

Company number 05151120
PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION of Videofit Limited (the *Company*)

Circulation Date: 18th January 2019

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the resolution below is passed as a special resolution (the **Resolution**).

RESOLUTION

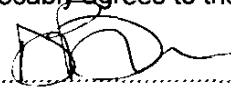
THAT the draft regulations attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolution.

The undersigned, being the shareholders of the Company and the persons entitled to vote on the above Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution:

Signed by DES BEESON:



Date:

23/01/19

Signed KAREN BEESON:



Date:

23/01/19

NOTES

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company by hand. If you do not agree to the Resolution, you do not need to do anything: you will not be deemed to agree if you fail to reply.
2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
3. Unless sufficient agreement has been received for the Resolution to pass within 28 days of the Circulation Date, it will lapse. If you agree to this Resolution, please indicate your agreement and notify us as soon as possible.

THURSDAY



A07 *A7YAIWKG* 31/01/2019 #229
COMPANIES HOUSE

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

VIDEOFIT LIMITED

(company registration number 05151120)

adopted by special resolution on 23rd January 2019

INTRODUCTION

1. INTERPRETATION

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

Accepting Shareholder: has the meaning given in article 15.5.

Acquiring Party: has the meaning given in article 12.8.

Act: means the Companies Act 2006.

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

Allocation Notice: has the meaning given in article 11.14.

Applicant: has the meaning given in article 11.14.

Articles: means the company's articles of association for the time being in force.

Bad Leaver: a person who ceases to hold any shares in the capital of the company by reason of article 12.1:

Buyer: has the meaning given in article 15.1.

Called Shareholders: has the meaning given in article 14.1.

Called Shares: has the meaning given in article 14.1.

Completion Date: has the meaning given in article 14.5.

Consideration: has the meaning given in article 11.14.

Controlling Interest: means an interest in shares giving to the holder(s) control of the company within the meaning of section 1124 of the Corporation Tax Act 2010.

Continuing Shareholders: has the meaning given in article 11.7.

Controlling Shareholders: has the meaning given in article 14.1.

Defaulting Shareholder: has the meaning given in article 12.2.

Defaulting Shareholder's Shares: has the meaning given in article 12.2.

Default Transfer Notice: the notice deemed to have been served by a shareholder upon the occurrence of any event in article 12.1.

Drag Along Notice: has the meaning given in article 14.1.

Drag Along Option: has the meaning given in article 14.1.

Drag Shares: has the meaning given in article 14.1.

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).

Fair Value: in relation to shares, as determined in accordance with article 13.

Good Leaver: a person who ceases to hold any shares in the capital of the company in circumstances where that person is not a Bad Leaver.

First Offer Period: has the meaning given in article 11.7.

First Option Notice: has the meaning given in article 11.3.

Initial Surplus Shares: has the meaning given in article 11.9(c).

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

Minimum Transfer Condition: has the meaning given in article 11.3(d).

Offer: has the meaning given in article 15.2.

Offer Notice: has the meaning given in article 15.3.

Offer Shares: has the meaning given in article 15.3.

Proposed Buyer: has the meaning given in article 14.1.

Proposed Transfer: has the meaning given in article 15.1.

Sale Date: has the meaning given in article 15.3.

Sale Shares: has the meaning given in article 11.3.

Second Offer Period: has the meaning given in article 11.10.

Second Surplus Shares: has the meaning given in article 11.12.

Seller: has the meaning given in article 11.3.

Shareholders Agreement: such agreement as may be made between the shareholders of the company from time to time in accordance with which the shareholders agree to exercise their rights in relation to the company.

Specified Price: has the meaning given in article 15.2.

Transfer Price: has the meaning given in article 11.3(c) when used in relation to Sale Shares, or the meaning given in article 12.4 when used in relation to Defaulting Shareholder's Shares.

Valuers: the auditors or accountants for the time being of the company or, if they decline the instruction, an independent firm of accountants jointly appointed by the company and the Seller or, in the absence of agreement between the company and the Seller on the identity of the expert within 14 days, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator).

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used 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 A reference in these Articles to a **share** or to **shares** shall be a reference to a share in the capital of the company (regardless of class) unless expressly provided otherwise. A reference to a **A share**, **B share**, etc, shall be a reference to a share in the capital of the company that has been designated accordingly.
- 1.6 An **A Director**, **B Director**, etc, shall be a reference to a director appointed by the holder(s) of the relevant class of shares pursuant to article 6.1.
- 1.7 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.

- 1.8 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.9 Any words following the terms ***including, include, in particular, for example*** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.10 Where the context permits, ***other*** and ***otherwise*** are illustrative and shall not limit the sense of the words preceding them.

MODEL ARTICLES

2. MODEL ARTICLES

- 2.1 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 2.2 In article 25(2)(c) of the Model Articles, the words "*evidence, indemnity and the payment of a reasonable fee*" shall be deleted and replaced with the words "*evidence and indemnity*".
- 2.3 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", *subject to article 10,*" after the word "*But*".
- 2.4 Article 29 of the Model Articles shall be amended by the insertion of the words ", *or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles,*" after the words "*the transmittee's name*".
- 2.5 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "*either*" and "*or as the directors may otherwise decide*".
- 2.6 Article 31(d) of the Model Articles shall be amended by the deletion of the words "*either*" and "*or by such other means as the directors decide*".

DIRECTORS

3. BOARD MEETINGS

- 3.1 Articles 11(2) and 11(3) of the Model Articles shall not apply to the company.
- 3.2 Any resolution passed at a meeting of which shorter notice or no notice has been given shall be deemed to have been duly passed if all those directors entitled to attend such a meeting were present or if all of them consent in writing to short notice.
- 3.3 Subject to article 3.4, the quorum for the transaction of business at a meeting of directors is one A Director and one B Director.
- 3.4 For the purposes of any meeting (or part of a meeting) held 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.
- 3.5 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:
 - (a) to appoint further directors; or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.
- 3.6 The chairman or other director chairing the meeting shall not have a casting vote.

4. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- (a) 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;
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- (d) 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;
- (e) 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 in which the company is otherwise (directly or indirectly) interested; and
- (f) 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 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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 of the Act.

5. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

6. APPOINTMENT OF DIRECTORS

- 6.1 Without prejudice to article 17(1) of the Model Articles, the holder(s) of each class of shares (other than the holder(s) of any C shares) shall have the right to appoint one of them to be a director of the company (and to remove such director, and appoint a new director (provided that new director is also a holder of shares of the relevant class)).

7. TERMINATION OF DIRECTOR'S APPOINTMENT

- 7.1 Article 18(a) of the Model Articles shall be amended by the insertion of the words "*or the service contract (if any) made between the company and the director terminates or expires*" after the words "*director by law*".
- 7.2 Any director appointed by the holder(s) of a class of shares pursuant to article 6.1 shall cease to be a director upon ceasing to hold any shares.

8. SECRETARY

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

9. SHARE CAPITAL

- 9.1 Article 22(2) of the Model Articles shall not apply to the company.
- 9.2 Except as otherwise provided in these Articles, each class of shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 9.3 On the transfer of any share as permitted by these Articles:
- (a) a share transferred to a non-shareholder shall remain of the same class as before the transfer; and
 - (b) a share transferred to a shareholder shall automatically be redesignated on transfer as a share of the same class as those shares already held by the shareholder.
- 9.4 If no shares of a class remain in issue following a redesignation under this article, these Articles shall be read as if they do not include any reference to that class or to any consents from, or attendance at any meeting or votes to be cast by, shareholders of that class or directors appointed by that class.
- 9.5 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the company shall *mutatis mutandis* apply. For the purpose of this article, the shareholders present in person or by proxy may constitute a meeting.
- 9.6 Each of the following shall be deemed to constitute a variation of the rights attached to each class of shares:
- (a) any alteration in the Articles;
 - (b) any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the company of its own shares or other alteration in the share capital of the company or any of the rights attaching to any share capital; and
 - (c) any resolution to put the company into liquidation.
- 9.7 The company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.

10. SHARE TRANSFERS: GENERAL

- 10.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.
- 10.2 No shareholder shall transfer share except:
- (a) with the prior consent of all directors of the company; or
 - (b) in accordance with article 11, 12, 14 or 15.
- 10.3 Save in the circumstances set out in article 11.18 (where they shall have discretion), the directors must register any duly stamped or certified exempt transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 10.4 To enable the directors to determine whether or not there has been a transfer of shares in the company in breach of these Articles, the directors of any class may from time to time require any shareholder to provide the company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in his name to the reasonable satisfaction of such directors within 14 days of their request or, as a result of the information and evidence provided such directors are reasonably satisfied that a breach has occurred, then such

directors may serve a notice on the shareholder stating that the shareholder shall not in relation to all shares held by that shareholder be entitled to be present or to vote in person or by proxy at any general meeting of the company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares. Such directors may reinstate these rights at any time.

- 10.5 Any transfer of shares by way of a sale that is required to be made under article 11, article 12, article 14 or article 15 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

11. PRE-EMPTION RIGHTS ON SHARE TRANSFER

- 11.1 In article 11, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

- 11.2 Except where the provisions of article 12, article 14 or article 15 apply, any transfer of shares by a shareholder shall be subject to the pre-emption rights in article 11.

- 11.3 A shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (a **First Option Notice**) to the company giving details of the proposed transfer including:

- (a) the number of Sale Shares;
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- (c) the price (in cash) at which he wishes to sell the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**)); and
- (d) whether the First Option Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).

- 11.4 Once given (or deemed to have been given) under these articles, a First Option Notice may not be withdrawn.

- 11.5 A First Option Notice (or deemed First Option Notice) constitutes the company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these articles.

- 11.6 As soon as practicable following the receipt of a First Option Notice, the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of article 11 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

- 11.7 The directors shall offer the Sale Shares to all shareholders other than the Seller (the **Continuing Shareholders**), inviting them to apply in writing within the period from the date of the offer to the date 28 days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

- 11.8 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 11.9 to article 11.12 shall be conditional on the fulfilment of the Minimum Transfer Condition.

- 11.9 If:

- (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such

rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;

- (b) not all Sale Shares are allocated following allocations in accordance with article 11.9(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 11.9(a). The procedure set out in this article 11.9(b) shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and
 - (c) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 11.10.
- 11.10 At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 28 days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.
- 11.11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to each Continuing Shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.
- 11.12 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with article 11.17.
- 11.13 If the First Option Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the directors shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 11.9 to article 11.12, stating that the Minimum Transfer Condition has not been met and that the relevant First Option Notice has lapsed with immediate effect.
- 11.14 If:
- (a) the First Option Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the First Option Notice does not include a Minimum Transfer Condition; and
 - (b) allocations under article 11.9 to article 11.12 have been made in respect of some or all of the Sale Shares,

the directors shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**).

The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall be at least 7 days, but not more than 28 days, after the date of the Allocation Notice).

11.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.

11.16 If the Seller fails to comply with article 11.15:

(a) the chairman of the directors (or, failing him, one of the other directors, or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:

(i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

(ii) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and

(iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them; and

(b) the company shall pay the Consideration into a separate bank account in the company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board may reasonably require to prove good title to those Sale Shares, to the company.

11.17 If an Allocation Notice does not relate to all of the Sale Shares or the First Option Notice lapses pursuant to article 11.13 then, subject to article 11.18 and within eight weeks following service of the Allocation Notice or the date of the lapse of the First Option Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a First Option Notice) in accordance with this article 11.17 shall continue to be subject to any Minimum Transfer Condition.

11.18 The Seller's right to transfer Sale Shares under article 11.17 does not apply if the directors reasonably consider that:

(a) the transferee is a person (or a nominee for a person) who is a competitor with (or directly or indirectly associated with a competitor with) the business of the company; or

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

(c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the directors to enable it to form the opinion mentioned above.

11.19 The restrictions imposed by article 11 may be waived in relation to any proposed transfer of Sale Shares with the unanimous consent of all directors.

12. **COMPULSORY TRANSFERS**

12.1 A shareholder is deemed to have served a Default Transfer Notice immediately before any of the following events:

- (a) a petition being presented, or an order being made, for the shareholder's bankruptcy; or
 - (b) an application to the court being made under section 253 of the Insolvency Act 1986 where the shareholder intends to make a proposal to his creditors for a voluntary arrangement; or
 - (c) the shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986; or
 - (d) the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
 - (e) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
 - (f) any encumbrancer taking possession of, or a receiver being appointed over or in relation to, all or any material part of the shareholder's assets; or
 - (g) the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
 - (h) the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the company or his shareholding; or
 - (i) the shareholder committing a material or persistent breach of these Articles or any Shareholders Agreement in relation to the shares in the company which if capable of remedy has not been so remedied within 30 days of any director requiring such remedy; or
 - (j) the shareholder fails to pay any monies owing by him to the company within 30 days of being requested in writing by the company to do so.
- 12.2 A Default Transfer Notice deemed to have been given under article 12.1 constitutes the company the agent of the shareholder (the **Defaulting Shareholder**) for the sale of all shares in the capital of the company held by him (the **Defaulting Shareholder's Shares**) to the Acquiring Party in accordance with the provisions of these Articles.
- 12.3 Except as provided in this article, a Default Transfer Notice may not be withdrawn.
- 12.4 The Transfer Price for each Defaulting Shareholder's Shares the subject of a Default Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Defaulting Shareholder's Share (in cash) agreed between the Defaulting Shareholder and the Acquiring Party or, in default of agreement within 21 days of the date of service of the Default Transfer Notice, where the Defaulting Shareholder is:
- (a) a Bad Leaver, be restricted to a maximum of the lower of: (i) £1.00 per share; (ii) the aggregate subscription price paid in respect of the Defaulting Shareholder's Shares, including any share premium; and (iii) the aggregate Fair Value of such Defaulting Shareholder's Shares; or
 - (b) a Good Leaver, be the aggregate Fair Value of such Defaulting Shareholder's Shares.
- 12.5 As soon as practicable following the determination of the Transfer Price, the Acquiring Party shall purchase the Defaulting Shareholder's Shares at the Transfer Price.
- 12.6 If the Defaulting Shareholder fails to co-operate in the transfer of the Defaulting Shareholder's Shares to the company, then:
- (a) the chairman of the directors (or, failing him, any other director or some other person nominated by a resolution of the directors) may, as agent on behalf of the Defaulting Shareholder;

- (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Defaulting Shareholder's Shares to the Acquiring Party;
 - (ii) receive the Transfer Price and give a good discharge for it; and
 - (b) the Acquiring Party shall pay the Transfer Price into a separate bank account in the company's name on trust (but without interest) for the Defaulting Shareholder until he has delivered his certificate(s) for the relevant Defaulting Shareholder's Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board may reasonably require to prove good title to those Defaulting Shareholder's Shares, to the Acquiring Party.
- 12.7 Subject to the provisions of any Shareholders Agreement, the Transfer Price shall be payable by the Acquiring Party to the Defaulting Shareholder on completion of the transfer of the Defaulting Shareholder's Shares.
- 12.8 For the purposes of article 19, the **Acquiring Party** shall be the company unless:
- (a) the directors determine that the Acquiring Party shall be such of the other shareholders who agree to purchase the Defaulting Shareholder's Shares; or
 - (b) the company has insufficient distributable reserves with which to buy-back the Defaulting Shareholder's Shares, or is otherwise unable to buy-back the Defaulting Shareholder's Shares for whatever reason;
- whereupon in either instance the Acquiring Party shall be such of the other shareholders who agree to purchase the Defaulting Shareholder's Shares as the board of directors may notify to the Defaulting Shareholder within 28 days of the service of the Default Transfer Notice. If none of the other shareholders agree to purchase the Defaulting Shareholder's Shares, then the Acquiring Party shall revert to being the company. Where the Acquiring Party constitutes more than one person, then the Defaulting Shareholder's Shares shall be purchased pro-rata by all the persons constituting the Acquiring Party.
- 12.9 Where any shares are held in joint names, then the joint owners will be deemed to have served a Default Transfer Notice immediately before the event if any of the events listed in article 12.1 happens to any of the joint owners.
- 13. FAIR VALUE OF SHARES**
- 13.1 The Valuers shall be requested to determine the Fair Value within 30 days of their appointment and to notify the company and the Seller or the Defaulting Shareholder (as appropriate) in writing of their determination.
- 13.2 The Fair Value for any Sale Share or Defaulting Shareholder's Share (as appropriate) shall be the price per share determined in writing by the Valuers on the following bases and assumptions:
- (a) if the company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - (b) the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - (c) the Sale Shares or Defaulting Shareholder's Shares (as appropriate) are sold free of all encumbrances;
 - (d) the sale is taking place on the date the Valuers were requested to determine the Fair Value; and
 - (e) to take account of any other factors that the Valuers reasonably believe should be taken into account;

- 13.3 The shareholders are entitled to make submissions to the Valuers and will provide (or procure that the company provides) the Valuers with such assistance and documents as the Valuers reasonably require for the purpose of reaching a decision, subject to the Valuers agreeing to give such confidentiality undertakings as the shareholders may reasonably require.
- 13.4 To the extent not provided for by this article, the Valuers may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary), instructing professional advisers to assist them in reaching their valuation.
- 13.5 The Valuers shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders (in the absence of manifest error or fraud).
- 13.6 The cost of obtaining the Valuers' valuation shall be borne by the company.

14. DRAG ALONG

- 14.1 If the holders of more than half of all shares in issue for the time being (**Controlling Shareholders**) wish to transfer all (but not some only) of their shares (**Drag Shares**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Controlling Shareholders may require 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 this article (**Drag Along Option**).
- 14.2 The Controlling Shareholders 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 the Drag Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares pursuant to this article;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Drag Shares; and
 - (d) the proposed date of the transfer.
- 14.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Controlling Shareholders have not sold the Drag Shares to the Proposed Buyer within three months of serving the Drag Along Notice. The Controlling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 14.4 No Drag Along Notice shall:
- (a) be given by the Controlling Shareholders prior to 20 October 2018 unless Mr Rupert Brown is one of the Controlling Shareholders; nor
 - (b) require a Called Shareholder to agree to any terms except those specifically set out in this article.
- 14.5 Completion of the sale of the Called Shares shall take place on the Completion Date. **Completion Date** means the date proposed for completion of the sale of the Drag Shares unless:
- (a) all of the Called Shareholders and the Controlling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Controlling Shareholders; or
 - (b) that date is less than 14 days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the 14 days after service of the Drag Along Notice.

- 14.6 On or before the Completion Date, the Called Shareholders shall execute and deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the company. On the Completion Date, the company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 14.2(c) to the extent that the Proposed Buyer has put the company in the requisite funds. The company's receipt for the price shall be a good discharge to the Proposed Buyer. The company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 14.7 To the extent that the Proposed Buyer has not, on the Completion Date, put the company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article in respect of their shares.
- 14.8 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 14.6) transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Controlling Shareholders to be its agent to execute all necessary transfer(s) on its behalf, against receipt by the company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article.

15. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 15.1 The provisions of article 15.2 to article 15.5 shall apply if, in one or a series of related transactions, the Controlling Shareholders propose to transfer any of the shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the company.
- 15.2 Before making a Proposed Transfer, the Controlling Shareholders shall procure that the Buyer makes an offer (**Offer**) to the other shareholders to purchase all of the shares held by them for a consideration in cash per share that is at least equal to the highest price per share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer (**Specified Price**).
- 15.3 The Offer shall be made by written notice (**Offer Notice**), at least 28 days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the Specified Price and other terms and conditions of payment;
 - (c) the Sale Date; and
 - (d) the number of shares proposed to be purchased by the Buyer (**Offer Shares**).
- 15.4 If the Buyer fails to make the Offer to all of the holders of Shares in the company in accordance with article 15.2 and article 15.3, the Seller shall not be entitled to complete the Proposed Transfer and the company shall not register any transfer of shares effected in accordance with the Proposed Transfer.
- 15.5 If the Offer is accepted by any shareholder (**Accepting Shareholder**) in writing within 28 days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

16. PURCHASE OF OWN SHARES

Subject to the Act but without prejudice to any other provision of these Articles, the company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act.

DIVIDENDS

17. PROCEDURE FOR DECLARING DIVIDENDS

17.1 Articles 30(1) and 30(2) of the Model Articles shall not apply to the company.

17.2 The profits of the company that are to be resolved to be divided amongst the shareholders in any year shall be applied in paying to the holders of the respective classes of shares dividends at such respective rates (if any) as the directors shall determine, and so that a dividend or dividends may be declared on one or several classes of shares to the exclusion of any class or classes, and the directors may pay a dividend or dividends on one or several classes of shares to the exclusion of any class or classes, and that dividends of different rates may be declared on the respective classes of the shares.

DECISION MAKING BY SHAREHOLDERS

18. ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

18.1 Article 37(2) of the Model Articles shall not apply to the company.

18.2 A person is able to exercise the right to vote at a general meeting when:

- (a) he is the holder of any shares other than C shares;
- (b) he is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (c) his vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

18.3 C shares do not carry the right to attend, speak at or vote at general meetings of the Company.

19. QUORUM

19.1 A quorum for the purposes of a general meeting shall be two shareholders, provided that the quorum must include one holder of A shares and one holder of B shares.

20. PROXIES

20.1 No person other than a shareholder of the company may be appointed as a proxy by any other shareholder.

20.2 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 24 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*".

20.3 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.