

Company number 6004016

COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

ACCELERIS MARKETING COMMUNICATIONS LIMITED (Company)

Circulation date 10 January 2018

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (Act), the directors of the Company propose that the resolution numbered 6 is passed as ordinary resolution and that the resolutions numbered 1 to 5 are passed as special resolutions.

### SPECIAL RESOLUTIONS

1. THAT the draft regulations attached to these written resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.
2. THAT, in accordance with section 571 of the Act and subject to the passing of resolution 4 below, the directors of the Company be given the general and unconditional authority to allot, for cash, the shares set out in resolution 4, up to an aggregate nominal amount of £16,177, as if section 561(1) of the Act did not apply to any such allotment.
3. THAT the draft of the share option agreements attached to these written resolutions be approved.
4. THAT the drafts of the loan notes agreement and facility agreements attached to these written resolutions be approved.
5. THAT the purchase by the Company of the target from the seller be approved.

### ORDINARY RESOLUTIONS

6. THAT, in accordance with section 551 of the Act, the directors be unconditionally authorised to allot:

4.1 13,177 ordinary shares of £0.001 each in the capital of the Company; and

4.2 3 preference shares of £1 each in the capital of the Company,

up to an aggregate nominal amount of £16,177, each having the respective rights and subject to the respective restrictions set out in the articles adopted pursuant to resolution 1. Unless renewed, varied or revoked by the Company, this authority shall expire on the fifth anniversary of these resolutions save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Act.



## AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the resolutions set out in it (**Resolutions**).

The undersigned, a person entitled to vote on the Resolutions on 10 January 2018, hereby irrevocably agrees to the Resolutions.

Signed by

Date

Signed by

Date

Signed by

Date

Signed by

Date

Signed by

Date

Signed by

Date

## NOTES

1. You can choose to agree to all of the Resolutions or none of them, but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning to the Company using one of the following methods:

- **By hand:** delivering the signed copy to Nigel Guy Howes.
- **Post:** returning the signed copy by post to ACCELERIS MARKETING COMMUNICATIONS LIMITED, Town Centre House, Cheltenham Crescent, Harrogate, North Yorkshire, HG1 1DQ.

- **E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [nigel.g.howes@outlook.com](mailto:nigel.g.howes@outlook.com). Please enter "Written resolutions dated 10 January 2018" in the e-mail subject box.

You may not indicate your agreement to the Resolutions by any other method.

If you do not agree to all of the Resolutions, 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 Resolutions, you may not revoke your agreement.
3. Unless within 28 days of the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

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**ARTICLES OF ASSOCIATION**

**OF**

**ACCELERIS MARKETING COMMUNICATIONS LIMITED**

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**THE COMPANIES ACT 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**ACCELERIS MARKETING COMMUNICATIONS LIMITED (“Company”)**

**Company number 6004016**

**Adopted by special resolution passed on 10 January 2018.**

## **INTRODUCTION**

### **1. INTERPRETATION**

#### **1.1 In these Articles, unless the context otherwise requires:**

**A Preferred Shares:** the preferred A shares in the capital of the Company of £1 each with the rights set out in these Articles.

**Accounting Period:** means an accounting reference period of the Company as is notified to the Registrar of Companies from time to time;

**Act:** means the Companies Act 2006;

**Acting in Concert:** as defined in the City Code on Takeovers and Mergers;

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

**Asset Sale:** means the disposal in a single transaction or a series of transactions by the Company of all, or a substantial part of, its business and/or assets taken as a whole including any Group Company/Companies or any of their respective businesses or assets or the disposition of one or more subsidiaries of the Company if a substantial part of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such disposition is to a wholly owned subsidiary of the Company.

**Auditors:** means the auditors (or accountants) from time to time of the Company;

**B Preferred Shares:** the preferred B shares in the capital of the Company of £1 each with the rights set out in these Articles.

**Board:** means all the directors of the Company from time to time;

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

**Connected Person:** shall have the meaning ascribed to it in section 839 of the Income and Corporation Taxes Act 1988;

**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);

**Exit:** a Share Sale, an Asset Sale or a Listing

**Group:** means the Company and its subsidiary undertakings from time to time and references to a “**member of the Group**” or a “**Group member**” shall be construed accordingly;

**Listing:** the successful application and admission of all or any of the Shares in the capital of the Company, or securities representing such shares (including without limitation American depositary receipts, American depositary shares and/or other instruments) to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the grant of permission by any like authority for the same to be traded or quoted on the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended)).

**Member:** means a holder of any share in the capital of the Company as stated in its register of members from time to time;

**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;

**Ordinary Shares:** ordinary shares of £0.001 each in the capital of the Company.

**Original Subscription Price:** the original amount paid or deemed paid per Share in Pounds Sterling

**Preferred Investors:** the holders of Preferred A Shares and or of Preferred B Shares from time to time.

**Preferred A Investors:** the holders of Preferred A Shares from time to time.

**Preference Shares or Preferred Share:** the A Preferred Shares and the B Preferred Shares;

**Sale Shares:** the Shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice.

**Shares:** means the issued shares in the capital of the Company.

**Share Sale:** the sale of (or the grant of a right to acquire or to dispose of) the whole or any part of the issued share capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those Shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where the Shareholders and the proportion of Shares held by each of them in the purchaser following completion of the sale are the same as the Shareholders and their shareholdings in the Company immediately before the sale

**Shareholder:** a holder of Shares.

**Surplus Assets:** the total amount of the assets exceeding £750,000 to be distributed to members.

- 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 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
  - (a) any subordinate legislation from time to time made under it; and
  - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 In these Articles words denoting the singular include the plural and vice versa, and a reference to any gender includes a reference to all other genders.
- 1.8 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.

- 1.9 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 49, 52 and 53 of the Model Articles shall not apply to the Company.
- 1.10 Article 7 of the Model Articles shall be amended by:
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.11 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.12 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".
- 1.13 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.14 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)," after the words "the transmittee's name".
- 1.15 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". Article 31(1)(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**

### **2. UNANIMOUS DECISIONS**

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.



**3. CALLING A DIRECTORS' MEETING**

- 3.1 Any director may call a directors' meeting by giving not less than 3 business days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the Company Secretary (if any) to give such notice.
- 3.2 Notice of a directors' meeting shall be given to each director in writing.

**4. QUORUM FOR DIRECTORS' MEETINGS**

- 4.1 Subject to article 4.2, the quorum for the transaction of business at a meeting of directors is any two eligible directors.
- 4.2 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 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.
- 4.3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- (a) to appoint further directors; or
  - (b) to call a general meeting so as to enable the Members to appoint further directors.

**5. CASTING VOTE**

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

**6. 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.

## 7. DIRECTORS' CONFLICTS OF INTEREST

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this article 7 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 or any other 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 and any other interested director's vote had not been counted.

7.3 Any authorisation of a Conflict under this article 7 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) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) 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
- (f) 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.

- 7.4 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.
- 7.5 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.
- 7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

**8. 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 permanent form, so that they may be read with the naked eye.

**9. 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.

**10. APPOINTMENT OF DIRECTORS**

In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

**11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS**

11.1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- (a) exercise that director's powers; and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

11.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

11.3 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 the proposed alternate is willing to act as the alternate of the director giving the notice.

**12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS**

12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

12.2 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.

12.3 A person who is an alternate director but not a director:

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of articles 12.3(a) and (b).

12.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

12.5 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the Company.

**13. TERMINATION OF ALTERNATE DIRECTORSHIP**

An alternate director's appointment as an alternate terminates:

- (a) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (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;
- (c) on the death of the alternate's appointor; or
- (d) when the alternate's appointor's appointment as a director terminates.

#### **14. 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.

### **SHARE CAPITAL**

#### **15. ISSUE OF NEW SHARES**

15.1 No new Shares shall be issued unless they are first offered to the existing holders of Shares in proportion (as nearly as may be) to the nominal amount of their existing holdings of Shares (of whatever class). The offer shall be made by notice specifying the number and class of Shares offered and the price per Share and limiting a time (not being less than 20 days or more than 30 days) within which the offer if not accepted will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person(s) to whom the offer is made that he/they decline(s) to accept the Shares offered or any of them, the directors shall offer the Shares declined in like manner (save that the minimum period for acceptance may be seven days) to the other holders of Shares who have agreed to invest in all the Shares offered to them in proportion (as nearly as may be) to the nominal amount of their existing holdings of Shares (of whichever class). If the Shares comprised in such further offer are declined or deemed to be declined the further offer shall be withdrawn.

15.2 If all or any of the Shares to which Article 15.1 applies are not taken up in accordance with the provisions of Article 15.1 the directors may offer such Shares to a third party (to be approved by the holders of 75 per cent in nominal value of the Shares, such approval not to be unreasonably withheld or delayed) and, subject to these articles such Shares shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that:

- (a) no Shares shall be issued at a discount;

- (b) no Shares to which Article 15.1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such Shares made under Article 15.1 unless the procedure set out in Article 15.1 is repeated in respect of such Shares;
- (c) no Shares shall be issued at a price less than that at which they were offered to the members of the Company in accordance with Article 15.1; and
- (d) (if the directors are proposing to issue such Shares wholly or partly for non-cash consideration) the cash value of such consideration shall be as reasonably determined by the Auditors whose determination shall be final and binding on the Company and each of its members.

## 16. TRANSFERS OF SHARES

### 16.1 Group transfers

- (a) Any Shares held by an undertaking ("**Original Undertaking**") may be transferred to any other undertaking ("**Transferee Undertaking**") which is a holding company or a subsidiary of the Original Undertaking or of its holding company ("**a Group Undertaking**").
- (b) If any Transferee Undertaking ceases to be a Group Undertaking in relation to the Original Undertaking then such Transferee Undertaking shall within seven days of such cessation transfer any Shares held by it to the Original Undertaking or to an undertaking which, in relation to the Original Undertaking, is a Group Undertaking.
- (c) In the event of any default of Articles 16.1(a) and 16.1(b) above the Original Undertaking or (as the case may be) the Transferee Undertaking shall be deemed to have served a Transfer Notice in respect of all such Shares and the price for such Shares shall be the issue price (including any premium).

### 16.2 Nominees

- (a) Any Shares may be transferred by their beneficial owner ("**the Beneficial Owner**") to a person shown to the reasonable satisfaction of the directors to be a nominee for the Beneficial Owner only.
- (b) Where any Shares have been transferred to a nominee pursuant to Article 16.2(a) any such nominee may transfer any Shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the directors to be a nominee for the Beneficial Owner only.

- (c) Where a person to whom any Shares have been transferred as a nominee pursuant to this Article 16.2 ceases to hold such Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the directors to be a nominee for the Beneficial Owner only and in default of doing so he shall be deemed to have given a Transfer Notice in respect thereof provided that the price shall be the issue price (including any premium).

## **17. DRAG ALONG/TAG ALONG RIGHTS**

- 17.1 No sale or transfer of a Share or Shares shall be made or registered if the same would result in a person or persons acting in concert who are not Members at the date of adoption of these Articles ("**Purchasing Group**") holding or increasing their shareholding in the Company to 50% or more of the Shares, unless before the sale is made or the transfer is lodged for registration, the Purchasing Group has made a written offer, which shall have remained open for at least 21 days, to purchase all the Shares in issue immediately before such sale or transfer at the Third Party Price.
- 17.2 For the purposes of this Article 17 the expression "**Third Party Price**" shall mean the price per Share which has been offered for each Share whose proposed transfer has led to the offer. In the event of disagreement as to the Third Party Price the matter shall be referred to the Auditors (acting as experts and not as arbitrators) for determination. The costs of the Auditors shall be borne equally by the parties concerned and their decision shall be final and binding.
- 17.3 If transfers under Article 17.1 result in members of the Purchasing Group holding or increasing their shareholding to 75% or more of the Shares, the members of the Purchasing Group may by written notice to the Company served within 30 days after the last of such transfers require the Company as agent for the Purchasing Group to serve notices (each a "**Compulsory Purchase Notice**") on each of the other Members holding Shares ("**Minority Shareholders**") requiring them to sell their Shares to one or more persons identified as members of the Purchasing Group at the Third Party Price (provided that if the Third Party Price is based on consideration paid or agreed to be paid pursuant to a transaction between Connected Persons or between persons acting in concert the consideration payable shall, if higher, be the Fair Value certified in accordance with Article 17.6). The Company shall serve the Compulsory Purchase Notices forthwith and for 28 days from the service of the Compulsory Purchase Notices the Minority Shareholders shall not be entitled to transfer their Shares to anyone except the Purchasing Group or persons identified by them.
- 17.4 The Purchasing Group shall complete the purchase of all the Shares in respect of which a Compulsory Purchase Notice has been given at the same time and, in any event, no later than 21 days after the date of the service of such Compulsory Purchase Notices. The consideration shall be payable in full without any set off. Any transfer pursuant to a Compulsory Purchase Notice shall not require the proposing transferor



to give a Transfer Notice. The directors shall not register any transfer, and no member of the Purchasing Group shall be entitled to exercise or direct the exercise of any rights in respect of any Shares to be transferred pursuant to this Article 17.4, until in each case the member of the Purchasing Group has fulfilled all his obligations pursuant to this Article 17.4.

- 17.5 If on the expiration of 28 days after the service of the Compulsory Purchase Notices a Minority Shareholder has not transferred his Shares to any member of the Purchasing Group against payment of the price for them, the directors may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the relevant member(s) of the Purchasing Group and the directors shall receive the consideration in respect of such Shares and shall (subject to the transfer being duly stamped) cause the name of the relevant member(s) of the Purchasing Group to be entered into the register of members of the Company as the holder of the relevant Shares. The Company shall hold the consideration in trust for the Minority Shareholder but shall not be bound to earn or pay interest on it. The receipt of the Company for the consideration shall be a good receipt for the price of the relevant Shares, but the Purchasing Group shall not be discharged from procuring that the Company applies the money in payment to the Minority Shareholder against delivery by the Minority Shareholder of the certificate in respect of the Shares or an indemnity in respect of the same. After the name of the member of the Purchasing Group has been entered in the register of members of the Company in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 17.6 For the purposes of Article 17.3 the “Fair Value” shall be the price certified by the Auditors acting as experts and not as arbitrators, to be the value of the relevant Shares at the relevant time (calculated on the basis of a sale by a willing buyer to a willing seller and taking no account of the percentage of the capital represented by such Shares but taking into account, if such be the case, any restriction on the Shares as to their participation in a distribution of assets or retained profits and any transfer restrictions which apply to the Shares pursuant to these Articles). The costs of the Auditors shall be borne as determined by the Auditors.

#### **DECISION MAKING BY SHAREHOLDERS**

##### **18. POLL VOTES**

- 18.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 18.2 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.

**19. PROXIES**

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

**ADMINISTRATIVE ARRANGEMENTS**

**20. MEANS OF COMMUNICATION TO BE USED**

- 20.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
  - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

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

## **21. INDEMNITY**

21.1 Subject to Article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- (a) each relevant officer 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) in relation to the Company's (or any associated company's) activities as 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 (or any associated 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 21.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

21.2 This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

21.3 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.

21.4 In this Article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a "relevant officer" means any director or other officer or former director or officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(b) of the Act)) but excluding in each case any person engaged by the

Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor); and

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

## **22. SHARE CAPITAL & LIQUIDATION PREFERENCE**

22.1 The issued share capital is comprised of Ordinary Shares of £0.001 each, Preferred A Shares of £1 each (if issued) and Preferred B Shares of £1 each (if issued).

22.2 On a Share Sale ("the Consideration"), and on a return of the Company's assets on a liquidation, or following an Asset Sale Share Sale capital reduction or otherwise, the Surplus Assets of the Company remaining after the payment of its liabilities, shall (to the extent that the Company is lawfully able to do so) be applied in the following order of priority:

- (i) first, up to £750,000 to the holders of Ordinary Shares pro rata for each Ordinary Share held by them;
- (ii) Second, over £750,000 paying pro rate to the holders of the Preferred A Shares for each A Preferred Share held by them an amount equivalent to 200,000 times the Original Subscription Price per A Preferred Share and to the holders of the B Preferred Shares for each B Preferred Share held by them an amount equivalent to 110,000 times the Original Subscription Price per B Preferred Share; if there is a shortfall of the Consideration, or the Surplus Assets after the payment of the Company's liabilities, remaining to satisfy the entitlements of holders of Preferred Shares in full, the proceeds shall be distributed to the holders of the Preferred Shares in proportion to the amounts due to each such Share held (being in the ratio 20:11 to the holders of each A Preferred Share and B Preferred Share respectively);

(ii) third, after payment of all amounts required to be paid in accordance with (i) and (ii) above in paying the holders of Ordinary Shares pro rata for each Ordinary Share held by them..

22.3 For the avoidance of doubt on a return of the Company's assets on a liquidation, Asset Sale, Share Sale, capital reduction or otherwise (including a purchase by the Company of any Shares), the total amount of the assets of the Company remaining

after the payment of its liabilities is £750,000 or less no payment will be made to the Preferred Investors.

**23. VOTING RIGHTS**

- 23.1 The Preference Shares will entitle the holders thereof to receive notice of all general meetings but will not entitle the holders to attend or vote at any general meeting other than a meeting of holders of Preference Shares.

**24. DIVIDEND RIGHTS**

- 24.1 The holders of the Preferred Shares shall not be entitled to receive any dividend or participate in the profits of the Company.