

THE COMPANIES ACT 2006

Company No. **08066102**

A PRIVATE COMPANY LIMITED BY SHARES

**SPECIAL WRITTEN RESOLUTION OF
GENERIC VENTURES LIMITED**
("the Company")

Dated this 10th day of August. . 2015

We, being the shareholders of the Company entitled to attend and vote at general meetings of the Company hereby pass the following written resolutions of the Company pursuant to s288 of the Companies Act 2006 and hereby agree that the said resolutions shall for all purposes be as valid and effective as if passed at a duly convened meeting of the Company

1. That, the Company adopt new Articles of Association as are set out in the Articles of Association attached to this resolution and signed by way of identification by members for the time being entitled to receive notice of and attend a vote of the Company either in person or by proxy, and together holding not less than seventy-five percent in nominal value of the shares in issue and which are by this resolution adopted as the new Articles of Association in substitution for and to the complete exclusion of the existing Articles of Association of the Company
2. That the 13,418 Ordinary Shares of £0 01 each in the capital of the Company be subdivided into 13,418,000 Ordinary Shares of £0 00001 each in the capital of the Company, with the rights and restrictions set out in the Articles of Association of the Company referred to in the resolution above
3. That the Ordinary Shares of the Company each be renamed as A Ordinary Shares with the rights and obligations of those shares being laid down in the new Articles of Association attached to this resolution
4. That the Company create a new class of shares known as B Investment Shares with the rights and obligations of those shares being laid down in the new Articles of Association attached to this resolution.
5. That, subject to the receipt of subscription monies from the relevant investors, in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot up to a maximum of 618,447 A Ordinary Shares and 228,767 B Investment Shares in the Company, provided that this authority shall, unless renewed, varied or revoked by the Company, expire 3 months from the date of this resolution This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006 but is in addition to that confirmed by Article 5 1 of the Articles of Association of the Company This resolution shall become effective on the receipt of the relevant subscription monies and should any of the investors fail to advance their subscription monies, the relevant shares shall not be allotted to that investor and the number of shares allotted shall be adjusted down accordingly

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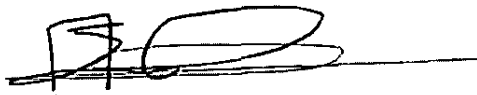
6. That, we acknowledge as shareholders of the Company that we were entitled to participate in the share allotment in resolution 5 and, subject to passing the same resolution 5 and in accordance with section 570 of the Companies Act 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 5, as if article 6 of the existing Articles of the Company, or section 561(1) of the Companies Act 2006, did not apply to any such allotment

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to any of the resolutions

The undersigned, as persons entitled to vote on the above resolutions hereby irrevocably agrees to those resolutions as indicated above

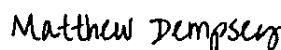
Signed by SOKRATIS
PAPAFLOTATOS



Date

08 / 10 / 2015

Signed by MATTHEW DEMPSEY



Date

08 / 10 / 2015

Signed by ANDREW BREDON



Date

08 / 10 / 2015

Signed by NIC BRISBOURNE



Date

08 / 10 / 2015

Signed by CHRIS BURKE



Date

08 / 11 / 2015

Signed by ERROL DAMELIN



Date

08 / 11 / 2015

Signed by KIRILL MAKHARINSKY

08 / 10 / 2015

Date

Signed by LEONID MAKHARINSKY

Date

Signed by ANDY MCLOUGHLIN



08 / 10 / 2015

Date

Signed by ALEXIOS VRATSKIDES

Date

Signed by
For and on behalf of HOWZAT MEDIA
LLP

Date

Signed by TOM ALLASON



08 / 10 / 2015

Date

Signed by GEORGE EMBIRICOS



08 / 11 / 2015

Date

Signed by NICK EMBIRICOS

Date

Signed by SAKIS GEORGIADIS



08 / 10 / 2015

Date

Signed by ALEX HOYE

Date

Signed by NEIL HUTCHISON

Date

Signed by IVAN MAZOUR

Date

Signed by DOUG MONRO

Date

Ivan Mazour

08 / 10 / 2015

D. Monro

08 / 10 / 2015

NOTES

1 Once you have indicated your voting intentions please sign and date this document and return it to the Company by attaching a scanned copy of the signed document to an e-mail and sending it to sokratis@togetherra.com

If there are no resolutions you agree with, 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 a resolution, you may not revoke your agreement

3. Where, such date as is 28 days after the date of this resolution, insufficient agreement has been received for a resolution to pass, such resolution will lapse If you agree to all or any of the resolutions, please ensure that your agreement reaches us before this date

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GENERIC VENTURES LIMITED (the "Company") (Company Number. 08066102)

(Adopted by special resolution passed on 10th August 2015)

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1 Interpretation

1.1 In these Articles, unless the context otherwise requires

A Ordinary Shares means the A Ordinary Shares of £0 00001 each in the capital of the Company and **A Ordinary Shareholder** means a holder of any of those shares,

Accepting Shareholder has the meaning given in Article 11.5,

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 from time to time),

Articles means the Company's Articles of Association,

B Investment Shares means the B Investment Shares of £0 00001 each in the capital of the Company and **B Investment Shareholder** means a holder of any of these shares,

Bad Leaver means a Founder who ceases to be an Employee and/or Director (whichever is the later) prior to the fourth anniversary of the Date of Commencement by reason of

- (i) such Founder resigning as an Employee voluntarily and in circumstances which do not amount to constructive dismissal and/or constructive unfair dismissal, or

- (ii) dismissal by the Company for Cause,

Board means the board of Directors,

Business means a photo sharing application and platform,

Business Day	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,
Buyer	has the meaning given in Article 10 2(a),
Cause	means <ul style="list-style-type: none"> (i) the lawful termination of their contract of employment without notice of payment in lieu of notice as a consequence of their misconduct, and/or (ii) their fair dismissal pursuant section 98(2)(a) (capability) or 98(2)(b) (conduct) of the Employment Rights Act 1996,
Called Shares	has the meaning given in Article 12 1,
Called Shareholder	has the meaning given in Article 12 1,
Civil Partner	means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder,
Companies Act	the Companies Act 2006,
Controlling Interest	means an interest in Shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010,
Co-Sale Notice	has the meaning given in Article 10 2,
Date of Commencement	means 23 June 2013,
Deferred Shares	means the Deferred Shares of £0 00001 each in the capital of the Company,
Directors	means the directors of the Company from time to time, and Director means any one of them,
Drag Along Notice	has the meaning given in Article 12 2,
Drag Along Option	has the meaning given in Article 12 1,
Effective Termination Date	means the date on which the Founder's employment, consultancy or directorship (whichever is the later) terminates,
Employee	means an individual who is employed by or who provides consultancy services to the Company or any member of the Group,
Family Trusts	means trust(s) under which no immediate beneficial

	interest in any of the shares in question is for the time being vested in any person other than a Shareholder who is an individual and/or Privileged Relations of that individual,
First Offer Period	has the meaning given in Article 6 2(c),
Founders	means Sokratis Papafloratos and Matthew Dempsey,
Founder Shares	means all Shares held by <ul style="list-style-type: none"> (i) the Founder in question, and (ii) by any Permitted Transferee of that Founder,
Fund Manager	means a person whose principal business is to make, manage or advise upon investments in securities,
Good Leaver	means a person who is not a Bad Leaver,
Group	means the Company and its subsidiary undertaking(s) (if any) from time to time,
Investors	means those persons to whom Shares were allotted on 31 July 2014 and their Permitted Transferees,
Member of the same Fund Group	means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an "Investment Fund") or a nominee of that person <ul style="list-style-type: none"> (i) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business), (ii) any Investment Fund managed by that Fund Manager, (iii) any parent undertaking or subsidiary undertaking of that Fund Manager, or any subsidiary undertaking of any parent undertaking of that Fund Manager, or (iv) any trustee, nominee or custodian of such Investment Fund and vice versa,
Member of the same Group	means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of that company or a subsidiary

	undertaking of any such parent undertaking,
Model Articles	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles and for ease of reference annexed as Appendix 1 to these Articles,
New Shareholder	has the meaning given in Article 12 10,
Offer	has the meaning given in Article 11 2,
Offer Notice	has the meaning given in Article 11 3,
Offer Period	has the meaning given in Article 11 3,
Offer Shares	has the meaning given in Article 11 3(d),
Original Shareholder	has the meaning given in Article 7 1,
Permitted Transferee	means <ul style="list-style-type: none"> (i) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Company, (ii) in relation to a Shareholder which is an undertaking means any Member of the same Group, (iii) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group,
Price	has the meaning given in Article 6 2(b)(ii),
Privileged Relation	means in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue),
Proposed Purchaser	has the meaning given in Article 12 1,
Proposed Transfer	has the meaning given in Article 11 1,
Purchase Notice	has the meaning given in Article 6 2(d),
Purchasing Shareholder	has the meaning given in Article 6 2(d),
Qualifying Company	means a company in which a Shareholder or Trustee(s) hold the whole of the share capital and which they control,

Qualifying Shareholder	means a Shareholder holding 25% or more of the issued A Ordinary Shares for the time being,
Relevant Period	means the period of 48 months starting from the Date of Commencement,
Sale Date	has the meaning given in Article 11 3,
Selling Shareholders	has the meaning given in Article 12 1,
Sellers' Shares	has the meaning given in Article 12 1,
Shareholders	means all or any of those persons whose names are entered in the register of members of the Company, and Shareholder shall mean any one of them,
Shares	all or any Shares in the Company,
Share Sale	means the sale of all of the Shares of the Company,
Specified Price	has the meaning given in Article 11 2,
Transfer Notice	has the meaning given in Article 6 2(a),
Transferring Shares	has the meaning given in Article 6 2(a),
Transferring Shareholder	has the meaning given in Article 6 2(a),
Trustees	means the trustee(s) of a Family Trust,
Unvested Shares	means all the Founder Shares prior to the first anniversary of the Date of Commencement and thereafter until the fourth anniversary of the Date of Commencement such number of Shares equal to all the Founder Shares multiplied by the following percentage (rounded up to two decimal places)

$$100 - (2.7778 \times NM),$$

where NM = number of full calendar months from the one year anniversary from the Date of Commencement to the Effective Termination Date, and

Vested Shares means in relation to Shares those shares which are no longer capable of being converted into Deferred Shares under Article 19 and in relation to all other Shares, the number of shares which are in issue

- 12 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 Companies Act shall have the same meanings in these Articles

- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
- (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words following those terms
- 1 7 The singular includes the plural, the masculine includes the feminine and, in each case, vice versa
- 1 8 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles
- 1 9 Articles 11(2), 13, 14 and 24 of the Model Articles shall not apply to the Company

2. Quorum for general meetings

The quorum for a general meeting shall be at least 2 Shareholders holding a majority of the A Ordinary Shares

3. Directors' conflicts of interest

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 shall be counted as participating in the decision-making process for quorum or voting purposes, provided that he has declared the nature and extent of such interest as required by the Companies Act

4. Proceedings of Directors and business plan

- 4 1 The quorum for Directors' meetings shall be two Directors
- 4 2 In the case of any equality of votes, the chairman shall not have a second or casting vote
- 4 3 The members of the Board immediately following the adoption of these Articles shall be the Founders Board meetings will be held at intervals of not more than three months
- 4 4 A Founder shall resign as a Director when they are no longer an Employee of the Company
- 4 5 The Founders shall procure that the Company shall prepare a business plan for the Company at least 20 Business Days before the Company's financial year end on an

annual basis and shall provide each of the Shareholders with a copy of the business plan for their review. Each business plan shall require the approval of the holders of at least 4% of the total number of issued A Ordinary Shares from time to time (excluding the Founders)

- 4.6 If following the approval of the business plan as referred to in clause 4.5, there is a material change to the nature of the business plan (including any expenditure items that exceed £30,000 in the financial year in question), the amended business plan shall require the same approval as set out in clause 4.5

5. Directors' authority to allot

- 5.1 The Directors are generally and unconditionally authorised, in accordance with section 551 of the Companies Act, to exercise all the powers of the Company to allot Shares or to grant rights or to subscribe for or convert any security into Shares up to a maximum nominal value of £100
- 5.2 The authority contained in Article 5.1 shall expire on the day five years after the date of the adoption of these Articles

6. Pre-emption rights of shareholders

- 6.1 Sections 561 and 562 of the Companies Act are excluded as regards B Investment Shares and Shareholders holding B Investment Shares provided that such sections shall apply mutatis mutandis in respect of A Ordinary Shares and Shareholders holding such A Ordinary Shares. The foregoing provisions of this Article 6.1 shall not apply in relation to further issues of A Ordinary Shares where each A Ordinary Shareholder is notified by the Board 5 Business Days in advance and is entitled to participate so as to preserve or increase their then proportionate shareholdings
- 6.2 Subject to Articles 7, 8, 9, 10, 11, 12 and 14, A Ordinary Shareholders shall not transfer any A Ordinary Shares, except in the circumstances set out in Articles (a) to (i) and, for the avoidance of doubt and without prejudice to the generality of Article 26 of the Model Articles, the Board may refuse to register the transfer of any A Ordinary Share, if it has not been transferred in accordance with Articles (a) to (i)
- (a) Any A Ordinary Shareholder who wishes to transfer any A Ordinary Shares (the "**Transferring Shareholder**") shall before transferring or agreeing to transfer such shares (the "**Transferring Shares**") or any interest in them, first offer those Transferring Shares to the existing A Ordinary Shareholders, by giving irrevocable written notice to the Company (a "**Transfer Notice**")
- (b) The Transfer Notice shall specify
- (i) the number of Transferring Shares the Transferring Shareholder wishes to transfer, and
- (ii) the price (in cash) and any other consideration, at which the Transferring Shareholder wishes to transfer the Transferring Shares (which shall be the price offered to the Transferring Shareholder by a bona fide third party for the Transferring Shares, or in the absence of such an offer, the price calculated pursuant to Articles (g) and (h), in which case the Transfer Notice shall not specify a price) (the "**Price**")
- (c) Upon receipt of the Transfer Notice, the Board shall as soon as reasonably

practicable, offer the Transferring Shares to the other A Ordinary Shareholders, inviting those A Ordinary Shareholders to state by notice in writing to the Company within 10 Business Days of the offer by the Board (the "**First Offer Period**"), whether they are willing to purchase at the Price, such number of Transferring Shares as corresponds to the proportion of other A Ordinary Shares held by them respectively

- (d) Each A Ordinary Shareholder who wishes to purchase the shares offered to him in accordance with Article (c) above, (a "**Purchasing Shareholder**") may within the First Offer Period, serve notice (the "**Purchase Notice**") on the Board specifying how many Transferring Shares he wishes to purchase
- (e) If following the expiry of the First Offer Period there remain Transferring Shares not accepted by A Ordinary Shareholders, the Board shall reoffer the unaccepted Transferring Shares to the Purchasing Shareholders within a further 10 Business Days, in the appropriate proportions until such time as the Transferring Shares are exhausted or no further acceptances are forthcoming from Purchasing Shareholders and the Board shall conduct such process as it sees fit
- (f) Any Transferring Shares not accepted pursuant to Articles (d) and (e) may be transferred by the Transferring Shareholder to any person, provided the transfer is at the Price and takes place within 60 Business Days of the end of the First Offer Period
- (g) If there is no bona fide third party offer for any of the Transferring Shares, the Price shall be such price per Transferring Share as may be determined by the accountants for the time being of the Company as the fair value thereof. The Board shall instruct such accountants to specify such fair value as soon as practicable upon receipt of the Transfer Notice not having the Price specified therein and such accountants shall, acting as experts and not arbitrators, calculate the fair value on such bases as they consider most applicable, but without discount for minority or uplift for majority shareholdings and their costs and expenses shall be borne equally by the Company and the Transferring Shareholder
- (h) In determining the fair value of the Transferring Shares, the accountants will rely on the following assumptions: the sale is between a willing seller and a willing buyer of the Transferring Shares, the Company is carrying on its business as a going concern and shall continue to do so, the Transferring Shares are sold free of all restrictions, liens, charges and other encumbrances and the sale is taking place on the date the accountants were instructed to calculate the fair value
- (i) Following completion of the procedure in respect of the Transferring Shares set out in Articles (a) to (h), the Transferring Shareholder shall sell the Transferring Shares as required and shall execute and deliver to the Board stock transfer forms relating to the Transferring Shares as required by the Board against receipt of the Price which the Board may receive from and transfer on behalf of purchasers

6.3 The provisions of Article 6.2 above shall not apply with regard to B Investment Shares. Any B Investment Shareholder shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment Shareholder's entire holding of B

Investment Shares to a single transferee (except with the prior sanction of a resolution of the Board)

7. Permitted Transfers

- 7.1 Notwithstanding the provisions of Article 6.2, a Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise
- 7.2 Shares previously transferred as permitted by Article 7.1 may be transferred by the transferee to the Original Shareholder or any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise
- 7.3 Where, upon death of a Shareholder, the persons legally or beneficially entitled to any Shares are Permitted Transferees of that deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees without restriction as to price or otherwise
- 7.4 A transfer of any Shares approved by the Board may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors
- 7.5 Notwithstanding clauses 7.1 to 7.4 (inclusive), a Shareholder may transfer any Shares to any person if agreed in writing by Shareholders representing 75 per cent of the total voting rights attaching to the Shares

8. Compulsory Transfers - General

- 8.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors
- 8.2 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine
- 8.3 If a Permitted Transferee ceases to be a Permitted Transferee of the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or another Permitted Transferee of the Original Shareholder without restriction as to price or otherwise, failing which it will be deemed to have given a Transfer Notice in respect of those Shares
- 8.4 On the death, bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within

five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice

8 5 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either

- (i) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer), or
- (ii) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder

If either requirement in this Article 8 5 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine

8 6 If there is a change in control (as control is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of any Permitted Transferee and/or nominee) a Transfer Notice in respect of all the Shares registered in its name, its Permitted Transferee name and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of the Original Shareholder before being required to serve a Transfer Notice This Article 8 6 shall not apply to a member that is an Investor

9. Compulsory transfer – Founders

9 1 Subject to Article 9 2, if at any time during the Relevant Period a Founder ceases to be an Employee, any Unvested Shares relating to such Founder shall immediately convert into Deferred Shares (rounded down to the nearest whole share)

9 2 If

- (i) a Founder ceases to be an Employee (as the case may be) during the Relevant Period in circumstances where he is a Good Leaver, the Founder Shares relating to that Founder shall immediately become Vested, or
- (ii) a Share Sale takes places during the Relevant Period, all the Founder Shares shall immediately become Vested

10. Co-Sale right

10 1 No transfer (other than a Permitted Transfer) of any of the Shares may be registered unless a Transferring Shareholder shall have observed the following procedures of this Article

10 2 After the Transferring Shareholder has gone through the pre-emption process set out in Article 6, the Transferring Shareholder shall give to each Founder and Investor not

less than 15 Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**") The Co-Sale Notice shall specify

- (a) the identity of the proposed purchaser (the "**Buyer**"),
- (b) the price per share which the Buyer is proposing to pay,
- (c) the manner in which the consideration is to be paid,
- (d) the number of Shares which the Transferring Shareholder proposes to sell, and
- (e) the address where the counter-notice should be sent

- 10 3 Each Founder and Investor shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Transferring Shareholder that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Founder and/or Investor wishes to sell The maximum number of Shares which a Founder and/or Investor can sell under this procedure shall be

$$\left(\frac{X}{Y} \right) \times Z$$

where

X is the number of Shares held by the Founder and/or Investor,

Y is the total number of Shares,

Z is the number of Shares the Transferring Shareholder proposes to sell

Any Founder and/or Investor who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no Shares

- 10 4 Following the expiry of five Business Days from the date the Founders and Investors receive the Co-Sale Notice, the Transferring Shareholder shall be entitled to sell to the Buyer on the terms notified to the Founders and Investors a number of Shares not exceeding the number specified in the Co-Sale Notice less any Shares which the Founders and/or Investors have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Founders and/or Investors the number of Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Transferring Shareholder from the Buyer
- 10 5 No sale by the Transferring Shareholder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice
- 10 6 Sales made under a Co-Sale Notice in accordance with this Article 10 shall not be subject to Article 6

11. Tag along rights on a change of control

- 11 1 The provisions of Articles 11 2 to 11 6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any Shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company
- 11 2 Before making a Proposed Transfer, each Shareholder proposing to transfer Shares shall procure that the Buyer makes an offer ("**Offer**") to all of the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer ("**Specified Price**")
- 11 3 The Offer shall be given by written notice ("**Offer Notice**"), at least 30 Business Days ("**Offer Period**") before the proposed sale date ("**Sale Date**") To the extent not described in any accompanying documents, the Offer Notice shall set out
- (a) the identity of the Buyer,
 - (b) the purchase price and other terms and conditions of payment,
 - (c) the Sale Date, and
 - (d) the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**")
- 11 4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with Articles 11 2 and 11 3, the Shareholders proposing to transfer Shares shall not be entitled to complete the Proposed Transfer and the Directors shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 11 5 If the Offer is accepted in writing by any Shareholder ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders
- 11 6 If any Accepting Shareholder does not, at the time appointed for completion of the Proposed Transfer, deliver a duly executed stock transfer form in respect of the Offer Shares then the defaulting Accepting Shareholder shall be deemed to have irrevocably appointed any Director to be his agent or attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such Accepting Shareholder) of the consideration payable for the Offer Shares After the Buyer has been registered as the holder of such Offer Shares the validity of such proceedings shall not be questioned by any such person Failure to produce a Share certificate shall not impede the registration of Shares under this Article 7

12. Drag along Option

- 12 1 If the holders of more than 50% of the A Ordinary Shares (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a proposed purchaser who has made an offer on arm's length terms (the "**Proposed Purchaser**"), the Selling Shareholders shall have the option (the "**Drag Along**")

Option") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares (the "**Called Shares**") to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 12

- 12 2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company (which the Company shall immediately send to the Called Shareholders) at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Called Shares under this Article 12, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 12) and the proposed date of transfer
- 12 3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 12 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be on terms no less favourable than those obtained by the Selling Shareholders from the Proposed Purchaser
- 12 5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 12
- 12 6 Within five Business Days of the Company serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or an indemnity for lost certificate in a form acceptable to the Directors) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 12 4 to the extent that the Company has received these amounts in cleared funds from the Proposed Purchaser. The Company's receipt for the amounts due pursuant to Article 12 4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 12 4 in trust for the Called Shareholders without any obligation to pay interest
- 12 7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 12 4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or an indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 12 in respect of their Shares
- 12 8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or an indemnity) for its Shares to the Company upon the expiration of that five Business Day period, any Director is authorised to transfer the Called Shareholder's Shares as agent on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 12 4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares

(or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 12.4

12.9 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 6.2

12.10 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder

13. Rights attaching to Shares

13.1 The share capital of the Company shall comprise A Ordinary Shares and B Investment Shares. The A Ordinary Shares and B Investment Shares shall rank *pari passu* in all respects, save as provided in these Articles

13.2 The B Investment Shares shall have no voting rights attached to them, and holders of B investment Shares shall not have the right to receive notices of any general meetings, or the right to attend at such general meetings

13.3 No dividend shall be payable in respect of any Shares unless and until the amount of such dividend when aggregated with all dividends then payable to the holder of such Shares exceeds the sum of £50 and all the dividends declared but not paid pursuant to this Article 13.3 shall be held by the Company as dedicated retained dividends on trust for such holder of Shares and shall be payable to such persons either upon the winding up of the Company or when the cumulative value of such withheld dividends exceeds £50

14. Purchase of Own Shares

14.1 Subject to the Companies Act but without prejudice to any other provision of these Articles, save for as per Article 14.2 below, the Company may purchase its own shares with cash up to any amount in a financial year not exceeding the lower of

(a) £15,000, and

(b) the value of 5% of the Company's share capital

14.2 The provisions of Article 6.2 shall not apply to this Article 14

15. Electronic Communication

15.1 Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied, by or to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Companies Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder

or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors)

- 15 2 For the purposes of Article 15 1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this Article 15 2
- 15 3 When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Companies Act
- 15 4 Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission
- 15 5 The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control
- 15 6 Each Shareholder and Director shall for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Companies Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website

16. Board Representation

- 16 1 Any Qualifying Shareholder shall be entitled to be a Director of the Board, or to appoint one nominee Director to the Board, and to remove and replace such nominee Director upon written notice to the Board, provided that such nominee Director shall have been previously approved by the Board such approval not to be unreasonably withheld or delayed
- 16 2 Any Director appointed to the Board in accordance with Article 16 1 above shall immediately resign as a Director should his appointing Qualifying Shareholder, cease to be a Qualifying Shareholder

17. Information rights

- 17 1 The Company shall produce for the Board and the Investors monthly reports on key performance indicators for the Business
- 17 2 The Company shall provide the Investors promptly with such other information concerning the Company and its business as the Investors may reasonably require from time to time
- 17 3 To assure the Investors the value of the Business and the full benefit of the goodwill of the Business of the Company, each Founder hereby severally undertakes and covenants with the Investors and the Company that he shall not while he is a Director or Employee of the Company carry on or be concerned, engaged or interested (directly or indirectly), in any capacity whatsoever, in any trade or business competing with the trade or business of the Company as carried on at the time or, in relation to any trade or business of the Company that he has been engaged or involved in, at any time during the previous 24 months
- 17 4 The covenant in clause 17 3 is considered fair and reasonable. If any restriction is found to be unenforceable but would be valid if any part of it were deleted, or the period or area of application reduced, the restriction shall apply with such modification as may be necessary to make it valid and effective
- 17 5 The consideration for the undertaking contained in clause 17 3 is included in the consideration paid by the Investors for their Shares

18 Share Certificates

- 18 1 The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the Board may resolve to do so
- 18 2 The Company shall not be bound to issue more than one certificate in respect of Shares held jointly by two or more persons. Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders
- 18 3 If the Board resolves to issue a Share certificate it may be issued under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or signed by at least two Directors or by at least one Director and the Secretary. Such certificate shall specify the number and class of the Shares in respect of which it is issued and the amount or respective amounts paid up on it. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any Share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person
- 18 4 Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery

19. Deferred Shares

- 19 1 Any Deferred Shares which were issued as redeemable shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders

- 19 2 The allotment or issue of Deferred Shares or the conversion of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue or conversion to appoint any person to execute or give on behalf of the holder of those Deferred Shares
- (a) an agreement to transfer and a transfer of such Deferred Shares to such person or persons as the Company may determine, and/or
 - (b) a consent to the cancellation of such Deferred Shares, and/or
 - (c) an agreement to transfer and a transfer of such Deferred Shares to such person or persons as the Company may determine as custodian thereof, and/or
 - (d) an agreement for the Company to purchase such Deferred Shares in accordance with the Act,
 - (e) in any such case for a price being not more than an aggregate sum of one penny for all the Deferred Shares so purchased without obtaining the sanction of such holder or holders and pending such transfer and/or purchase to retain the certificates (if any) in respect thereof
- 19 3 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company

Appendix 1

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 transferee, 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