guilty of any act of serious misconduct or serious negligence in connection with or affecting the business or affairs of the Company, the price per share shall be:

- (i) £1 00 per Executive Share ("**the Nominal Value**"), OR
- (ii) if, the Remuneration Committee, in its absolute discretion, offered to pay the Agreed Price or the Fair Price in accordance with Article 7.1.2 below.

The decision as to what constitutes serious misconduct or serious negligence shall be at the Remuneration Committee's sole discretion and its decision shall be final and binding on the Executive Seller,

OR

(b) the Agreed Price or the Fair Price as follows

- (i) as agreed between the Executive Seller and, as appropriate in accordance with Article 7 1 3 below, the Company or the Founder Shareholders ("**the Agreed Price**"), OR
- (ii) If the relevant parties cannot agree on the price, the directors of the Company shall instruct the accountants to draw up a Certificate of Value setting up the fair price of the Transfer Shares ("**the Fair Price**");

and the Agreed Price or the Fair Price, as appropriate, shall be paid in one to twenty four instalments either by the Company or the Founder Shareholders in accordance with Article 7.1.3 below and the number of instalments shall be as determined by the Company or the Founder Shareholders accordingly

(the Nominal Value, the Agreed Price and the Fair Price shall hereinafter be referred to as "**the Appropriate Transfer Shares Price**" and shall be construed and paid in accordance with the stipulations under this Article 7.1). Such Transfer Notice shall not be capable of revocation, other than by the Founder Shareholders representing 50 per cent or more of the issued share capital of the Company by notice in writing given to all the Founder Shareholders of the Company

7.1.3 Upon receipt of the Transfer Notice from the Executive Seller, the Directors shall offer the Transfer Shares to

- (a) the Company, provided the Company and Shareholders can comply with the provisions of the Companies Act regarding buy-back of shares, or
- (b) If the Company cannot buy-back the shares, the Founder Shareholders pro-rata to their holding,

and the Company or the Founder Shareholders, as appropriate, shall be hereinafter referred to as the "**Offerees**". The Offerees shall purchase the Transfer Shares at the Appropriate Transfer Shares Price and, if applicable, the Appropriate Transfer Shares Price indicated in the Transfer Notice shall be substituted by the Fair Price in the Certificate of Value.

## 7.2 Drag Along Rights

7.2.1 If at any time the Founder Shareholders representing 50 per cent or more of the issued share capital of the Company enter into negotiations with a proposed purchaser (the "**Proposed Purchaser**") with a bona fide offer on arm's length terms to acquire at least 75% of the share capital of the Company (the "**Relevant Shares**") then the Founder Shareholders shall give to the Company not less than 28 days' advance notice prior to selling the Relevant Shares (the "**Selling Notice**"). The Selling Notice will include details of the Relevant Shares and the proposed price for each Relevant Share to be paid by the Proposed Purchaser, details of the Proposed Purchaser, the estimated date and time of completion of the proposed purchase of the Relevant Shares being a date not less than 28 days from the date of the Selling Notice ("**Completion**")

7.2.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing to each of the Executive Shareholders containing the Selling Notice (a "**Compulsory Sale Notice**"), requiring each of them to sell to the Proposed Purchaser on Completion all of their holdings of shares on the same terms as those contained in the Selling Notice.

7.2.3 Notwithstanding Article 7.2.6 below, each Executive Shareholder who is given a Compulsory Sale Notice shall sell all of his/her shares referred to in the Compulsory Sale Notice at the highest price for the same class per Relevant Share to be sold to the Proposed Purchaser on Completion and on the terms set out in the Selling Notice

7.2.4 The Compulsory Sale Notice may contain a provision requiring the Executive Shareholders to enter into a service agreement with the Proposed Purchaser on Completion ("**New Service Agreement**") The New Service Agreement may stipulate that the right to payment of the proceeds of sale after Completion will be subject to performance of the new Service Agreement. The New Service Agreement shall be on such terms as the Proposed Purchaser

may require, but no worse than the existing service agreement of the Executive Shareholder with the Company as at the date of the Compulsory Sale Notice.

7.2.5 The form of the New Service Agreement shall be tabled at least 14 days before Completion otherwise the condition to enter into such a New Service Agreement contained in the Compulsory Sale Notice shall automatically and immediately lapse.

7 2 6 If any Executive Shareholder fails to comply with the terms of a Compulsory Sale Notice given to him/her ("**the Defaulting Member**"), the Company shall be constituted the agent of each Defaulting Member for the sale of his/her shares in accordance with the Compulsory Sale Notice (together with all rights then attached thereto) and the Directors may authorise some person to execute and deliver on behalf of each Defaulting Member the necessary transfer(s) and the Company may receive the purchase money in trust for each of the Defaulting Members and cause the Proposed Purchaser to be registered as the holder of such shares. The receipt of the Company of the purchase money, pursuant to such transfers, shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the Defaulting Member until such member shall, in respect of the shares being the subject of the Compulsory Sale Notice, have delivered his/her share certificates or a suitable indemnity and the necessary transfers to the Company. No Executive Shareholder shall be required to comply with a Compulsory Sale Notice unless the Founder Shareholders shall sell the Relevant Shares to the Proposed Purchaser on Completion, subject at all times to the Founder Shareholders being able to withdraw the Selling Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Compulsory Transfer Notice shall immediately lapse.

### 7 3 Deemed Transfer Notice by Leavers

7 3 1 In this Article 7 3 the following terms shall mean as follows

**Bad Leaver:** a Departing Executive Shareholder who is guilty of

- (a) misconduct,
- (b) negligence in connection with or affecting the business or affairs of the Company;
- (c) being interested in another business which competes with the business of the Company; and/or
- (d) any other reason which may lead to the termination of the Executive Shareholder's employment with the Company;

and the decision as to whether the Departing Shareholder is guilty of any of the abovementioned acts or omissions, shall be at the Remuneration Committee's sole discretion and its decision shall be final and binding on the Executive Shareholder

**Departure Date:** the date on which the Executive Shareholder becomes a Departing Executive Shareholder.

**Departing Executive Shareholder:** is an Executive Shareholder who ceases to be an employee of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them and the word "Departure" shall be construed accordingly

**Departure Transfer Notice:** a Transfer Notice submitted by a Departing Executive Shareholder in accordance with Article 7 1 2 in respect of his/her Executive Shares

**Executive Shares:** the entire shareholding of the Bad Leaver or Good Leaver, as the context shall permit, including, for this purpose, the beneficial interest in, or the creation of any charge or other security interest over, such share or the renunciation or assignment of any right to receive or subscribe for such share.

**Good Leaver:** a Departing Executive Shareholder who is not a Bad Leaver.

#### **BAD LEAVER**

- 7.3.2 A Bad Leaver shall be deemed to have served a **Departure Transfer Notice** on the Departure Date in respect of his/her Executive Shares.
- 7.3.3 The sale price of the Bad Leaver's Executive Shares shall be the Nominal Value unless the Remuneration Committee, in its absolute discretion, offered to pay the Agreed Price or the Fair Price in which case Articles 7.1.2 (b) and 7.1.3 shall apply

#### **GOOD LEAVER**

- 7.3.4 Subject to Article 7.3.5, a Good Leaver shall be deemed to have served a **Departure Transfer Notice** on the Departure Date in respect of his/her Executive Shares. The sale price of the Good Leaver's Executive Shares shall be the Agreed Price or Fair Price and Articles 7.1.2 (b) and 7.1.3 shall apply
- 7.3.5 A Good Leaver shall be under no obligation to have served a **Departure Transfer Notice** in respect of his/her Executive Shares if, on the Departure Date, the Company profit is no less than £750,000.00. In this Article, "profit" shall mean the earnings before tax, interest and exceptional items of the preceding financial year as assessed by the Company's accountants at the time in the Company's end of the preceding year accounts and such assessment shall be in full authority and final
- 7.3.6 A Good Leaver who intends to transfer any of the Good Leaver Shares or interest therein, shall submit a **Transfer Notice** to the directors of the Company of his/her intention and the particulars of the Transfer Shares and Articles 7.1.2 (b) and 7.1.3 shall apply

#### **GOOD AND BAD LEAVERS**

- 7.3.7 The directors shall give notice of the purchase of the Executive Shares of the Departing Executive Shareholder within three months of the Departure Date informing the Departing Executive Shareholder of the purchase of his/her Executive Shares and specifying the Appropriate Transfer Shares Price for them and payment method in accordance with 7.1.2 (b) (the "**Departing Executive Purchase Notice**").
- 7.3.8 Notwithstanding Article 7.3.9, the Departing Executive Shareholder shall be bound upon receipt of the Appropriate Transfer Shares Price to transfer the Executive Shares in accordance with the Departing Executive Purchase Notice
- 7.3.9 If the Departing Executive Shareholder fails to transfer any of his/her Executive Shares as required by these Articles, the provisions set out in Article 7.2.6 above shall apply and the 'Defaulting Member' shall, for the purpose of this Article 7.3.9, mean the 'Departing Executive Shareholder', as the context shall permit.
- 7.3.10 The **Departure Transfer Notice** or **Transfer Notice**, as appropriate, shall not be capable of revocation, other than by the Founder Shareholders representing 50 per cent or more of the issued share capital of the Company by notice in writing given to all the Founder Shareholders of the Company

## **8 RIGHTS OF EXECUTIVE SHAREHOLDERS AS REGARDS**

### **INCOME.-**

8 1 The profits of the Company which are available for distribution in respect of any financial year shall be applied as follows -

8 1.1 in paying to the Founder Shareholders such amount, if any, as the Board of Directors shall in its absolute discretion think fit;

8 1.2 subject to the dividend referred to in Article 8 1 1 above, any further profits which the Company may determine to distribute in respect of any financial year may be distributed among the Executive Shareholders as the Board of Directors in its absolute discretion shall think fit

8.1.3 For the avoidance of doubt

- (a) no declaration of a dividend in respect of the Founder Shares shall confer any right to dividend on the holders of the Executive Shares;
- (b) Good Leavers shall have no right to any dividend declared after their Departure; and
- (c) Bad Leavers shall have no right to any payment of dividend once the Remuneration Committee resolved that they were a Bad Leaver

### **CAPITAL.-**

8.1.5 On a return of assets on liquidation or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be applied -

- (i) in paying the Founder Shareholders and the Executive Shareholders pari passu as if the same were one class of shares the amounts paid up on such shares, and thereafter,
- (ii) in paying the holders of any other Ordinary Shares in proportion to the amounts (including any premium) paid up or credited as paid up on the Ordinary Shares held by them respectively

### **VOTING:-**

8 1 6 The Executive Shareholders and, subject to article 8.1 7 below, the holders of any other Ordinary Shares shall have no rights to receive notice of or to be present or to vote, either in person or by proxy, at any General Meeting by virtue or in respect of their holdings of such shares.

8 1 7 The Founder Shareholders shall have the right to receive notice or to be present or to vote, either in person or by proxy, at any General Meeting by virtue or in respect of their holdings of such shares and shall have one vote for each share held by them

under the Articles of Association of the Company to any shares to be issued to employees of the Company under the EMI Scheme and hereby give their irrevocable consent to issue such shares directly to such employees in accordance with the rules of the EMI Scheme. Any other Shareholders to join the Company in place of or in addition to the Current Shareholders will sign a document to that effect

- 6 The Company adopts the new provisions to be part of its articles of association in the form annexed to this written resolution

**Name & Signature of Company members being entitled to vote on the resolutions on the following circulation date:**

Name: J A Jensen

Signature:



Date: 12/11/2013

Name J. Hubbard

Signature



Date: 12/11/2013