

Company number: 05260268

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

PULSE FILMS LIMITED

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PULSE FILMS LIMITED

(Adopted by special resolution passed on 8 December 2021)

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings

Act: the Companies Act 2006,

Appointor: has the meaning given in article 12.1,

Articles: the Company's articles of association for the time being in force,

Board: the board of directors of the Company,

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business,

Civil Partner: in relation to a shareholder, a civil partner as defined in the Civil Partnership Act 2004.

Company Sale: (i) a sale of all or substantially all of the assets of the Company in one transaction or a series of related transactions, or (ii) a direct or indirect acquisition of a Controlling Interest (whether by merger, consolidation, sale or transfer of any or all of the Shares) in one transaction or a series of related transactions,

Conflict: a situation in which a director has, or would reasonably be expected to have, a direct or indirect interest that conflicts, or would reasonably be expected to conflict, with the interests of the Company,

Controlling Interest: an interest in shares giving to the holder or holders control of 50.1% or more of the issued and outstanding Shares,

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provision of these Articles,

Deferred Share: a deferred share of £0.01 in the capital of the Company,

Disability: with respect to any Employee, such Employee's inability, despite a bona fide and good faith effort by the Company to reasonably accommodate such Employee's Disability, to perform his/her duties for the Company in all material respects, as determined by a physician reasonably selected by the Company, which inability continues for more than 120 calendar days in any twelve (12) month period,

Drag Along Seller: has the meaning given in article 19.1,

Drag Completion Date: has the meaning given in article 19.6,

Employee: a shareholder who is, or has been, a director and/or employee of the Company or any of its subsidiaries,

Fair Value: means (i) as to any Shares, the price at which a willing seller would sell, and a willing buyer would buy, such Shares having full knowledge of the relevant facts (including transfer restrictions with respect to such Shares), in an arm's-length transaction without either party having time constraints, and without either party being under any compulsion to buy or sell, as determined by the Board in good faith and (ii) as to any Deferred Share, £0.01,

Family Trust: in relation to an Original Shareholder, a trust set up wholly for the benefit of that Original Shareholder and/or that Original Shareholders Privileged Relations,

Group: in relation to a company, that company, any Subsidiary or Holding Company from time to time of that company, and any Subsidiary from time to time of a Holding Company of that company, and each company in a Group is a member of the Group,

Group Company: the Company, its subsidiaries or holding companies from time to time and any subsidiary of any such holding company from time to time,

holding company: has the meaning given in article 1.5,

Interested Director: has the meaning given in article 9.1,

Model Articles: 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 and reference to a numbered "Model Article" is a reference to that article of the Model Articles,

Original Shareholder: a shareholder who holds shares in the Company on the date of adoption of these Articles,

Permitted Transfer: a transfer of shares made in accordance with article 16,

Permitted Transferee: in relation to a shareholder who is a company, any wholly owned and controlled subsidiary of that shareholder and in relation to a shareholder who is an individual, any of his Privileged Relations or the trustees of his Family Trust(s),

Pre-Emption Seller: has the meaning given in article 15.1,

Privileged Relation: the spouse or Civil Partner of an Original Shareholder and the Original Shareholder's children and grandchildren (including step and adopted children and grandchildren),

Purchase Notice: has the meaning given in article 15.2, **Sale Shares:** has the meaning given in article 15.1,

Sale Price: has the meaning given in article 15.1(b),

Share: an ordinary share of £0.01 in the capital of the Company,

subsidiary: has the meaning given in article 1.5,

Tag-Along Buyer: has the meaning given in article 18.1,

Tag-Along Seller: has the meaning given in article 18.1,

Termination Date:

- (a) where employment ceases by virtue of notice given by the employer to the Employee, the date on which such notice expires,

- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,
- (c) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated, or
- (d) in any other case, the date on which the employment or holding of office is terminated,

Transfer Notice: an irrevocable notice in writing given by any shareholder to the other shareholder where the first shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any shares, and

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

- 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 those 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 to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of.
 - (a) another person (or its nominee), by way of security or in connection with the taking of security, or
 - (b) its nominee

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

- 1.6 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.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Model Articles 5, 6, 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.
- 2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur".
- 2.4 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Model Article 31(d) shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

Directors

3. DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 All decisions made at any meeting of the directors shall be made only by resolution and resolutions at any meeting of the directors shall be decided by a majority of votes of the directors entitled to vote thereon.

4. UNANIMOUS DECISIONS OF DIRECTORS

- 4.1 A decision of the directors is taken in accordance with this article, where each director has signed one or more copies of a written resolution, or each director has otherwise indicated agreement in writing to such decision.
- 4.2 A decision may not be taken in accordance with this article if the directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7.

5. NUMBER OF DIRECTORS

The number of directors shall be fixed by the Board from time to time as it sees fit. The number of directors shall not be subject to any maximum, but shall not be less than four. No shareholding qualification for directors shall be required.

6. CALLING A DIRECTORS' MEETING

- 6.1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by the directors) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by

- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting, and
 - (b) copies of any papers to be discussed at the meeting
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. QUORUM FOR DIRECTORS' MEETINGS

- 7.1 Subject to article 7.3, the quorum at any meeting of the directors (including adjourned meetings) shall be three directors.
- 7.2 No business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for two Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then those directors present will constitute a quorum.

8. CHAIRING OF DIRECTORS' MEETINGS

The chairman shall not have a casting vote.

9. DIRECTORS' INTERESTS

- 9.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 9.2 Any authorisation under this article will be effective only if
 - (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
 - (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
 - (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 9.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)
 - (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
 - (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
 - (c) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
 - (d) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information

that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and

- (e) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 9.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 9.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 9.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company, or any direct or indirect wholly owned subsidiary of that shareholder, any company of which such shareholder is a direct or indirect subsidiary (its holding company) and any other direct or indirect subsidiaries of any such holding company, and no authorisation under article 9.1 shall be necessary in respect of any such interest.
- 9.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 9.8 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 9.9 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9.8.
- 9.10 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, 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 such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested,
 - (b) shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,
 - (c) 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,

- (d) 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
- (e) 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 contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

10. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

11. APPOINTMENT AND REMOVAL OF DIRECTORS

- 11.1 The holder of a majority of the Shares shall at all times have the right, exercisable from time to time, to appoint all directors, such persons being willing to act and permitted by law to do so, and to remove from office any such director so appointed.
- 11.2 Any appointment or removal of a director under article 11.1 shall be in writing and signed by or on behalf of the shareholder entitled to appoint or remove that director and served on each of the other shareholders, the Company at its registered office or delivered to a duly constituted meeting of the Board and on the director, in the case of his removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

12. ALTERNATE DIRECTORS

- 12.1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director), to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. In these Articles, where the context so permits, the term "director" shall include an alternate director so appointed. A person may be appointed an alternate director by more than one director.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 12.3 The notice must
 - (a) identify the proposed alternate, and
 - (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors
 - (a) are deemed for all purposes to be directors,
 - (b) are liable for their own acts and omissions,
 - (c) are subject to the same restrictions as their Appointors, and

(d) are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member.

12.6 A person who is an alternate director but not a director may:

(a) be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors, and

(b) participate in a unanimous decision of the directors.

12.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors.

12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates

(a) when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate, or

(b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director, or

(c) when the alternate director's Appointor ceases to be a director for whatever reason.

Shares

13. SHARE CAPITAL

13.1 Except as otherwise provided in these Articles, the Deferred Shares and the Shares shall rank *pari passu* in all respects.

13.2 The Deferred Shares shall have no voting rights and no dividends shall be paid or payable in respect of the Deferred Shares. On any return of capital, each holder of Deferred Shares shall only be entitled to receive the nominal value in respect of each of the Deferred Shares held by them. No holder of Deferred Shares (in respect only of its Deferred Shares) shall be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company.

13.3 The Company shall immediately cancel any shares acquired under Chapter 4 of Part 18 of the Act.

14. SHARE TRANSFERS: GENERAL

14.1 In these Articles, reference to the transfer of a share includes the direct or indirect 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.

14.2 No share shall be transferred without the prior approval of the Board unless such transfer is made pursuant to article 17, article 18, article 19 or to a Permitted Transferee in accordance with article 16. If the Board approves a transfer pursuant to the foregoing sentence, such transfer shall be subject to the terms and conditions of article 15.

- 14.3 The directors may, as a condition to the registration of any transfer of shares in the Company (whether to a Permitted Transferee or otherwise) require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any shareholders' agreement (or similar document) in force between the shareholders in such form as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 14.3, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 14.4 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 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 its name to the reasonable satisfaction of such directors within 14 days of their request, 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 to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. Such directors may reinstate these rights at any time.
- 14.5 Any transfer of shares by way of a sale that is required to be made under article 16, article 17, article 18 or article 19 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

15. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 15.1 Except where the provisions of article 16, article 17 or article 19 apply, a shareholder (**Pre-Emption Seller**) wishing to transfer any or all of his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including
- (a) if he wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
 - (b) the per Sale Share price (in cash) at which he wishes to sell the Sale Shares (**Proposed Sale Price**).
- 15.2 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Pre-Emption Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 15.3 If an Original Shareholder serves a Transfer Notice under article 15.1, or is deemed to have served a Transfer Notice under article 17, any Permitted Transferee of that Original Shareholder to whom shares have been transferred in accordance with article 16.1 is also deemed to have served a Transfer Notice in respect of all his shares on the same date as the Original Shareholder's Transfer Notice is served or is deemed to have been served (in the case of a Deemed Transfer Notice).
- 15.4 As soon as practicable following the delivery of the Transfer Notice, the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 15 at the Proposed Sale Price. Each offer shall be in writing and give details of the number and Proposed Sale Price of the Sale Shares offered.
- 15.5 The directors shall offer the Sale Shares to the other Shareholders (other than the Pre-Emption Seller), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy at the Proposed Sale Price.
- 15.6 If

- (a) at the end of the 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 shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares (excluding those held by the Pre-Emption Seller). 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 shareholders shall be determined by the Board). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,
 - (b) not all Sale Shares are allocated following allocations in accordance with article 15.6(a), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 15.6(a). The procedure set out in this article 15.6(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 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 Shareholders in accordance with their applications. The balance (the **Surplus Shares**) shall be dealt with in accordance with article 15.10.
- 15.7 The directors shall, when no further offers or allocations are required to be made under articles 15.6 to 15.8 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Pre-Emption Seller and each 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 and the place and time for completion of the transfer of the Sale Shares (which shall be at least three Business Days, but not more than seven Business Days, after the date of the Allocation Notice).
- 15.8 On the date specified for completion in the Allocation Notice, the Pre-Emption Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicant may reasonably require to show good title to the Sale Shares, or to enable him to be registered as the holder of the Sale Shares.
- 15.9 If the Pre-Emption Seller fails to comply with article 15.8:
- (a) the Chairman (or, failing him, any other director or some other person nominated by a resolution of the Board) may, as agent on behalf of the Pre-Emption 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 Proposed Sale Price for each relevant Sale Share (the **Aggregate Sale Price**) and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Aggregate Sale Price), and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them, and
 - (b) the Company shall pay the Aggregate Sale Price into a separate bank account in the Company's name on trust (but without interest) for the Pre-Emption 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.

- 15.10 Where an Allocation Notice does not relate to all the Sale Shares, then the Pre-Emption Seller may, subject to compliance with article 18, at any time during the 40 Business Days following the date of service of the Allocation Notice, transfer the Surplus Shares to the buyer identified in the Transfer Notice (if any) at a price per share at least equal to the Proposed Sale Price. The Pre-Emption Seller shall not be permitted to transfer any such Surplus Shares to a third party buyer if that buyer was not identified in the Transfer Notice.

16. PERMITTED TRANSFERS

- 16.1 Subject to article 16.2, an Original Shareholder may transfer Shares to any of his Permitted Transferees without being required to follow the steps set out in article 15.

- 16.2 An Original Shareholder may only transfer Shares to the trustees of a Family Trust if the holder(s) of a majority of the Shares are satisfied.

- (a) with the terms of the Family Trust and, in particular, with the powers of the trustees,
- (b) with the identity of the trustees, and
- (c) that no costs (including any liability to tax) incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

- 16.3 Subject to article 16.2, any shareholder holding Shares as a result of a Permitted Transfer made by an Original Shareholder in accordance with this article 16 may, at any time, transfer his Shares back to that Original Shareholder or to another Permitted Transferee of such Original Shareholder, without being required to follow the steps set out in article 15.

- 16.4 If a Permitted Transfer has been made to a Permitted Transferee of the Original Shareholder, that Permitted Transferee shall within five Business Days of ceasing to be a Permitted Transferee of the Original Shareholder execute and deliver to the Company a transfer of the Shares held by such Permitted Transferee to the Original Shareholder (or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which such Permitted Transferee shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 15 and article 17.2.

- 16.5 On the death or bankruptcy of a Privileged Relation (other than a joint holder), his personal representatives or trustee in bankruptcy (as the case may be) shall offer the shares held by the Privileged Relation for transfer to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, within 10 Business Days after the grant of probate or the making of the bankruptcy order (as the case may be), for such consideration as may be agreed between the Original Shareholder and the personal representatives or trustee in bankruptcy (as the case may be). If

- (a) a transfer of the shares has not been executed and delivered within 20 Business Days of the grant of probate or the making of the bankruptcy order (as the case may be), or
- (b) the Original Shareholder is himself the subject of a bankruptcy order,

the personal representatives or trustee in bankruptcy shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 15 and article 17.2.

- 16.6 If a Permitted Transfer has been made to the trustees of a Family Trust, the trustees of that Family Trust shall within five Business Days of that Family Trust ceasing to be wholly for the benefit of the settlor and/or the settlor's Privileged Relations execute and deliver to the Company a transfer of the shares held

by them or the Family Trust to the Original Shareholder or, if so directed by the Original Shareholder, to a Permitted Transferee of the Original Shareholder, for such consideration as may be agreed between them, failing which the trustees shall be deemed to have given a Transfer Notice in respect of the shares in accordance with article 15 and article 17.2.

17. COMPULSORY TRANSFERS

17.1 Subject to article 16.5, a shareholder is deemed to have served a Transfer Notice under article 15.1 immediately before any of the following events (a **Departing Shareholder**).

- (a) a bankruptcy petition being presented for the shareholder's bankruptcy, or
- (b) an arrangement or composition with any of the shareholder's creditors being proposed, or
- (c) 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
- (d) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986, or
- (e) 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
- (f) 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
- (g) 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
- (h) the shareholder committing a material or persistent breach of any shareholders' agreement to which he is a party in relation to the shares in the Company which if capable of remedy has not been so remedied within 20 Business Days of the holder(s) of a majority of the Shares requiring such remedy.

17.2 The Deemed Transfer Notice has the same effect as a Transfer Notice, except that

- (a) the Deemed Transfer Notice takes effect on the basis that it does not identify a proposed buyer or state a price for the Sale Shares and, subject to article 17.2(b), the Proposed Sale Price for the Sale Shares shall be the price agreed between the Departing Shareholder and the Board or, in default of agreement within 10 Business days of the date of the Deemed Transfer Notice, the aggregate Fair Value of those shares,
- (b) if the Pre-Emption Seller is deemed to have given a Transfer Notice as a result of article 17.1(h), the Proposed Sale Price shall be restricted to a maximum of the lower of the per share subscription price paid in respect of the Sale Shares, including any share premium, and the per share Fair Value of such Sale Shares.

17.3 A Deemed Transfer Notice under article 17.1(h) shall immediately and automatically revoke

- (a) a Transfer Notice served by the relevant shareholder or any of his Permitted Transferees (and any Transfer Notices deemed to have been served by any of his Permitted Transferees under article 15.3, where the relevant shareholder is an Original Shareholder) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 17.1(h), and
- (b) a Deemed Transfer Notice deemed to be served by the relevant shareholder under any of the events set out in article 17.1(a) to article 17.1(g) (inclusive) (and any Transfer Notices deemed

to have been served by any of his Permitted Transferees) before the occurrence of the relevant event giving rise to the Deemed Transfer Notice under article 17.1(h).

18. TAG ALONG

- 18.1 After first giving a Transfer Notice to the Company and going through the procedure set out in article 15, the provisions of article 18.2 to article 18.6 shall apply if the holder of Shares in issue for the time being (**Tag-Along Seller**) proposes to transfer Shares to a bona fide purchaser on arm's length terms (**Proposed Transfer**) and such transfer would, if carried out, result in such person (**Tag-Along Buyer**) acquiring a Controlling Interest in the Company.
- 18.2 Before making a Proposed Transfer, the Tag-Along Seller shall procure that the Tag-Along Buyer makes an offer (**Offer**) to the holders of all other Shares in issue for the time being to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the price per Share offered by the Tag-Along Buyer in the Proposed Transfer (**Specified Price**).
- 18.3 The Offer shall be made by written notice (**Offer Notice**), at least 15 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out
- (a) the identity of the Tag-Along Buyer,
 - (b) the Specified Price and other terms and conditions of payment,
 - (c) the Transfer Date, and
 - (d) the number of Shares proposed to be purchased by the Tag-Along Buyer (**Offer Shares**).
- 18.4 If the Tag-Along Buyer fails to make the Offer in accordance with article 18.2 and article 18.3, the Tag-Along 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.
- 18.5 If the Offer is accepted by any holders of the Shares (other than the Tag-Along Seller) (**Accepting Shareholders**) in writing within 10 Business 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 the Accepting Shareholders.
- 18.6 The Proposed Transfer is subject to the rights of pre-emption set out in article 15, but the purchase of the Offer Shares shall not be subject to those provisions.

19. DRAG ALONG

- 19.1 If a shareholder holding a majority of the Shares (**Drag Along Seller**) wishes to transfer all (but not some only) of its Shares or take any other action in order to effect a Company Sale (in each case, a **Drag Along Sale**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Drag Along Seller may, subject to article 19.2, require the holders of the other Shares and the Deferred Shares (each a **Called Shareholder**) to (i) if such transfer is structured as a sale of Shares (**Share Sale**), sell and transfer all of their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article or (ii) if such transfer is structured as a merger, consolidation or sale of all or substantially all of the assets of the Company (**Business Sale**), vote in favor thereof, and otherwise to consent to and raise no objection to such transaction, and the Called Shareholders shall waive dissenters' rights, appraisal rights or similar rights, if any, which the Called Shareholders may have in connection therewith (clauses (i) and (ii) collectively, **Drag Along Option**).
- 19.2 The Drag Along Seller may only exercise its rights pursuant to article 19.1 if the Called Shareholders shall be entitled to receive, in connection with such Drag Along Sale, (i) if it is a Share Sale, an amount in respect of each Called Share that is a Share that is at least equal to the price per Share, or (ii) if it is a

Business Sale, an amount from the proceeds of the Business Sale that is at least equal to the aggregate amount, in each case that a Called Shareholder would have received if his Shares had been sold to the Drag Along Seller on the date of the Drag Along Notice under put and call arrangements (other than any put and call arrangements triggered by a change of control transaction or an initial public offering) contained in any shareholders' agreement between the Drag Along Seller and the Called Shareholders.

- 19.3 The Drag Along Seller 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 consummation of the Drag Along Sale. The Drag Along Notice shall specify
- (a) Whether such Drag Along Sale is structured as a Share Sale or Business Sale,
 - (b) the identity of the Proposed Buyer,
 - (c) the estimated purchase price payable in connection with such Drag Along Sale, and
 - (d) the proposed date of the Drag Along Sale.
- 19.4 A Drag Along Notice shall lapse if, for any reason, the Drag Along Seller has not executed a definitive agreement with respect to the Drag Along Sale within 30 Business Days of serving the Drag Along Notice. The Drag Along Seller may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.5 In connection with the closing of any such Drag Along Option, each Called Shareholder shall execute any transaction agreement required to consummate the Drag Along Sale to the Proposed Buyer, which transaction agreement shall be on terms no less favourable to each Called Shareholder than the transaction agreement executed by the Drag Along Seller in connection with the Drag Along Option and shall include the provision by each Called Shareholder of customary representations and warranties pertaining to due execution and delivery, power, authority, valid and enforceable obligations, absence of conflicts and, in respect of a Share Sale, unencumbered title to the Called Shares and, in respect of a Share Sale or a Business Sale, requisite indemnifications in respect of such warranties and representations to the Proposed Buyer, provided, however, that in no event shall the indemnification obligations of the Called Shareholders arising from the Drag Along Option exceed the aggregate amount of proceeds paid to the Called Shareholders pursuant to such Drag Along Option.
- 19.6 **Drag Completion Date** means the date proposed for completion of the Drag Along Sale unless
- (a) the Drag Along Seller and the Called Shareholders agree otherwise in which case the Drag Completion Date shall be the date agreed in writing by them, or
 - (b) that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Drag Completion Date shall be the tenth Business Day after service of the Drag Along Notice.
- 19.7 In the case of any transfer of the Called Shares in connection with a Drag Along Sale, the Called Shares shall be sold to the Proposed Buyer free and clear of any Encumbrance. On the Drag Completion Date, the Called Shareholder shall deliver to the Proposed Buyer or the Company (a) such certificates, instruments of transfer and other agreements as shall be requested by the Proposed Buyer or the Company with respect to the Drag Along Sale and (b) in the case of any transfer of the Called Shares, the relevant share certificates (or indemnities in lieu thereof) in respect of the Called Shares. In connection with any such Drag Along Option, the Called Shareholders shall use commercially reasonable endeavours to obtain all necessary consents from third parties and take such other actions as may be necessary to effect the Drag Along Sale in accordance with these Articles. On the Completion Date, (i) the Proposed Buyer or (ii) the Company, on behalf of the Proposed Buyer (to the extent that the Proposed Buyer has put the Company in the requisite funds), shall pay each Called Shareholder the amounts due to such Called Shareholder in connection with the Drag Along Sale. In the case of section (ii) of the preceding sentence, (x) the Company's receipt for the price shall be a good discharge to the Proposed Buyer and (y) the

Company shall hold the amounts due to the Called Shareholder in trust for the Called Shareholder without any obligation to pay interest.

- 19.8 To the extent that the Proposed Buyer has not, on the Drag Completion Date, paid the Called Shareholders the purchase price due in respect of the Drag Along Sale or put the Company in such funds, the Called Shareholder shall be entitled (i) if it is a Share Sale, to the return of the instruments and share certificates or indemnities delivered pursuant to article 19.7 and the Called Shareholder shall have no further rights or obligations under this article 19 in respect of its Shares and (ii) if it is a Business Sale, to withdraw any consent or approval given by the Called Shareholder in accordance with article 19.1.
- 19.9 If the Called Shareholder does not, on or before the Drag Completion Date, deliver (in accordance with article 19.6) (a) such certificates, instruments of transfer and other agreements as shall be requested by the Proposed Buyer or the Company with respect to the Drag Along Sale and (b) in the case of any transfer of the Called Shares, the relevant share certificates (or indemnities in lieu thereof) in respect of the Called Shares, the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Drag Along Seller to be its agent to execute and deliver all necessary certificates, instruments of transfer and other agreements on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable in connection with the Drag Along Sale, and to deliver such certificates, instruments of transfer and other agreements to the Proposed Buyer (or as he may direct). After the consummation of the Drag Along Sale, 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 19.9.

Decision making by shareholders

20. QUORUM FOR GENERAL MEETINGS

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be the persons present in person or by proxy representing the holder of a majority of the Shares at the applicable time of determination.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 20.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for two Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then the persons present in person or by proxy representing the holder of a majority of the Shares at the applicable time of determination shall constitute a quorum.

21. CHAIRING GENERAL MEETINGS

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

22. VOTING

- 22.1 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote, on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder, and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.

23. POLL VOTES

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

24. PROXIES

- 24.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".
- 24.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article.

Administrative arrangements

25. MEANS OF COMMUNICATION TO BE USED

- 25.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient.
- (a) if delivered by hand, on signature of a delivery receipt, or
 - (b) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9:00 am on the second Business Day after posting, or
 - (c) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9:00 am on the fifth Business Day after posting, or
 - (d) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address, or
 - (e) if sent or supplied by email, one hour after the notice, document or information was sent or supplied and receipt was confirmed, and
 - (f) if deemed receipt under the previous paragraphs of this article 25.1 would occur outside business hours (meaning 9:00 am to 5:30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9:00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 25.2 To prove service, it is sufficient to prove that:
- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address, or
 - (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or
 - (c) if sent by email, the notice was properly addressed and sent to the email address of the recipient and receipt was confirmed.

- 25.3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

26. INDEMNITY AND INSURANCE

- 26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer

- (i) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

- (ii) if applicable, in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs, and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

- 26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

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

- 26.4 In this article.

- (a) a "relevant officer " means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor, and

- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund or employees' share scheme of the Company.

27. SHARES SUBJECT TO SECURITY

- 27.1 Notwithstanding anything contained in these Articles:

- (a) any pre-emption rights conferred on existing members or any other person by these Articles or otherwise and any other restrictions on transfer of shares (including any conditions to such transfer) contained in these Articles or otherwise shall not apply to; and

- (b) the directors shall not decline to register, nor suspend the registration of, any transfer of shares where such transfer is:

- (i) in favour of any person, bank or institution (or any agent, trustee, nominee or nominees of such person, bank or institution) to whom such shares are being transferred by way of security; or
- (ii) duly executed by a receiver appointed by a person, bank or institution pursuant to any security document which creates any security interest over such shares; or
- (iii) duly executed by any person, bank or institution (or any agent, trustee, nominee or nominees of such person, bank or institution) to whom such shares have been transferred by way of security pursuant to any security document which creates any security interest over such shares,

and a certificate by any official of such bank or institution or any such receiver that the shares are or are to be subject to such a security and that the transfer is executed in accordance with the provisions of this Article shall be conclusive evidence of such facts; and

- (c) any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a bank or financial institution or a subsidiary of a bank or financial institution or which are transferred in accordance with the provisions of this Article.