

Company Number: 07719956

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF
PLUGIN BOUTIQUE LIMITED ("Company")

Pursuant to Chapter 2 of the Companies Act 2006 ("**Act**") the sole director of the Company proposes that the Resolution below is passed as a special resolution (the "**Resolution**") and is first circulated to the sole member of the Company on 2 August 2019 (the "**Circulation Date**").

SPECIAL RESOLUTION

1. **THAT** the new articles of association set out in the printed document attached hereto be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

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



Notes

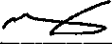
1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated and returning it to the Company using one of the following methods:
 - 1.1 by Hand: delivering the signed copy to: The Directors, Plugin Boutique Limited, 1 Regency Mews, Silverdale Road, Eastbourne, East Sussex, England, BN20 7AB
 - 1.2 by Post: returning the signed copy by post to: The Directors, Plugin Boutique, 1 Regency Mews, Silverdale Road, Eastbourne, East Sussex, England, BN20 7AB;
 - 1.3 by Email: by attaching a scanned copy of the signed document to an e-mail and sending it to info@loopmasters.com. Please enter "Written resolution" in the e-mail subject box.

If you do not agree to the Resolution, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
3. Unless by the end of the period of 28 days beginning on the Circulation Date sufficient agreement has been received by the Company for the Resolutions to pass, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date.
4. 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.

AGREEMENT OF THE SOLE MEMBER

I, being the sole member entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agree to the Resolution:



Matthew Pelling (Aug 1, 2019)
MATTHEW PELLING

Dated: 2 August 2019

Company number 07719956

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
PLUGIN BOUTIQUE LIMITED**

(Adopted by special resolution passed on 2 August 2019)

INTRODUCTION

1. INTERPRETATION

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

Act: the Companies Act 2006.

acting in concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended).

Adoption Date: the date of adoption of these Articles.

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

Available Profits: profits available for distribution in accordance with section 830 of the Act.

Bad Leaver: an Employee (other than the Founder) who ceases to be an Employee as a consequence of that person's dismissal as an Employee for cause, where "cause" shall mean: (i) the lawful termination of that person's contract of employment without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment; and/or (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996.

Business Day: a day other than a Saturday, Sunday or public holiday in England and Colorado in the United States when banks in London and Colorado are open for business.

Chairman: has the meaning given in Article 5.2.

Company: means Plugin Boutique Limited (Company number 07719956).

Competitor: has the meaning given to it in the Shareholders' Agreement.

connected: has the meaning given in section 252 of the Act.

Controlling Interest: an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

Deemed Transfer Notice: a Transfer Notice which is deemed to have been served by any of the provisions of these Articles.

Directors: the directors of the Company from time to time.

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).

Employee: an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, any Group Company.

equity securities: has the meaning given in section 560(1) of the Act.

Excess Securities: has the meaning given in Article 12.3.4.

Fair Value: has the meaning given in Article 16.2.

Family Trust: as regards any particular Shareholder who is an individual any trust under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons).

Financial Year: an accounting reference period (as defined in section 391 of the Act) of the Company.

Founder: Matthew Pelling.

Good Leaver: an Employee (other than the Founder) who ceases to be an Employee and who is not a Bad Leaver.

Group: the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company:** shall be construed accordingly.

holding company: has the meaning given in Article 1.10.

Independent Expert: the accountants for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert within 5 Business Days of the expiry of the 10 Business Day period referred to in Article 16.1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of England and Wales.

Investor: Beatport LLC of Zeppelin Station, 3501 Wazee Street, Suite 318, Denver, CO 80216 and its Permitted Transferees.

Investor Consent: the prior consent in writing of the Investor.

Investor Director: has the meaning given in Article 6.1.

Issue Notice: has the meaning given in Article 12.3.

Issue Price: in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium.

ITEPA: the Income Tax (Earnings and Pensions) Act 2003.

Member of the Same Group: as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company.

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the Adoption Date.

Offer: has the meaning given in Article 12.2.

Offeree: has the meaning given in Article 12.2.

Original Shareholder: has the meaning given in Article 14.1.

Period: has the meaning given in the Shareholders' Agreement.

Permitted Transfer: a transfer of Shares made in accordance with Article 14.

Permitted Transferee: in relation to:

- a. a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust; and
- b. a Shareholder which is a company, a Member of the Same Group as that company.

Privileged Relation: in relation to a Shareholder who is an individual means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child or grandchild (including step or adopted or illegitimate child and their issue) over 18 years of age.

Relevant Securities: any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than:

- a. any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and/or the Shareholders' Agreement; and
- b. any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by the Directors with Investor Consent.

Relevant Shares: in relation to an Employee means all Shares held by:

- a. the Employee in question; and
- b. any Permitted Transferee of that Employee.

Restricted Shares: has the meaning given in Article 17.5.

Sale Shares: has the meaning given in Article 15.2.1.

Seller: has the meaning given in Article 15.2.

Shareholder: a holder for the time being of any Share or Shares.

Shareholders' Agreement: the shareholders' agreement dated on or around the Adoption Date between the Founder, the Company and the Investor (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being).

Share Option Plan: has the meaning given in the Shareholders' Agreement.

Shares: the shares in the capital of the Company from time to time and **Share:** shall be construed accordingly.

subsidiary: has the meaning given in Article 1.10.

Termination Date:

- a. where employment ceases by virtue of notice given by the employer to the employee, the date on which notice of termination was served;

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

Transfer Notice: has the meaning given in Article 15.2.

Transfer Price: has the meaning given in Article 15.3.

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, in relation to a Transfer Notice (or Deemed Transfer Notice), "**writing**" or "**written**" shall not include the sending or supply of notices, documents or information in electronic form.

- 1.2 Headings in these Articles are used for convenience only and shall not affect the interpretation of these Articles.
- 1.3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- 1.4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.5 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 Adoption Date).
- 1.6 A reference in these Articles to:
 - 1.6.1 an **Article** is a reference to the relevant numbered article of these Articles; and
 - 1.6.2 a **model article** is a reference to the relevant article,
 unless expressly provided otherwise.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time.
- 1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

- 1.10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act.

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. A copy is set out in schedule 1 to these Articles.
- 2.2 Model articles 7, 8, 9(1), 11(2) and (3), 12, 14(1) to (4) (inclusive), 26(5), 38, 39, and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 2.4 Model article 29 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".

DIRECTORS

3. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two. While the Founder is the only Director, except as otherwise provided in these Articles, the Founder shall have all the powers, duties and discretions conferred on or vested in the Directors by these Articles.

4. PROCEEDINGS OF DIRECTORS

- 4.1 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 4.2 (subject to Articles 4.3 and 4.4). Subject to Articles 3 and 10, all decisions made at any meeting of the Directors shall be made only by resolution and resolutions at any meeting of the Directors shall be decided by the Founder where the Founder is the only Director, and a majority of votes of the Eligible Directors in all other circumstances.
- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with Article 4.2 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.
- 4.4 A decision may not be taken in accordance with Article 4.2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Articles 4.7, 4.8 and 4.9.
- 4.5 Meetings of the Directors shall take place at least four times in each year unless agreed otherwise by Investor Consent (such consent not to be unreasonably withheld or delayed). Any Director may call a meeting of the Directors. At least 5 Business Days' advance notice in writing of each such meeting of the Directors shall be given to each Director in accordance with Article 4.6 except with the

prior consent in writing of the Investor Director, when meetings of the Directors may take place less frequently or on shorter notice if so consented to.

4.6 Notice of any meeting of the Directors must be accompanied by:

4.6.1 an agenda specifying in reasonable detail the matters to be raised at the meeting; and

4.6.2 copies of any papers to be discussed at the meeting.

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.

4.7 For so long as he a Shareholder and subject to Article 4.9, the quorum for any meeting of the Directors shall be the Founder.

4.8 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for one Business Day at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then the Eligible Director(s) present will constitute a quorum.

4.9 For the purposes of any meeting (or part of a meeting) held pursuant to Article 8 to authorise a Conflict (as defined in Article 8.1), the quorum for such meeting (or part of a meeting) shall be any Eligible Director.

5. **APPOINTMENT AND REMOVAL OF DIRECTORS AND CHAIRMAN**

5.1 For so long as he is a Shareholder, the Founder may at any time and from time to time by notice in writing to the Company appoint one or more persons to be a Director or Directors of the Company and to remove any Director or Directors from office.

5.2 For so long as he is a Shareholder, the Founder shall be the chairman and CEO of the Company (**Chairman**) who shall have a casting vote. The Directors may not, without Investor Consent, remove and replace the Chairman.

5.3 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director:

5.3.1 he is convicted of a criminal offence (other than a minor motoring offence); and

5.3.2 in the case of an executive Director only, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company.

6. **INVESTOR DIRECTOR**

6.1 The Investor shall from time to time have the right, for so long as the Investor holds not less than 50% of the Shares acquired by it on or around the Adoption Date, to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Director (an Investor Director) and to remove any such Investor Director and to appoint a replacement. The first Investor Director shall be Robb McDaniels.

6.2 Any appointment or removal of an Investor Director made in accordance with Article 6.1 shall take immediate effect upon receipt (or deemed receipt) by the

Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice.

7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

7.1 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 Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:

- 7.1.1 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;
- 7.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 7.1.3 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;
- 7.1.4 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;
- 7.1.5 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
- 7.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) 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.

8. DIRECTORS' CONFLICTS

8.1 The Directors may, in accordance with the requirements set out in this Article 8, 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**).

8.2 Any authorisation under this Article 8 will be effective only if:

- 8.2.1 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;
- 8.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and

- 8.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 8.3 Any authorisation of a Conflict under this Article 8 may (whether at the time of giving the authorisation or subsequently):
- 8.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 8.3.2 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;
 - 8.3.3 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;
 - 8.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 8.3.5 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
 - 8.3.6 *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.*
- 8.4 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.
- 8.5 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.
- 8.6 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 his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under Article 8.1 shall be necessary in respect of any such interest.
- 8.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

9. **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.

10. **MATTERS REQUIRING INVESTOR CONSENT**

For so long as the Investor and its Permitted Transferees hold not less than 5 per cent of the Shares, save with Investor Consent (such consent not to be unreasonably withheld or delayed), the Company (and any Group Company) shall not take any of the actions set out in schedule 2 to these Articles.

11. **ALLOTMENT OF SHARES**

11.1 Save to the extent authorised by these Articles and/or the Shareholders' Agreement, the Directors shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any equity securities into, any Shares.

11.2 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to any allotment by the Company of equity securities.

12. **PRE-EMPTION RIGHTS ON the ISSUE OF SHARES**

12.1 The provisions of this Article 12 apply where the Company proposes to allot any Relevant Securities after the Adoption Date unless the Founder and the Investor have given their prior written consent.

12.2 Before the Relevant Securities are allotted, the Company must first make an offer (**Offer**) to all the Shareholders (on the date of the Offer) (each an **Offeree**) on a pari passu basis (as if they constituted Shares of the same class) to allot to them respectively a proportion of those Relevant Securities that is equal to the proportion that the number of Shares held (or deemed to be held) by such holder bears to the total number of Shares held by all such holders (as nearly as possible without involving fractions), on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.

12.3 Any Offer under Article 12.2 must be made by notice in writing (the **Issue Notice**) to each Offeree specifying:

12.3.1 the number and class of Relevant Securities being offered;

12.3.2 the subscription price (including any share premium) at which those Relevant Securities are offered;

12.3.3 the proposed terms of any allotment;

12.3.4 that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is offered, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe;

12.3.5 the time within which the offer must be accepted before it is deemed to have been declined which must be not less than 20 Business Days unless the relevant Offeree to whom the offer is to be made otherwise agrees in writing; and

12.3.6 the identity of the proposed new Shareholder.

- 12.4 If, on the expiry of an offer made in accordance with Article 12.2, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 12.5 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with Article 12.2 shall be used to satisfy any requests for Excess Securities made pursuant to Article 12.3.4. If there are insufficient Relevant Securities to satisfy such requests, the Relevant Securities shall be allotted to the applicants for Excess Securities in the respective proportions that the number of Shares held by each such applicant bears to the total number of such Shares held by all applicants for Excess Securities (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him).
- 12.6 If, after completion of the allotments referred to in Articles 12.4 and 12.5, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities may, within three months of the Issue Notice be offered to any other person(s) subject to Article 12.7 as the Directors may determine, at the same price and on the same terms as the offer made to the Offerees.
- 12.7 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of ITEPA.
- 12.8 For the avoidance of doubt, this Article 12 does not apply to the allotment of Equity Shares in the circumstances described in section 566 of the Act.

13. TRANSFERS OF SHARES: GENERAL

- 13.1 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.
- 13.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. Subject to Article 13.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 13.3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him.
- 13.4 Any transfer of a Share by way of sale which is required to be made under Articles 17 or 19 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 13.5 The Directors may as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company agreeing to be bound by the terms of the Shareholders' Agreement, 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). If any condition is imposed in accordance with this Article 13.5, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee.

- 13.6 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice).
- 13.7 Any Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice.
- 13.8 No Shares held by the Founder shall be transferred during the Period without Investor Consent.
- 13.9 A Shareholder's right to transfer Shares under these Articles does not apply if any Director reasonably considers that the transferee is a Competitor (or a Member of the Same Group as a Competitor).
14. **PERMITTED TRANSFERS OF SHARES**
- 14.1 Subject to Article 13.8, a Shareholder (the **Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee without having to follow the procedure in Article 15.
- 14.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:
- 14.2.1 the Original Shareholder;
 - 14.2.2 any Privileged Relation(s) of the Original Shareholder;
 - 14.2.3 the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or
 - 14.2.4 to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
- without any price or other restriction.
- 14.3 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 5 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to:
- 14.3.1 the Original Shareholder; or
 - 14.3.2 a Member of the Same Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 14.3, 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 Where under the provision of the deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Shares to those Permitted Transferees, in each case without restriction as to price or otherwise.

15. **PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES**

- 15.1 Except where the provisions of Article 13.8, Article 14, Article 19 or Article 20 apply, any transfer of Shares by a Shareholder (other than a transfer of Shares pursuant to the Share Option Plan) shall be subject to the pre-emption rights in this Article 15.
- 15.2 A Shareholder who wishes to transfer Shares (a **Seller**) shall, before transferring or agreeing to transfer any Shares, give notice in writing (a **Transfer Notice**) to the Company specifying:
- 15.2.1 the number of Shares he wishes to transfer (**Sale Shares**);
- 15.2.2 the name of the proposed transferee, if any; and
- 15.2.3 subject to Article 17.4 in the case of a Deemed Transfer Notice, the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (**Sale Price**).
- 15.3 The price at which the Sale Shares are to be transferred (**Transfer Price**) must be agreed by the Directors (including the Investor Director but excluding any Director who is, or is connected with, the Seller). The price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 5 Business Days of the Company receiving the Transfer Notice.
- 15.4 Except in the case of a Deemed Transfer Notice, where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Sale Price the Seller may, within 5 Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice. Otherwise, a Transfer Notice may not be revoked without the Founder's consent.
- 15.5 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.
- 15.6 As soon as practicable following receipt of a Transfer Notice, the Directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 15 at the Transfer Price. Each offer shall be in writing and shall give details of the number and Transfer Price of the Sale Shares offered.
- 15.7 The Board shall offer the Sale Shares to all Shareholders other than the Seller (the **Continuing Shareholders**), in proportion to the number of Shares held by them respectively, inviting them to apply in writing within the period from the date of the offer to the date 20 Business Days after the offer (both dates inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.
- 15.8 Any Continuing Shareholder to whom the Sale Shares are offered may accept some or all of the Sale Shares offered to him, and he shall be invited to indicate whether, if he accepts all such Sale Shares, he wishes to purchase any Sale Shares which other Continuing Shareholders decline to accept (**Excess Shares**) and, if so, the maximum number of Excess Shares which he wishes to purchase.
- 15.9 Any Excess Shares shall be allocated between the Continuing Shareholders who have indicated they wish to purchase Excess Shares pro rata to the proportion of the total number of Shares held by those Continuing Shareholders but so that no Continuing Shareholder shall be required or entitled to receive more than the maximum number of Sale Shares indicated by him pursuant to Article 15.8.

- 15.10 Not later than 7 days following expiration of the Offer Period, the Company shall give written notice to the Seller stating:
- 15.10.1 that no Continuing Shareholder has sought to purchase any of the Sale Shares; or
- 15.10.2 the number of Sale Shares which the Continuing Shareholders have sought to purchase, giving their name and address and the number of Sale Shares to be purchased by each Continuing Shareholder.
- 15.11 The Seller shall be bound on receipt of the Transfer Price to transfer the relevant Sale Shares to the Continuing Shareholders referred to in Article 15.10.2. Completion of the transfers shall take place on the first Business Day after expiry of the notice referred to in Article 15.10.
- 15.12 If the Seller fails to comply with Article 15.11, the Chairman (or any other Director) may, as agent on behalf of the Seller:
- 15.12.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the relevant Continuing Shareholders;
- 15.12.2 receive the Transfer Price and give a good discharge for it and 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 Sale 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 the relevant Sale Shares) to the Company and
- 15.12.3 (subject to the transfer being duly stamped) update the register of Shareholders to reflect the Sale Shares purchased by the Continuing Shareholders.
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 (excluding any Director who is, or is connected with, the transferor) 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:
- 16.2.1 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);
- 16.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- 16.2.3 that the Sale Shares are capable of being transferred without restriction;
- 16.2.4 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

- 16.2.5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account.
- 16.3 The parties are entitled to make submissions to the Independent Expert and shall provide such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision.
- 16.4 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).
- 16.5 The Independent Expert shall be requested to determine the Fair Value within 20 Business Days of its appointment and to notify the Shareholders in writing of their determination.
- 16.6 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. **COMPULSORY TRANSFERS**
- 17.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine.
- 17.2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time.
- 17.3 If an Employee ceases to be an Employee a Transfer Notice shall, unless the Directors (with Investor Consent) otherwise direct in writing in respect of any particular Relevant Shares prior to or within 10 Business Days after the relevant Termination Date, be deemed to have been served on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**) and any Transfer Notice served in respect of any of such Relevant Shares before the date such Employee ceases to be an Employee shall automatically lapse.
- 17.4 Notwithstanding any other provisions of these Articles, the Transfer Price in respect of a Compulsory Employee Transfer shall, where the relevant Employee who ceases to be an Employee is:
- 17.4.1 a Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Sale Shares and the aggregate Fair Value of such Sale Shares; and
- 17.4.2 a Good Leaver, be the aggregate Fair Value of such Sale Shares.
- 17.5 Forthwith upon a Transfer Notice being deemed to be served under Article 17.3 the Shares subject to the relevant Deemed Transfer Notice (**Restricted Shares**) shall cease to confer on the holder of them any rights pursuant to Article 5 or Article 6 (as applicable) or any rights to vote or to receive dividends or other distributions otherwise attaching to those Shares or to acquire Shares pursuant

to these Articles. The Directors (excluding any Director who is, or is connected with, the holder of the Restricted Shares) may reinstate the rights referred to in this Article 17.5 at any time and, in any event, such rights shall be reinstated on completion of a transfer made pursuant to Article 17.4.

18. **TAG ALONG**

18.1 Subject to Article 13, after first giving a Transfer Notice to the Continuing Shareholders and going through the procedure set out in Article 15 and subject to Article 14, the provisions of Article 18.2 to Article 18.6 shall apply if in one or a series of related transactions the Founder and/or his Permitted Transferees propose to transfer any Shares to a bona fide purchaser (**Buyer**) (which would not result in the Buyer acquiring a Controlling Interest in the Company) on arm's length terms (**Proposed Transfer**).

18.2 Before making a Proposed Transfer, the Founder shall procure that the Buyer makes an offer (**Offer**) to the Investor to purchase a pro rata proportion of the Shares held by it equal to the proportion of the Founder's and/or his Permitted Transferee's Shares to be transferred (**Offer Shares**), for a consideration in cash per Share that is at least equal to the price per Share offered by the Buyer in the Proposed Transfer (**Specified Price**) and otherwise on the same terms offered under the Proposed Transfer.

18.3 The Offer shall be made by written notice (**Offer Notice**), at least 10 Business Days before the proposed transfer date (**Transfer Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:

18.3.1 the identity of the Buyer;

18.3.2 the Specified Price and other terms and conditions of payment;

18.3.3 the Transfer Date; and

18.3.4 the number of Offer Shares proposed to be purchased by the Buyer.

18.4 If the Buyer fails to make the Offer in accordance with Article 18.2 and Article 18.3, the Founder and/or his Permitted Transferees shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.

18.5 If the Offer is accepted by the Investor in writing within 5 Business Days of receipt of the Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the purchase of the Offer Shares held by the Investor.

18.6 The Proposed Transfer is subject to the rights of pre-emption set out in Article 15, but the purchase of the Offer Shares shall not be subject to those provisions.

18.7 The Offer may not require the Investor to give any warranties, representations or indemnities in respect of the Offer Shares to be transferred by it, other than a warranty that the Investor sells such Offer Shares with full title guarantee.

19. **DRAG ALONG**

19.1 Subject to Article 13 and Article 20, if the Founder wishes to transfer all or any of his Shares to a bona fide purchaser on arm's-length terms (**Proposed Buyer**) and such transfer would result in the Proposed Buyer acquiring a Controlling Interest in the Company, the Founder shall have the option (**Drag Along Option**) to require all the other holders of Shares on the date of the request (**Called Shareholders**) to sell and transfer all of their Shares with full title

guarantee, on the same terms as offered to the Founder by the Proposed Buyer, to the Proposed Buyer in accordance with the provisions of this Article 19.

- 19.2 The Founder may exercise the Drag Along Option by giving notice in writing to that effect (a **Drag Along Notice**), at any time, subject to Articles 20.3 and 20.5, before the completion of the transfer of the Founder's Shares, to the Proposed Buyer. A Drag Along Notice shall specify:
- 19.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this Article 19;
 - 19.2.2 the identity of the Proposed Buyer;
 - 19.2.3 the purchase price per Called Share, which shall not be less than the highest price per Share offered to be paid by the Proposed Buyer for the Founder's Shares; and
 - 19.2.4 the proposed date of transfer of the Called Shares.
- 19.3 A Drag Along Notice shall lapse if, for any reason, the Founder has not completed the transfer of all the Founder's Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice. The Founder may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19.4 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Founder's Shares (**Completion Date**) unless:
- 19.4.1 the Called Shareholders and the Founder otherwise agree; or
 - 19.4.2 that date is less than 10 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 10 Business Days after the date of service of the Drag Along Notice.
- 19.5 On or before the Completion Date, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Buyer, together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof) to the Company. On the Completion Date the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the purchase price for the Called Shares received from the Proposed Buyer. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold such amount due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 19.6 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Founder to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer has been registered as the holder of any such Called Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this Article 19.

- 19.7 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to the Share Option Plan (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this Article 19 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of the Called Shares.
- 19.8 A transfer of Called Shares to a Proposed Buyer pursuant to a sale in respect of which a Drag Along Notice has been duly served may not require the transferor to give any warranties, representations or indemnities in respect of the Called Shares to be transferred by it, other than a warranty that the transferor sells such Called Shares with full title guarantee.
- 19.9 A transfer of Called Shares to a Proposed Buyer pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the pre-emption provisions of Article 15.
- 19.10 Any Transfer Notice or Deemed Transfer Notice served in respect of the transfer of any Share which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice.
20. **RIGHT OF FIRST REFUSAL ON CHANGE OF CONTROL**
- 20.1 Subject to Article 13, in the event that a proposed transfer of Shares by Shareholders other than the Investor (other than a transfer of Shares made pursuant to Article 14, Article 17 or a transfer made pursuant to Article 23) (the **Sellers**), whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this Article 20 shall apply.
- 20.2 The Founder shall procure that, prior to the completion of the Proposed Transfer, the Sellers shall first offer (the **Offer**) the Shares to the Investor for a consideration in cash per Share (the **Offer Price**) which is equal to the highest price per Share offered to be paid by the Buyer, or any person acting in concert with the Buyer, for their Shares in connection with the Proposed Transfer.
- 20.3 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to the Investor at least 30 Business Days (the **Offer Period**) before the date fixed for completion of the Proposed Transfer (the **Sale Date**). The Offer Notice shall specify:
- 20.3.1 the identity of the Buyer (and any person(s) acting in concert with the Buyer);
- 20.3.2 the Offer Price and any other terms and conditions of the Offer;
- 20.3.3 the Sale Date; and

- 20.3.4 the number of Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer.
- 20.4 The completion of the Proposed Transfer shall be conditional in all respects on:
- 20.4.1 the making of an Offer in accordance with this Article 20; and
- 20.4.2 the completion of the transfer of any Shares to the Investor within the Offer Period,
- and the Directors shall refuse to register any Proposed Transfer made in breach of this Article 20.4.
- 20.5 If the Investor accepts the Offer within the time period referred to in Article 20.3, the transfer of the Shares to the Investor shall be completed within 10 Business Days of its acceptance of the Offer, against payment of the Offer Price to the Sellers.
- 20.6 If the Investor does not accept the Offer within the time period referred to in Article 20.3 or fails to complete the purchase of the Shares within the period referred to in Article 20.5, the provisions of Article 19 shall apply.
- 20.7 Upon any person, following the issue of an Offer Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Shares, whether or not pursuant to the Share Option Plan (a **New Shareholder**), an Offer Notice shall be deemed to have been served by the New Shareholder, on the same terms as the previous Offer Notice, who shall then be bound to sell and transfer all such Shares acquired by him to the Investor (or as the Investor may direct) and the provisions of this Article 20 shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Shares shall take place forthwith upon the later of the Offer Notice being deemed served on the New Shareholder and the Sale Date.
- 20.8 If any Shareholder fails to deliver to the Investor a duly executed stock transfer form (or forms) in respect of the Shares held by him (together with the share certificate(s) in respect of those Shares (or a suitable indemnity in respect thereof)) pursuant to this Article 20, the defaulting Shareholder shall be deemed to have appointed any person nominated for the purpose by the Investor to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Shares. After the Investor has been registered as the holder of any such Shares, the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this Article 20.

DECISION-MAKING BY SHAREHOLDERS

21. GENERAL MEETINGS

- 21.1 The Chairman shall chair general meetings.
- 21.2 No business is to be transacted at a general meeting unless the Founder and the Investor (in each case, for so long as they hold Shares) is present at the commencement of the meeting and also when that business is voted on.

22. VOTING

22.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

22.2 Model article 45(1) shall be amended by:

22.2.1 the deletion of model article 45(1)(d) and its replacement 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"; and

22.2.2 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 model article.

23. PURCHASE OF OWN SHARES

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

ADMINISTRATIVE ARRANGEMENTS

24. MEANS OF COMMUNICATION TO BE USED

24.1 Any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:

24.1.1 if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

24.1.2 if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or

24.1.3 if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or

24.1.4 if sent or supplied by email, one hour after the notice, document or information was sent or supplied; and

24.1.5 if deemed receipt under the previous paragraphs of this Article 24.1 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.

24.2 To prove service, it is sufficient to prove that:

24.2.1 if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

- 24.2.2 if sent by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- 24.2.3 if sent by email, the notice was properly addressed and sent to the email address of the recipient.
- 24.3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.
25. **INDEMNITY AND INSURANCE**
- 25.1 Subject to Article 25.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
- 25.1.1 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 in the actual or purported execution and/or discharge of his duties, or in relation thereto including 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 other Group Company's) affairs; and
- 25.1.2 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 25.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.
- 25.2 This Article 25 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.
- 25.3 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.
- 25.4 In this Article 25:
- 25.4.1 **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 other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company); and
- 25.4.2 **Relevant Officer** means any director or other officer of any Group Company, but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

SCHEDULE 1

Regulation 2

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1

INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 39;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“distribution recipient” has the meaning given in article 31;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“fully paid” in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;

“hard copy form” has the meaning given in section 1168 of the Companies Act 2006;

“holder” in relation to shares means the person whose name is entered in the register of

members as the holder of the shares;

“instrument” means a document in hard copy form;

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“paid” means paid or credited as paid;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 45;

“shareholder” means a person who is the holder of a share;

“shares” means shares in the company;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“transmittee” means a person entitled to a share by reason of the death or bankruptcy of a

shareholder or otherwise by operation of law; and

“writing” means 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.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

2. The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

PART 2

DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

3. Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

Shareholders' reserve power

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
 - (a) to such person or committee;
 - (b) by such means (including by power of attorney);

- (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions;
- as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

- 6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

- 7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.
- (2) If—
- (a) the company only has one director, and
 - (b) no provision of the articles requires it to have more than one director,
- the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

- 8.—(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) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.
- (3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- (4) 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.

Calling a directors' meeting

- 9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

- (2) Notice of any directors' meeting must indicate—
- (a) its proposed date and time;
 - (b) where it is to take place; and
 - (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- (3) Notice of a directors' meeting must be given to each director, but need not be in writing.
- (4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

- 10.**—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—
- (a) the meeting has been called and takes place in accordance with the articles, and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- (2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- (3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

Quorum for directors' meetings

- 11.**—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—
- (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

- 12.**—(1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

(2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

14.—(1) If a proposed decision of the directors is concerned with an actual or proposed

transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

(2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

(3) This paragraph applies when—

(a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;

(b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or

(c) the director's conflict of interest arises from a permitted cause.

(4) For the purposes of this article, the following are permitted causes—

(a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

(b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and

(c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

(5) For the purposes of this article, references to proposed decisions and decision-making

processes include any directors' meeting or part of a directors' meeting.

(6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

(7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
- (b) by a decision of the directors.

(2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances

rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) *[paragraph omitted pursuant to The Mental Health (Discrimination) Act 2013]*
- (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

- 19.**—(1) Directors may undertake any services for the company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine—
- (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may—
- (a) take any form, and
 - (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

- 20.** The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

- 21.**—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

- 22.**—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

23. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share certificates

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

(2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

26.—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

- 27.**—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- (2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—
- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- (3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

- 28.**—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- (2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- (3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

- 29.** If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

- 30.**—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

- (2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- (3) No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- (4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- (5) If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- (6) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- (7) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of dividends and other distributions

31.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

- (a) transfer to a bank or building society account specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide;
- (c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide; or
- (d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

No interest on distributions

32. The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

- (a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the company.

Unclaimed distributions

33.—(1) All dividends or other sums which are—

- (a) payable in respect of shares, and
 - (b) unclaimed after having been declared or become payable,
- may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

(3) If—

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment, and
- (b) the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

Non-cash distributions

34.—(1) Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

(2) For the purposes of paying a non-cash distribution, the directors may make whatever

arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

Waiver of distributions

35. Distribution recipients may waive their entitlement to a dividend or other distribution

payable in respect of a share by giving the company notice in writing to that effect, but if—

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or

bankruptcy of one or more joint holders, or otherwise,

the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

Authority to capitalise and appropriation of capitalised sums

36.—(1) Subject to the articles, the directors may, if they are so authorised by an ordinary resolution—

- (a) decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

(2) Capitalised sums must be applied—

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the articles the directors may—

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

PART 4

DECISION-MAKING BY SHAREHOLDERS

ORGANISATION OF GENERAL MEETINGS

Attendance and speaking at general meetings

37.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such

resolutions are passed at the same time as the votes of all the other persons attending the meeting.

- (3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- (4) In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- (5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for general meetings

38. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing general meetings

39.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start—

- (a) the directors present, or
- (b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

Attendance and speaking by directors and non-shareholders

40.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

(2) The chairman of the meeting may permit other persons who are not—

- (a) shareholders of the company, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

Adjournment

41.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if—

- (a) the meeting consents to an adjournment, or

- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- (3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- (4) When adjourning a general meeting, the chairman of the meeting must—
 - (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and
 - (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- (5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—
 - (a) to the same persons to whom notice of the company's general meetings is required to be given, and
 - (b) containing the same information which such notice is required to contain.
- (6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

Voting: general

42. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.

Errors and disputes

- 43.—**(1) No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- (2) Any such objection must be referred to the chairman of the meeting, whose decision is final.

Poll votes

- 44.—**(1) A poll on a resolution may be demanded—
- (a) in advance of the general meeting where it is to be put to the vote, or
 - (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- (2) A poll may be demanded by—
- (a) the chairman of the meeting;
 - (b) the directors;
 - (c) two or more persons having the right to vote on the resolution; or

- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.
- (3) A demand for a poll may be withdrawn if—
 - (a) the poll has not yet been taken, and
 - (b) the chairman of the meeting consents to the withdrawal.
- (4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of proxy notices

- 45.**—(1) Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which—
- (a) states the name and address of the shareholder appointing the proxy;
 - (b) identifies the person appointed to be that shareholder’s proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
 - (d) is delivered to the company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.
- (2) The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- (3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- (4) Unless a proxy notice indicates otherwise, it must be treated as—
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of proxy notices

- 46.**—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- (2) An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- (3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- (4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor’s behalf.

Amendments to resolutions

- 47.**—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

- (a) notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- (2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—
 - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- (3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART 5

ADMINISTRATIVE ARRANGEMENTS

Means of communication to be used

- 48.**—(1) Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company.
- (2) Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.
- (3) A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company seals

- 49.**—(1) Any common seal may only be used by the authority of the directors.
- (2) The directors may decide by what means and in what form any common seal is to be used.
- (3) Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- (4) For the purposes of this article, an authorised person is—
 - (a) any director of the company;
 - (b) the company secretary (if any); or
 - (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to inspect accounts and other records

50. Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

Provision for employees on cessation of business

51. The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

Indemnity

52.—(1) Subject to paragraph (2), a relevant director of the company or an associated company may be indemnified out of the company's assets against—

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company,
- (b) any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006),
- (c) any other liability incurred by that director as an officer of the company or an associated company.

(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.

(3) 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 director" means any director or former director of the company or an associated company.

Insurance

53.—(1) The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.

(2) In this article—

- (a) a "relevant director" means any director or former director of the company or an associated company,
- (b) a "relevant loss" means any loss or liability which has been or may be incurred by a relevant director in connection with that director'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, and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

SCHEDULE 2

MATTERS REQUIRING INVESTOR CONSENT

1. Allot, issue or redeem any equity securities (as defined in section 560 of the Act).
2. Issue any note, bond or other debt security, or create, incur, assume or guarantee any indebtedness, in each case in excess of £100,000.
3. Adopt (other than the Share Option Plan), vary or terminate any employees' share scheme (as defined in section 1166 of the Act) or any other employee incentive scheme except as such scheme exists at the date hereof.
4. Appoint a chief executive officer of the Company, other than the Founder.
5. Appoint a person as a Director, other than Tim Dawson.
6. Sell, lease, exchange, transfer or otherwise dispose, directly or indirectly, any asset or assets having a market value which exceeds the lesser of £250,000 or 25% of the total consolidated assets of the Group (if any) as reflected on the most recent balance sheet of the Company (or consolidated balance sheet if applicable) available at the date of such disposal.
7. Amend or waive any provision of these Articles.
8. Take any step to wind up the Company (except where it is insolvent, within the meaning of section 123 of the Insolvency Act 1986).
9. Take any step to place the Company into administration.
10. Propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise).
11. Apply for the appointment of a receiver or administrative receiver over all or any part of the Company's assets or undertaking.
12. Incur any capital expenditure in excess of £100,000 beyond that permitted by the Budget (as defined in the Shareholders' Agreement).
13. Engage any employee or consultant with an annual salary (including benefits and other remuneration) of more than £100,000.
14. Enter into, vary or terminate any contract or arrangement with any employee or director with an annual salary (including benefits and other remuneration) of more than £100,000 or Shareholder or person connected (as defined in section 1122 of the Corporation Tax Act 2010) with any of the same, except for insurance policies obtained by or through a person connected with a Shareholder.
15. Commence or settle any litigation, arbitration or other legal proceedings (other than the collection of debts in respect of amounts of less than £50,000).
16. Incorporate, form or acquire any subsidiary undertaking (as defined in section 1162 of the Act) (having a purchase price in excess of £100,000) or any shares in the capital of another company (excluding any shares held in Distributed Creation Inc. as at the date of this agreement) or enter into any partnership.

17. Make any investment into or loan to: (a) Producertech Limited (company number 06909879); or (b) Luminari Technologies Limited (company number 09719855).
18. Enter into, vary or terminate any joint venture, profit sharing or partnership agreement.
19. Adopt or vary in any material respect (being more than a 10% variation or by an amount greater than £100,000) the Budget or any business plan or annual budget of the Company.
20. Cease or make any material change in the nature or scope of the Business (as defined in the Shareholders' Agreement) including the introduction or discontinuance of any field of activity, the relocation or expansion of the Business.
21. Cease sales through the Platform (as defined in the Shareholders' Agreement) during the Period.
22. Do any act or thing which would prevent the Company from carrying on its business in the ordinary course.
23. Take any action to permit or allow any subsidiary undertaking of the Company to take any of the actions listed above.