

**Company Number : 07470745**

**THE COMPANIES ACT 2006**

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**A PRIVATE COMPANY LIMITED BY SHARES**

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**WRITTEN RESOLUTIONS  
of  
DIRECT LETTINGS LIMITED**

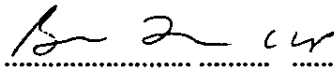
Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following resolutions were passed as written resolutions on 3 April 2013:

**Ordinary Resolution**

In accordance with article 12.1 of the articles of association of the Company the shareholders hereby consent to the allotment and issue of 100 ordinary shares of £1.00 each in the share capital of the Company.

**Special Resolution**

That on the passing of this resolution the articles of association contained in the document attached hereto are adopted as the new articles of association of the Company to the exclusion of, and in substitution for, the existing articles of association of the Company.

  
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Director / Authorised Signatory / Solicitor to the Company



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COMPANIES HOUSE

Company No: 07470745

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ARTICLES OF ASSOCIATION  
OF  
DIRECT LETTINGS LIMITED

(Adopted by special resolution  
passed 3 April 2013)

brownejacobson

Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

Tel. (0115) 976 6000  
Fax: (0115) 947 5246  
DX 718130 Nottingham 27  
E-mail: info@brownejacobson.com

COMPANY NUMBER 07470745

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

DIRECT LETTINGS LIMITED

(Adopted by special resolution passed on

*3 April*

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## INTRODUCTION

### 1 Interpretation

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

"Act"	the Companies Act 2006;
"appointor"	the meaning given to it in Article 11 1,
"Articles"	the Company's articles of association for the time being in force,
"Business Day"	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,
"Conflict"	has the meaning given in Article 9 1,
"Controlling Interest"	an interest in shares giving the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010;
"Eligible Director"	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),
"Expert"	the auditors for the time being of the Company or an independent firm of accountants appointed by the shareholders or (in default of agreement) elected by the President of the Institute of Chartered Accountants in England and Wales at the request of any shareholder,

<b>"Fair Value"</b>	in relation to shares, as determined in accordance with Article 16.2,
<b>"First Shareholders"</b>	J&E Nominees Limited, Rob Clifford, Simon Jackson, Paul Gratton, Paul Staley, Alchemy Limited and Shepherd Direct Limited;
<b>"Interested Director"</b>	has the meaning given in Article 9 1;
<b>"Majority Shareholder"</b>	any shareholder who holds 50% or more of the Shares;
<b>"Model Articles"</b>	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;
<b>"Original Shareholder"</b>	a shareholder who transfers its shares to a Permitted Transferee in accordance with Article 14.4,
<b>"Permitted Group"</b>	in relation to a company (wherever incorporated), means any wholly-owned subsidiary of that company, any company of which it is a Subsidiary (its holding company) and any other Subsidiaries of any such holding company, and each company in a Permitted Group is a member of the Permitted Group. Unless the context otherwise requires, the application of the definition of Permitted Group to any company at any time will apply to the company as it is at that time;
<b>"Permitted Transferee"</b>	in relation to a shareholder that is a company, any member of the same Permitted Group as that company;
<b>"Shares"</b>	shares in the share capital of the Company;
<b>"Subsidiary"</b>	in relation to a company wherever incorporated (a holding company) means "subsidiary" as defined in section 1159 of the Act and any other company which is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company. Unless the context requires otherwise, the application of the definition of Subsidiary to any company at any time shall apply to the company as it

is at that time;

**“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. Where such notice is deemed to have been served, it shall be referred to as a **“Deemed Transfer Notice”**; 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, save that, for the purposes of Article 14 and Article 15. “writing” or “written” shall not include the sending or supply of notices, documents or information in electronic form (other than by fax)

- 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 but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company
- 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 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.
- 1.6 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

**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 Articles 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2) and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company
- 2.3 Article 20 of the Model Articles shall be amended by the insertion of the words “(including alternate directors and the secretary)” before the words “properly incur”.]
- 2 4 In articles 25(2)(c) of the Model Articles, the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 2 5 Articles 31(a) to (d) (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”

## **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. The directors will try to meet at least every two months
- 3 3 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution, and no such resolution shall be passed unless more votes are cast for it than against it
- 3 4 Each director has one vote at a meeting of directors
- 3.5 The provisions of Article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors

### **4 Unanimous Decisions of Directors**

- 4 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.
- 4.2 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.

- 4.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter.

**5 Number of Directors**

The number of directors shall not be less than one. There shall be no maximum number of directors. The Majority Shareholder shall be entitled to appoint, remove and maintain from time to time such number of directors of the Company as is equal to one half of the directors in the Company plus one. Such appointments and / or removals shall take place by the Majority Shareholder serving notice on the Company in writing from time to time.

**6 Calling a Directors' Meeting**

- 6.1 Any director may call a meeting of directors by giving not less than reasonable notice 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**

The quorum at any meeting of the directors (including adjourned meetings) shall be two directors. No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned to the next Business Day at the same time and place, and at any such meeting any one Director may constitute a quorum.

**8 Chairing of Directors' Meetings**

The chairman of the directors shall be as determined by the Majority Shareholder. The chairman shall have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors, the directors shall nominate another director present to act as chairman at the meeting.

**9 Directors' Interests**

- 9.1 For the purposes of section 175 of the Act, the shareholders (and not the directors) shall have the power to authorise, by resolution and in accordance with the provisions of these Articles, any matter or

situation 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 (a "Conflict").

9.2 The Interested Director must provide the shareholders with such details as are necessary for the shareholders to decide whether or not to authorise the Conflict, together with such additional information as may be requested by the shareholders.

9.3 Any authorisation by the shareholders 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) provide that the Interested Director will or will 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 shareholders 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.

9.4 Where the shareholders authorise a Conflict.

- (a) the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the shareholders in relation to the Conflict, and
- (b) the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 - 177 of the Act, provided he acts in accordance with such terms and



conditions (if any) as the shareholders impose in respect of their authorisation.

- 9 5 The shareholders 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 other member of such shareholder's Permitted Group, 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 shareholders in accordance with these Articles (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 shareholders 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 an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement 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 directors) or participate in any unanimous decision, in respect of such transaction or arrangement 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 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 permanent form, so that they may be read with the naked eye.

#### 11 **Alternate Directors**

- 11.1 Any director (other than an alternate director) (in this Article, **the appointor**) may appoint any person (whether or not a director) to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's appointor. A person may be appointed an alternate director by more than one director.
- 11.2 Any appointment or removal of an alternate director 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 he is willing to act as the alternate of the director giving the notice.

11.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's appointor.

11.5 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.

11.6 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), and
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an Eligible Director in relation to that decision, and does not himself participate).

11.7 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)

11.8 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

11.9 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; or
- (c) when the alternate director's appointor ceases to be a director for whatever reason.

## **SHARES**

### **12 Unissued Shares**

- 12.1 No shares in the Company shall be allotted nor any right to subscribe for or to convert any security into any shares in the Company shall be granted unless within one month before that allotment or grant (as the case may be) every shareholder for the time being has consented in writing to that allotment or grant and its terms and to the identity of the proposed allottee or grantee
- 12.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) where the consent to that allotment of every shareholder has been obtained as required by these Articles and that allotment otherwise conforms to the requirements of these Articles.

### **13 Further Issues of Shares: Authority**

- 13.1 Subject to Article 12 and the remaining provisions of this Article 13, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to:
- (a) offer or allot;
  - (b) grant rights to subscribe for or to convert any security into, or
  - (c) otherwise deal in or dispose of,
- any shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper.
- 13.2 The authority referred to in Article 13.1:
- (a) shall be limited to a maximum nominal amount of £1,000 or such other amount as may from time to time be authorised by the Company by ordinary resolution,
  - (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and
  - (c) may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require shares to be allotted after the expiry of such authority (and the directors may allot shares in pursuance of an offer or agreement as if such authority had not expired).

### **14 Share Transfers**

- 14.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share
- 14.2 No shareholder shall transfer any share except:
- (a) with the prior written consent of all shareholders for the time being, or
  - (b) in accordance with Article 14.3; or
  - (c) in accordance with Article 15; or
  - (d) a shareholder may transfer all (but not some only) of its shares in the Company to any person for cash and not on deferred terms in accordance with the procedure set out in Article 14.3 to Article 14.8.
- 14.3 An Original Shareholder may at any time transfer all (but not some only) of its shares in the Company to a Permitted Transferee without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in this Article 14. If a Permitted Transferee ceases to be a member of the Permitted Group, the Permitted Transferee must, not later than the date five Business Days after the date on which it so ceases, transfer all (but not some only) of its shares in the Company back to the Original Shareholder or to a member of the same Permitted Group as the Original Shareholder (which in either case is not in liquidation), failing which the Company may execute a transfer of the shares on behalf of the Permitted Transferee and register the Original Shareholder as the holder of such shares.
- 14.4 Except where Article 14.3 applies, a shareholder wishing to transfer its shares ("**Seller**") shall, before transferring or agreeing to transfer any shares, give notice in writing (a "**Transfer Notice**") to the Company specifying:
- (a) the number of shares he wishes to transfer ("**Sale Shares**"),
  - (b) the name of the proposed transferee, if any;
  - (c) the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the "**Proposed Sale Price**"); and
  - (d) that the Transfer Notice is conditional on all of the Sale Shares being sold.
- 14.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 14.6 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served); and
- (b) the determination of the Transfer Price,

the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 14 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

14.7 The directors shall offer the Sale Shares to the shareholders (other than the 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.

14.8 If.

- (a) at the end of the Offer Period, the 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 being offered held by all shareholders (other than the 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 shall be determined by the directors). 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 14.8(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 14.8(a) The procedure set out in this Article 14.8(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, subject to Article 14.9, be offered to any other person in accordance with Article 14.13

14.9 if the total number of Sale Shares applied for under Articles 14.6 to 14.8 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those shareholders to whom Sale Shares have been conditionally allocated stating that the condition

has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

- 14.10 Where allocations have been made in respect of all the Sale Shares, the directors shall, when no further offers or allocations are required to be made under Articles 14.6 to 14.8 (inclusive), give notice in writing of the allocations of Sale Shares (an “**Allocation Notice**”) to the 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 5 Business Days, but not more than 10 Business Days, after the date of the Allocation Notice).
- 14.11 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice.
- 14.12 If the Seller fails to comply with Article 14.11:
- (a) any other director or some other person nominated by a resolution of the directors may, as agent and attorney on behalf of the Seller);
    - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
    - (ii) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and
    - (iii) (subject to the transfer being duly stamped) enter the Applicants in the register of shareholders as the holders of the shares purchased by them; and
  - (b) the Company shall pay the Transfer Price into a separate bank account in the Company’s name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant shares (or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those shares) to the Company.
- 14.13 Where an Allocation Notice does not relate to all the Sale Shares or the Transfer Notice lapses pursuant to Article 14.9 then the Seller may, at any time during the 20 Business Days following the date of service of the Allocation Notice, transfer the Sale Shares (in the case of a lapsed offer) or the Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price.
- 14.14 The Seller’s right to transfer shares under Article 14.13 does not apply if the directors reasonably consider that.

- (a) the transferee is a person (or a nominee for a person) whom a majority of the directors determines to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company;
  - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - (c) the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable it to form the opinion referred to in Article 14.12(b).
- 14.15 Any transfer of shares by way of a sale that is required to be made under Article 14 or Article 15 shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.
- 14.16 Subject to Article 14.17, the directors shall forthwith register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.
- 14.17 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 agreeing 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 14.17, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

## **15 Obligatory Transfers**

- 15.1 If any of the following events ("Obligatory Transfer Events") happen to a shareholder, that shareholder shall serve a Transfer Notice on the other shareholders as soon as possible, which shall include details of the Obligatory Transfer Event:
- (a) the passing of a resolution for the liquidation of the shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the shareholder's Group (the structure of which has been previously approved by the Buyer in writing) in which a new company assumes (and is capable of assuming) all the obligations of the shareholder; or
  - (b) the presentation at court by any competent person of a petition for the winding up of the shareholder and which has not been withdrawn or dismissed within seven days of such presentation; or



- (c) a change of control (as control is defined in section 840 of the Income and Corporation Taxes Act 1988) of the shareholder although in the case of a Permitted Transferee that ceases to be a member of the Permitted Group, it shall transfer the shares back to the Original Shareholder or to another Permitted Transferee in accordance with Article 14.3 rather than serve a Transfer Notice under this Article, or
- (d) the issue at court by any competent person of a notice of intention to appoint an administrator to the shareholder, a notice of appointment of an administrator to the shareholder or an application for an administration order in respect of the shareholder; or
- (e) any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the shareholder; or
- (f) the shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986, or
- (g) the shareholder entering into a composition or arrangement with its creditors; or
- (h) any chargor taking any step to enforcing any charge created over any shares held by the shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager); or
- (i) a process having been instituted that could lead to the shareholder being dissolved and its assets being distributed among the shareholder's creditors, shareholders or other contributors, or
- (j) the shareholder ceasing to carry on its business or substantially all of its business, or
- (k) the shareholder committing a material or persistent breach of any shareholders' agreement to which it 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 other shareholder requiring such remedy; or
- (l) in the case of the Obligatory Transfer Events set out in paragraphs (a), (b), (d) or (e) above, any competent person takes any analogous step in any jurisdiction in which the Seller carries on business.

15.2 If the shareholder that has suffered the Obligatory Transfer Event fails to serve a Transfer Notice, it shall be regarded as giving a Deemed Transfer Notice in relation to its shares in the Company on the date on which any of the other shareholders become aware of the Obligatory Transfer Event.

## 16 Valuation

- 16.1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the directors (any director with whom the Seller is connected not voting) and the Seller or, in default of agreement within 10 Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the board of directors first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share.
- 16.2 The Fair Value shall be the price per Sale Share determined by the Independent Expert on the following bases and assumptions:
- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served);
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
  - (c) that the Sale Shares are capable of being transferred without restriction;
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
  - (e) reflecting any other factors which the Independent Expert reasonably believes should be taken into account
- 16.3 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit.
- 16.4 The directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the directors may reasonably impose.
- 16.5 The parties are entitled to make submissions to the Independent Expert and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 16.6 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 16.7 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to deliver its

certificate to the Company. Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller.

- 16.8 The cost of obtaining the Independent Expert's certificate shall be borne by the parties equally or in such other proportions as the Independent Expert directs.

## 17 Drag Along and Tag Along

- 17.1 If the holders of at least 75% of the voting rights attaching to the shares (for the purposes of this Article 17 the "**Sellers**") intend to sell all of the shares held by them (the shares to be sold by the Sellers being referred to as the "**Selling Shares**") to a bona fide purchaser on arms length terms (an "**Exit**") the Sellers shall have the right, if they so wish, to give to the Company not less than 14 days' notice in advance before selling the Selling Shares. That notice (the "**Selling Notice**") shall include details of the Selling Shares and the proposed price for each Selling Share to be paid by the proposed purchaser, the place, date and time of completion of the proposed purchase being a date not less than 14 days from the date of the Selling Notice ("**Completion**").
- 17.2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing (a "**Compulsory Sale Notice**") to each of the shareholders (other than the Sellers), giving the details contained in the Selling Notice, requiring them each to sell to the proposed purchaser at Completion all of their holdings of shares.
- 17.3 Each shareholder who is given a Compulsory Sale Notice shall sell all of his shares referred to in the Compulsory Sale Notice at the highest price for the same class per Selling Share to be sold to the proposed purchaser on Completion by the Sellers, subject only to the Sellers completing the sale to the proposed purchaser.
- 17.4 If any Shareholder(s) (the "**Defaulting Shareholder(s)**") fails to comply with the terms of a Compulsory Sale Notice given to him within 14 days, the Directors shall be entitled to authorise some person to execute any necessary transfers in favour of the transferee upon receipt of the purchase money, enter the name of the transferee in the register of members of the Company as the holder of the shares in question and hold the purchase money in trust for the Defaulting Shareholder. The receipt of the Company for the purchase money shall be a good discharge to the transferee and the transferee shall not be bound to see to the application of it. After the name of the transferee has been entered in the register in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 17.5 If at any time the provisions of Article 17.1 apply in respect of an Exit, the Sellers shall give written notice (a "**Proposed Sale Notice**") to the other shareholders of such intended sale at least 14 days prior to the date thereof. The Proposed Sale Notice shall set out, to the extent not described in any accompanying documents, the identity of the proposed purchaser, the purchase price and other terms and

conditions of payment, the proposed date of sale and the number of shares proposed to be purchased

- 17.6 Any other Shareholder shall be entitled, by written notice given to the Sellers within 7 days of receipt of the Proposed Sale Notice, to require the proposed purchaser to purchase all of his shares on the same terms and conditions as those set out in the Proposed Sale Notice.
- 17.7 Upon any person, following the issue of a Compulsory Sale Notice pursuant to Article 17.2 or a Proposed Sale Notice pursuant to Article 17.5, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the company (a "New Member"), a Compulsory Sale Notice or a Proposed Sale Notice (as applicable) shall be deemed to have been served upon the New Member on the same terms as the previous Compulsory Sale Notice or Proposed Sale Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the proposed purchaser or as the proposed purchaser may direct and the provisions of this Article 17 shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Compulsory Sale Notice or the Proposed Sale Notice being deemed served on the New Member
- 17.8 Any transfer pursuant to this Article 17 shall not be subject to the pre-emption provisions of Article 14.
- 17.9 No transfer of Shares which would result, if made and registered, in a person or persons connected with each other obtaining or increasing a Controlling Interest, will be made or registered unless:
- (a) an Approved Offer is made by the proposed transferee(s) ("Buyer") or, at the Buyer's written request, by the Company as agent for the Buyer, and
  - (b) the Buyer complies in all respects with the terms of the Approved Offer at the time of completion of the sale and purchase of Shares pursuant to it.
- 17.10 For the purposes of this Article 17.
- (a) "Approved Offer" means an offer in writing served on all holders (including the proposing transferor), offering to purchase all of the shares held by such holders (including any shares which may be allotted pursuant to the exercise or conversion of options, rights to subscribe for or securities convertible into Shares in existence at the date of such offer) which
    - (iv) is stipulated to be open for acceptance for at least 15 Business Days;
    - (v) contains a statement confirming that the consideration will be apportioned between the holders in the same proportion as their existing shareholding

and subject to the foregoing offers the same or equivalent consideration for each (whether in cash, securities or otherwise in any combination),

- (vi) includes an undertaking by or on behalf of the Buyer that no other consideration, (whether in cash or otherwise) is to be received or receivable by any holder which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the shares to be sold by such holder, and that neither the Buyer nor any person acting by agreement or understanding with it has otherwise entered into more favourable terms or has agreed more favourable terms with any other holder for the purchase of shares; and
- (vii) is on terms that the sale and purchase of shares in respect of which the offer is accepted will be completed at the same time;

## **DECISION MAKING BY SHAREHOLDERS**

### **18 Quorum for General Meetings**

- 18.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy.
- 18.2 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

### **19 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 shareholders shall be entitled to appoint another director 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.

### **20 Voting**

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.

### **21 Poll Votes**

- 21.1 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.

- 21.2 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.

## **22 Proxies**

- 22.1 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".
- 22.2 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**

### **23 Means of Communication to be used**

- 23.1 Subject to Article 23.2, 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 working day.

- 23.2 Any notice, document or other information served on, or delivered to, an intended recipient under these Articles 14 to 17 (inclusive) (as

the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website

- 23.3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act.

## 24 Indemnity and Insurance

- 24.1 Subject to Article 24.2 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 in the actual or purported execution and/or discharge of his duties, or in relation to them, 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 24.1(a) and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

- 24.2 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.

- 24.3 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.

- 24.4 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 of the Company