

Dated

29 June

2018

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**THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES**

**NEW
ARTICLES OF ASSOCIATION**

of

EASYBOX HOLDINGS LIMITED

(Adopted by a special resolution passed on 29 June 2018)



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THE COMPANIES ACT 2006
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(Adopted by a special resolution passed on 29/06/2018)

1. INTRODUCTION

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force
- 1.3 In these Articles.
- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
 - (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa;
 - (c) Articles 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company;
 - (d) Subject to Article 9.5, Articles 27, 28, 29 of the Model Articles shall not apply to the Company,
 - (e) reference to "**issued Shares**" of any class shall exclude any Shares of that class held as Treasury Shares from time to time, unless stated otherwise; and
 - (f) reference to the "**holders**" of Shares or a class of Share shall exclude the Company holding Treasury Shares from time to time, unless stated otherwise

2. DEFINITIONS

In these Articles the following words and expressions shall have the following meanings.

"**A Ordinary Shareholders**" means the holders from time to time of A Ordinary Shares;

"**A Ordinary Shares**" means the A ordinary shares of €0.01 each in the capital of the Company from time to time;

"**Act**" means the Companies Act 2006 (as amended from time to time),

"**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);

"Asset Sale" means the disposal by the Company of all or substantially all of its undertaking and assets and/or the assets and undertaking of Easybox Sri;

"Auditors" means the auditors of the Company from time to time;

"Available Profits" means profits available for distribution within the meaning of part 23 of the Act,

"B Ordinary Shareholders" means the holders from time to time of B Ordinary Shares;

"B Ordinary Shares" means the B ordinary shares of €0.01 each in the capital of the Company from time to time,

"Bad D Share Leaver" means any D Share Leaver who is not a Good D Share Leaver,

"Board" means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

"Bonus Issue" or "Reorganisation" means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves or any consolidation or sub-division or redenomination or any repurchase or redemption of shares or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company,

"Business Day" means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

"C Ordinary Shareholders" means the holders from time to time of C Ordinary Shares,

"C Ordinary Shares" means the C ordinary shares of €0.001 each in the capital of the Company from time to time,

"Caledonia" means Caledonia Investments pic (company number 00235481) incorporated under the laws of England whose registered office is at Cayzer House, 30 Buckingham Gate, London, SW1E6NN;

"Caledonia Consent" means the prior written consent of Caledonia which, for the avoidance of doubt, may be given by email;

"Caledonia Direction" means the giving of a written direction to the Company by or on behalf of Caledonia by a director of Caledonia or duly authorised employee of Caledonia or member of the same Group which, for the avoidance of doubt, may be given by email,

"Company" means Easybox Holdings Limited;

"Connected" has the meaning given to it in section 1122 of the CTA 2010;

"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 CTA 2010,

"CTA 2010" means the Corporation Tax Act 2010;

"D Shareholders" means the holders from time to time of D Shares;

"D Shares" means the D shares of €0.01 each in the capital of the Company from time to time,

"D Share Leaver" means a D Shareholder who:

- (a) is or was previously a director or employee of, or a consultant to, a member of the Group; and
- (b) ceases to hold such office or employment or consultancy and as a consequence is no longer a director or employee or consultant of any member of the Group;

"Date of Adoption" means the date on which these Articles were adopted,

"Director(s)" means a director or directors of the Company from time to time;

"E Shareholders" means the holders from time to time of E Shares;

"E Shares" means the E Shares of €0.01 each in the capital of the Company from time to time;

"E Share Consent" means the prior written consent of the E Shareholders which, for the avoidance of doubt, may be given by email and, in any event, may not be unreasonably withheld or delayed or conditioned,

"E Share Return Price" means a sum calculated as follows'

$$A + (B\% \times A) = C$$

Where.

A = the aggregate subscription price of the E Shares,

B = the relevant percentage as determined from the following formula:

$$20\% \times \frac{D}{12}$$

C = the E Share Return Price; and

D = the relevant number of complete months between the Date of Adoption and the date on which the relevant Drag Along Notice is served;

"Easybox Sri" means Easybox Sri whose registered office is at Via P Portaluppi. 9 - Milan, Italy;

"electronic address" has the same meaning as in section 333 of the Act,

"electronic form" and **"electronic means"** have the same meaning as in section 1168 of the Act;

"Eligible Director" means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors;

"Encumbrance" means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law),

"Equity Securities" has the meaning given in sections 560(1) to (3) inclusive of the Act and for the avoidance of doubt an allotment of Equity Securities includes a transfer of shares which immediately before such transfer were held by the Company as Treasury Shares,

"Exit" means a Share Sale, an Asset Sale or a liquidation of the Company;

"Exit Proceeds" means

- (a) on a Share Sale, the net aggregate price or value of the consideration to be paid for all the issued Shares and after taking into account:
 - (i) the costs and expenses attributable to the Share Sale,
 - (ii) to the extent required under the terms of the Share Sale, any amount to be applied in The discharge of any bank indebtedness (or other indebtedness in the nature of borrowings) of the Company or the Group (inclusive of any break fees, costs or other penalties relating to such discharge), and
 - (iii) the value of any other consideration (in cash or otherwise) received by the Shareholders which can reasonably be regarded as in addition to the price paid or payable in respect of the Share Sale (and paid on or prior to completion of the Share Sale and including for the avoidance of doubt any pre-sale dividends paid to the Shareholders),
- (b) on an Asset Sale a sum equal to the total amount that would be available for distribution in cash amongst or to be receivable by the Shareholders if a liquidation of the Company occurred immediately following an Asset Sale;
- (c) on a liquidation of the Company or other return of capital or assets, a sum equal to the total amount that is available for distribution amongst the Shareholders;

"Financial Year" has the meaning set out in section 390 of the Act;

"Good D Share Leaver" means a D Shareholder who is a D Share Leaver as a result of

- (a) death;
- (b) Serious Ill Health, or
- (c) the Board, with Caledonia Consent, determining that such D Share Leaver is a Good D Share Leaver,

"Group" means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **"Group Company"** shall be construed accordingly,

"hard copy form" has the same meaning as in section 1168 of the Act;

"Leaver" as defined in Article 12.1 or 12.4 or a D Share Leaver as relevant;

"a 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;

"Majority Preference Shareholder" means the Preference Shareholder(s) who hold a majority of the Preference Shares,"

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 8.7) excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Date of Adoption,

"Ordinary Shareholders" means the holders from time to time of the A Ordinary Shares, B Ordinary Shares or C Ordinary Shares (but excludes the Company holding Treasury Shares and for the avoidance of doubt excludes the holders of D Shares and E Shares),

"Ordinary Shares" means the A Ordinary Shares, B Ordinary Shares and C Ordinary Shares (and for the avoidance of doubt excludes the D Shares and E Shares);

"Original Cost" means €0.01 per D Share;

"Original Date of Adoption" means 22 October 2015,

"PF" means Paul Fahey;

"Preference Shareholders" means the holders from time to time of the Preference Shares;

"Preference Shares" means the preference shares of €0.001 each in the capital of the Company from time to time;

"Proposed Purchaser" means a proposed purchaser who at the relevant time is a bona fide third party who is not connected to any Shareholder and has made an offer on arm's length terms;

"Qualifying Person" has the meaning given in section 318(3) of the Act;

"Real Property" means any real property owned by Easybox Sri;

"Serious Ill Health" means an illness or disability certified by a general medical practitioner (nominated or approved by Caledonia) as rendering the D Share Leaver permanently incapable of carrying out his role as an employee, consultant and/or manager or director, save where such incapacity has arisen as a result of the abuse or drugs or alcohol;

"Shareholder" means any holder of any Shares (but excludes the Company holding Treasury Shares);

"Shares" means the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Shares, E Shares and the Preference Shares from time to time;

"Share Sale" means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a majority of the Shares;

"Subscription and Shareholders' Agreement" means the subscription and shareholders' agreement dated on or around the Date of Adoption in relation to the Company;

"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking" have the respective meanings set out in sections 1159 and 1162 of the Act; and

"Treasury Shares" means shares, in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act.

3. SHARE CAPITAL

- 3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.
- 3.2 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.

- 3.3 Subject to Caledonia Consent and the Act, the Company may purchase its own Shares out of capital otherwise than in accordance with Chapter 5 of Part 18 of the Act to the extent permitted by section 692(1 ZA) of the Act
- 3.4 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".
- 3.5 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".
- 3.6 For the avoidance of doubt, the Company shall not exercise any right in respect of any Treasury Shares, including without limitation any right to:
- (a) receive notice of or to attend or vote at any general meeting of the Company,
 - (b) receive or vote on any proposed written resolution; and
 - (c) receive a dividend or other distribution
- save as otherwise permitted by section 726(4) of the Act

4. DIVIDENDS

- 4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.
- 4.2 Any Available Profits which the Company may determine, with Caledonia Consent, to distribute in respect of any Financial Year; will be distributed among the holders of the Shares in accordance with Article 5.4.
- 4.3 Subject to the Act and these Articles, the Board may, provided Caledonia Consent is given, pay interim dividends if justified by the Available Profits in respect of the relevant period, which shall be distributed among the holders of the Shares in accordance with Article 5.4, unless (by Caledonia Direction) Caledonia direct that any such dividend shall be distributed to Shareholders pro rata to the number of Shares held by them, provided that Caledonia shall not be entitled to give a Caledonia Direction regarding a distribution where the E Shareholders would receive less than 5% of such distribution except with E Share Consent.
- 4.4 Article 31(1) of the Model Articles shall be amended by
- (a) the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and
 - (b) the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".

5. CAPITAL

- 5.1 Subject to Articles 5.2 to 5.4, on an Exit or liquidation or other return of capital or assets, the Exit Proceeds shall be distributed as follows:
- (a) 5% of the Exit Proceeds shall be paid to the E Shareholders in proportion to the number of E Shares held by each of them,

- (b) 95% of the Exit Proceeds (the "**Balance**") shall be distributed as follows:
- (i) the first €1,000,000 of the Balance shall be paid to the Preference Shareholders in proportion to the number of Preference Shares held by each of them; and then
 - (ii) the next €4,000,000 of the Balance shall be paid to the Ordinary Shareholders and Preference Shareholders as follows;
 - (A) 40 per cent shall be paid to the Preference Shareholders in proportion to the number of Preference Shares held by each of them; and
 - (B) 60 per cent, shall be paid to the Ordinary Shareholders in proportion to the number of Ordinary Shares held by each of them, and
 - (iii) the remainder of the Balance shall be paid to the Ordinary Shareholders, D Shareholders and Preference Shareholders as follows
 - (A) 37.6 per cent shall be paid to the Preference Shareholders in proportion to the number of Preference Shares held by each of them,
 - (B) 56.4 per cent, shall be paid to the Ordinary Shareholders in proportion to the number of Ordinary Shares held by each of them; and
 - (C) 6 per cent, shall be paid to the D Shareholders in proportion to the number of D Shares held by each of them.

5.2 In the event that an Exit is completed within 12 months of the Original Date of Adoption and the Preference Shareholders would receive at least €5,000,000 in Exit Proceeds pursuant to the application of Article 5.1, the next €2,000,000 (from the point upon which the Preference Shareholders have received €5,000,000) (the "**Priority Amount**") shall be distributed to the Ordinary Shareholders and D Shareholders in proportion to the number of Ordinary Shares and D Shares held by each of them (on a pari passu and pro rata basis as if the Shares constituted one and the same class) before the Preference Shareholders receive any further Exit Proceeds over the amount of €5 million. The balance of any Exit Proceeds shall then be distributed in accordance with Article 5.1(b)(iii).

5.3 In the event that an Exit is completed after 12 months from the Original Date of Adoption but before 36 months from the Date of Adoption, then Article 5.2 shall apply save that the Priority Amount of €2,000,000 shall be reduced by $1/24 \times €2,000,000$ for each month which has commenced after the first anniversary of the Date of Adoption. For the avoidance of doubt if the Exit is completed more than 36 months after the Original Date of Adoption then neither this Article nor Article 5.2 shall apply.

5.4 Subject to Article 5.5, in the event of a return of capital or distribution prior to an Exit, including but not limited to a distribution resulting from a sale of any Real Property or the distribution or return of any Available Profits in accordance with Article 4, the amount distributed or returned in advance of the Exit shall be distributed in accordance with Article 5.1 and, if amounts are distributed on more than one occasion, the amounts so distributed or returned on any further occasion (including on an Exit) shall be paid in the order of priority set out in Article 5.1 after taking into account any previous distributions. In each such case, any such distribution or return prior to an Exit shall reduce the amounts referred to in Articles 5.1(b)(i), 5.1(b)(n), 5.2 and 5.3 accordingly for the purpose of distributing Exit Proceeds.

5.5 If any return of capital or distribution (including but not limited to a dividend) is made prior to an Exit and for whatever reason Caledonia direct (by Caledonia Direction) that the return of capital or distribution shall not be distributed in accordance with Articles 5.1 to 5.3 but shall instead be distributed in proportion to the number of Shares held by each Shareholder (or in

such other proportion as Caledonia and PF agree), then any such distribution shall not then be included in the calculation of the €1,000,000, €4,000,000 and €5,000,000 amounts referred to in Articles 5.1 and 5.2.

6. **VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS**

Each share in the capital of the Company will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive copies of and agree to a proposed written resolution. On a resolution at a general meeting on a poll or a show of hands or a written resolution, each such holder shall have one vote for every such share held by such holder.

7. **VARIATION OF RIGHTS**

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 50 per cent, in nominal value of the issued shares of that class.

8. **ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**

8.1 Subject to the remaining provisions of this Article 8, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:

- (a) allot Shares, or
- (b) grant rights to subscribe for or convert any securities into Shares,

to any persons, at any times and subject to any terms and conditions as the Directors with Caledonia Consent think proper, provided that

- (1) this authority shall be limited to a maximum amount of 376,000 Preference Shares, 167,790 A Ordinary Shares, 161,210 B Ordinary Shares, 235,000 C Ordinary Shares, 60,000 D Shares and 24,000 E Shares;
- (2) this authority shall only apply insofar as the Company has not by resolution waived or revoked it;
- (3) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require Shares to be allotted or rights granted to subscribe for or convert any security into Shares after the expiry of such authority (and the Directors may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired).

8.2 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.

8.3 If the Company proposes to allot any New Securities (which may only be done with Caledonia Consent) those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Shares (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of Shares (as if the Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions). The offer:

- (a) shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "**Subscription Period**") and give details of the number and subscription price of the New Securities, and

- (b) may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 8.4 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).
- 8.5 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine (with Caledonia Consent) at the same price and on the same terms as the offer to the Subscribers.
- 8.6 Subject to the requirements of Articles 8.3 to 8.5 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment or grant to that person must be approved by Caledonia Consent.
- 8.7 Subject to Article 8.8, the provisions of Articles 8.3 to 8.6 (inclusive) shall not apply to:
 - (a) New Securities issued or granted in order for the Company to comply with its obligations under these Articles;
 - (b) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Caledonia Consent;
 - (c) New Securities which it has been agreed by Caledonia Consent should be issued without complying with the procedure set out in this Article 8, and
 - (d) New Securities issued as a result of a Bonus Issue or Reorganisation which has been approved by Caledonia Consent.
- 8.8 Any issue of New Securities in accordance with Articles 8.7(b) to (d) inclusive shall require E Share Consent save where either (i) such issue does not reduce the rights and entitlements of the E Shareholders to 5% of Exit Proceeds, distributions and votes under Articles 4, 5 and 6 or (ii) the E Shareholders are provided with a reasonable opportunity prior to, or as soon as practicable after (but no later than 20 Business Days after), such issue to also subscribe for New Securities so as to maintain their rights and entitlements to 5% of Exit Proceeds, distributions and votes under Articles 4, 5 and 6.
- 8.9 Any New Securities offered under this Article 8 to Caledonia may be accepted in full or part only by a Member of the same Group as Caledonia in accordance with the terms of this Article 8.
- 9. **TRANSFERS OF SHARES - GENERAL**
- 9.1 In Articles 9 to 14 inclusive, reference to the transfer of a Share includes the transfer or assignment 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.
- 9.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

- 9.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 9.4 Subject to Article 14.18, no A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Shares or E Shares shall be transferred without Caledonia Consent, save in respect of the E Shares in accordance with Article 9.5.
- 9.5 If an E Shareholder dies, the Company shall recognise the title of the relevant transmittee in relation to the relevant E Shares, and the provisions of Model Articles 27, 28 and 29 will apply to such transmittee and E Shares provided that the relevant transmittee enters into a deed of adherence to the Subscription and Shareholders' Agreement in the agreed form as set out in such agreement

10. **PERMITTED TRANSFERS**

- 10.1 Caledonia and any Member of the same Group as Caledonia may transfer all or any of its Shares without restriction as to price or otherwise to Caledonia or any other Member of the same Group as Caledonia
- 10.2 Caledonia may *transfer* all or any of its Shares to any person without restriction as to price or otherwise to any person save that, if PF holds Shares and is not a Leaver, such transfer shall be subject to compliance with Article 11
- 10.3 A holder of A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Shares or E Shares may transfer all or any of his Shares only with Caledonia Consent, and subject to such conditions as Caledonia may specify in such consent
- 10.4 The Company shall only be permitted to sell or transfer any Shares held as Treasury Shares to any person with Caledonia Consent,

11. **TRANSFERS OF PREFERENCE SHARES SUBJECT TO PF PRE-EMPTION RIGHT**

- 11.1 Save in respect of:

- (a) a Share Sale; or
- (b) where the provisions of Article 10.1 apply, or
- (c) where the provisions of Article 14 apply,

any transfer of Preference Shares by Caledonia or a Member of the same Group as Caledonia (the "**Caledonia Seller**") shall be subject to the pre-emption rights contained in this Article 11, save that this Article 11 shall not apply if PF does not hold any Shares and/or if he has become a Leaver

- 11.2 A Caledonia Seller who wishes to transfer Preference Shares shall before transferring or agreeing to transfer any Preference Shares give notice in writing (a "**Transfer Notice**") to PF specifying:
- (a) the number of Preference Shares which it wishes to transfer (the "**Sale Shares**"),
 - (b) the price at which it wishes to transfer the Sale Shares (the "**Sale Price**"); and
 - (c) that the Transfer Notice is conditional on all of the Sale Shares being sold to PF,
- and making an offer to PF to acquire all (but not some) of the Sale Shares on such terms

- 11.3 PF shall within 15 Business Days of the date of the Transfer Notice notify the Caledonia Seller in writing whether or not he wishes to buy all of the Sale Shares at the price specified in the Transfer Notice. If PF does not respond to the Transfer Notice within such period then PF shall be deemed not to have accepted the offer contained in the Transfer Notice.
- 11.4 If PF accepts the offer contained in the Transfer Notice within the period specified in Article 11.3 then, completion of the sale and purchase of the Sale Shares shall take place 30 Business Days after the date of the Transfer Notice when'
- (a) PF shall pay the Sale Price to the Caledonia Seller by electronic funds transfer or any other method of payment as may be specified by the Caledonia Seller in the Transfer Notice; and
 - (b) against payment and receipt of the Sale Price, the Caledonia Seller shall deliver to the Company at its registered office a duly executed stock transfer form in respect of the Sale Shares-together with the relevant share certificates (or an indemnity in respect of a lost share certificate in a form satisfactory to the Board (acting reasonably)).
- 11.5 If PF does not accept (or is deemed not to have accepted) the offer contained in the Transfer Notice in accordance with Article 11.3 or fails to comply with Article 11.4 then the Caledonia Seller may transfer the Preference Shares within six months of the date of the Transfer Notice to any person without restriction but at a price no less than the Sale Price.

12. **COMPULSORY TRANSFERS**

PF Leaver provisions

12.1 In the event that PF.

- (a) dies, or
- (b) suffers permanent severe ill health or permanent disability, in each, case as verified by a doctor nominated by Caledonia which renders PF incapable of continued full time employment with the Group and/or serving as a director of the Company or Easybox Sri; or
- (c) ceases to be a Director; or
- (d) ceases to be a director of Easybox Sri,

then PF shall be deemed immediately to have become a "**Leaver**" for the purposes of these Articles.

- 12.2 Within 6 months of PF becoming a Leaver, Caledonia may direct the Company by a Caledonia Direction immediately to serve a notice on (and following a Caledonia Direction, the Company shall immediately serve notice on) PF and/or his personal representative and/or, at the discretion of Caledonia, any other holder of Ordinary Shares or D Shares (the "**PF Transferors**") notifying them that they are, with immediate effect, deemed to have offered to sell all or a specified number of their Shares (the "**PF Leaver Shares**") at the-PF Leaver Sale Price to Caledonia or such other person or persons (which, subject to the Act, may include the Company) as is specified in the relevant Caledonia Direction (a "**PF Leaver Sale Notice**") Upon receipt of such PF Leaver Sale Notice, the PF Transferors shall be obliged to transfer at the PF Leaver Sale Price with full title guarantee and free from all encumbrances and third party rights, the PF Leaver Shares in accordance with this Article 12. For the avoidance of doubt, Caledonia may only direct the Company to serve the PF Leaver Sale Notice on any other holder of Ordinary Shares and D Shares if the Company has also served such notice on PF (or his personal representatives) in respect of the Shares which PF holds.

- 12.3 The "**PF Leaver Sale Price**" shall be as agreed between the PF Transferors holding a majority of the PF Leaver Shares (the "**PF Majority Transferors**") and Caledonia and if a PF Leaver Sale Price cannot be agreed within 10 Business Days of the date of PF becoming a Leaver, the PF Leaver Sale Price shall be the Fair Value of the PF Leaver Shares as determined by Article 13.

Ordinary Leaver provisions

- 12.4 In the event that an Ordinary Shareholder other than PF:

- (a) dies; or
- (b) suffers permanent severe ill health or permanent disability, in each case as verified by a doctor nominated by Caledonia which renders such Shareholder incapable of continued full time employment with the Group and/or serving as a director of the Company or Easybox Srl, or
- (c) ceases to be either a director or employee of the Company or Easybox Srl,

then such Shareholder shall be deemed immediately to have become a "**Leaver**" for the purposes of these Articles.

- 12.5 Within 6 months of such Shareholder becoming a Leaver, Caledonia may direct the Company by a Caledonia Direction immediately to serve a notice on (and following a Caledonia Direction, the Company shall immediately serve notice on) such Leaver and/or his personal representative (the "**Ordinary Transferors**") notifying them that they are, with immediate effect, deemed to have offered to sell all or a specified number of their Shares (the "**Ordinary Leaver Shares**") at the Ordinary Leaver Sale Price to such person or persons as agreed by the Board with Caledonia Consent, which, subject to the Act, may include the Company (an "**Ordinary Leaver Sale Notice**"). Upon receipt of such Ordinary Leaver Sale Notice, the Ordinary Transferors shall be obliged to transfer at the Ordinary Leaver Sale Price with full title guarantee and free from all encumbrances and third party rights, the Ordinary Leaver Shares in accordance with this Article 12.

- 12.6 The "**Ordinary Leaver Sale Price**" shall be as agreed between the Ordinary Transferors and Caledonia and if an Ordinary Leaver Sale Price cannot be agreed within 10 Business Days of the date of such Shareholder becoming a Leaver, the Ordinary Leaver Sale Price shall be the Fair Value of the Ordinary Leaver Shares as determined by Article 13.

D Share Leaver Provisions

- 12.7 Within 6 months of a D Shareholder becoming a D Share Leaver, Caledonia may direct the Company by a Caledonia Direction immediately to serve a notice on (and following a Caledonia Direction, the Company shall immediately serve notice on) such D Share Leaver and/or his personal representative (the "**D Share Transferors**") notifying them that they are, with immediate effect, deemed to have offered to sell all of their Shares (the "**D Leaver Shares**") at the D Leaver Sale Price to such person or persons as is specified in the relevant Caledonia Direction, which, subject to the Act, may include the Company (a "**D Share Leaver Sale Notice**"). Upon receipt of such D Share Leaver Sale Notice, the D Share Transferors shall be obliged to transfer at the D Share Leaver Sale Price with full title guarantee and free from all encumbrances and third party rights, the D Leaver Shares in accordance with this Article 12.

- 12.8 The "**D Share Leaver Sale Price**" shall be determined as follows:

- (a) if such D Share Leaver is a Bad D Share Leaver, then the D Share Leaver Sale Price shall be the Original Cost; and
- (b) if such D Share Leaver is a Good D Share Leaver, then the D Share Leaver Sale Price shall be the D Share Fair Value of such D Leaver Shares.

- 12.9 The D Share Fair Value shall be as agreed between the D Share Transferors and Caledonia and if a D Share Fair Value cannot be agreed within 10 Business Days of the date of such D Shareholder becoming a D Share Leaver, the D Share Fair Value shall be the Fair Value of the D Leaver Shares as determined by Article 13.

General provisions

- 12.10 In the following provisions of this Article 12, the term "**Leaver Sale Price**" refers to the PF Leaver Sale Price, the Ordinary Leaver Sale Price and the D Share Leaver Price as relevant. The term "**Leaver Shares**" refers to the PF Leaver Shares, the Ordinary Leaver Shares and the D Leaver Shares as relevant. The terms "**Transferor**" refers to the PF Majority Transferors, the Ordinary Transferors and the D Share Transferors as relevant. The term "**Leaver Sale Notice**" refers, to the PF Leaver Sale Notice, the Ordinary Leaver Sale Notice and the D Share Leaver Sale Notice as relevant
- 12.11 Completion of the sale and purchase of the Leaver Shares shall take place during normal business hours at the registered office of the Company within 5 Business Days of the relevant Leaver Sale Price having been agreed or determined in accordance with these Articles, or such other time or place as the Company (acting with Caledonia Consent or by Caledonia Direction) may specify. Caledonia or any person nominated by Caledonia shall not be obliged to purchase any Leaver Shares if the Fair Value is determined in accordance with Article 13 and following such determination Caledonia or such nominee no longer wishes to proceed with the purchase.
- 12.12 On Completion, the Leaver must deliver to the Company at its registered office or such other place as specified by the Company (acting with Caledonia Consent) a duly executed stock transfer form in respect of the Leaver Shares together with the relevant share certificates (or an indemnity in respect of a lost share certificate in a form satisfactory to Caledonia (acting reasonably) against payment of the Leaver Sale Price for the Leaver Shares (subject to Article 13.9).
- 12.13 Payment of the Leaver Sale Price must be:
- (a) in the form of a cheque (drawn on a London clearing bank) delivered at the registered office of the Company or such other place as shall have been specified by the Company (acting with Caledonia Consent or by Caledonia Direction); or
 - (b) by electronic funds transfer or any other method of payment as may be specified by the Company (with Caledonia Consent) or by Caledonia Direction.
- 12.14 If any Transferor fails to comply with the provisions of this Article 12, with Caledonia Consent:
- (a) the chairman of the Company or, failing him, one of the directors, or some other person nominated by Caledonia, may on behalf of the Transferor
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Leaver Shares,
 - (ii) receive the Leaver Sale Price (subject to Article 13.9) and give a good discharge for it, and
 - (iii) (subject to the transfer being duly stamped) enter the transferee in the register of Shareholders as the holders of the Leaver Shares purchased by them; and
 - (b) the Company shall pay the Leaver Sale Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Leaver Sale Price on trust for the Transferor until he has delivered to the Company his certificate or certificates for the relevant Leaver Shares (or an indemnity for lost certificate in a form acceptable to the Board).

- 12.15 For the avoidance of doubt, there shall be no obligation on any party as regards a Transferor to purchase any Shares prior to agreement or determination of the Fair Price for such Leaver Shares and/or service of the Leaver Sale Notice.

13. VALUATION OF LEAVER SHARES

- 13.1 If no Leaver Sale Price can be agreed in accordance with provisions of Article 12.3, 12.6 or 12.9 then, the Board shall appoint an expert valuer (the "**Expert Valuer**") to certify the Fair Value of the Leaver Shares.

- 13.2 The Expert Valuer will be

- (a) the Auditors, or
- (b) if otherwise agreed by Caledonia and the Transferors, an independent firm of Chartered Accountants to be agreed between Caledonia and the Transferors or failing agreement not later than the date 15 Business Days after the date of service of the Leaver Sale Notice, to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either Caledonia or the Transferors,

and in addition the Board shall instruct an independent firm of real estate surveyors (the "**Surveyor**") to provide expert input to the Expert Valuer on the valuation of the Real Property. The Surveyor shall be agreed upon by Caledonia and the Transferors or failing agreement not later than 15 Business Days after the date of service of the Leaver Sale Notice, to be nominated by the then President of the Royal Institute of Chartered Surveyors in England and Wales on the application of either Caledonia or the Transferors.

- 13.3 The "**Fair Value**" of the Leaver Shares shall be determined by the Expert Valuer on the following assumptions and bases:

- (a) valuing the Leaver Shares as on an arm's-length sale between a willing seller and a willing buyer,
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) reflect the opinions of the Surveyor on the value of the Real Property; and
- (d) reflect any other factors which the Expert Valuer reasonably believes should be taken into account.

- 13.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

- 13.5 The Expert Valuer shall be requested to determine the Fair Value within 10 Business Days of their appointment.

- 13.6 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).

- 13.7 The Board will give the Expert Valuer and the Surveyor access to all accounting records or other relevant documents of the Company, and to the Real Property, subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.

- 13.8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to Caledonia and the Transferors.

- 13.9 The cost of obtaining the certificate (and the costs of the Surveyor) shall be paid by the Company unless the Leaver Sale Price certified by the Expert Valuer is less than the price (if any) offered by Caledonia to the Transferors for the Leaver Sale Shares before the Expert Valuer was instructed, in which case the Transferors shall bear the cost which may on Caledonia Direction be deducted from the Leaver Sale Price payable to the Transferors in proportion to the number of Leaver Shares held by each of them.

14. **DRAG-ALONG AND TAG-ALONG**

- 14.1 If the Majority Preference Shareholder(s) and (for so long only as PF holds Shares) PF, (the **"Selling Shareholders"**) wishes to transfer all their interests in Shares (the **"Sellers' Shares"**) to a Proposed Purchaser, the Selling Shareholders shall have the option with Caledonia Consent (the **"Drag Along Option"**) to compel each other holder of Shares (each a **"Called Shareholder"** and together the **"Called Shareholders"**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the **"Drag Purchaser"**) in accordance with the provisions of this Article.

- 14.2 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 forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that

- (a) the Called Shareholders are required to transfer all their Shares (the **"Called Shares"**) under this Article,
- (b) the person to whom they are to be transferred,
- (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
- (d) the proposed date of transfer, and
- (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the **"Sale Agreement"**),

(and, in the case of paragraphs (b) to (d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice) No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article and, if a Drag Along Notice is served within 12 months of the Date of Adoption, the E Shareholder(s) shall not be required to sell their E Shares at a price lower than the E Share Return Price without E Share Consent.

- 14.3 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 Drag Purchaser within 60 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.
- 14.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5 (the **"Drag Consideration"**) provided that, if the Drag Along Notice was served within 12 months of the Adoption Date then, with Caledonia Consent, the balance of the consideration payable to Shareholders (other than the E Shareholders) under Article 5.1(b) may be reduced and the amount of consideration payable to the E Shareholders under Article 5.1(a) may be increased so as to enable the E Share Return Price to be achieved and for the drag along sale to proceed without any requirement for E Share Consent under Article 14.2.

- 14.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document (as defined in Article 14.6), a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder.
- 14.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the "**Drag Completion Date**"), each Called Shareholder shall deliver;
- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser,
 - (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
 - (c) duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,
- (together the "**Drag Documents**").
- 14.7 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 14.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 14 in respect of their Shares.
- 14.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 15 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company 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 suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- 14.10 Any transfer of Shares to a Drag Purchaser 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 11.
- 14.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant 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 Drag Purchaser 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.

Asset Sale

- 14.12 In the event that an Asset Sale is approved by the Board and Caledonia, Caledonia shall have the right, by notice in writing to all other Shareholders, to require such Shareholders to take any and all such actions as it may be necessary for Shareholders to take in order to give effect to or otherwise implement such Asset Sale, subject always to the proceeds from such Asset Sale being distributed to Shareholders in accordance with the provisions of Article 5.

Tag Along

- 14.13 The provisions of Article 14.14 to Article 14.18 (inclusive) shall apply if any Shareholder ("**Proposing Transferor**"), with Caledonia Consent, proposes to transfer Shares to a bona fide arm's length purchaser ("**Proposed Transfer**") and such transfer would, if carried out, result in such person ("**Proposed Buyer**") acquiring a Controlling Interest in the Company, provided that the provisions of Article 14.14 to Article 14.18 (inclusive) shall not apply to any transfer of Shares permitted under Article 10.1 or Article 10.2.
- 14.14 Before making a Proposed Transfer, the Proposing Transferor shall procure that the Proposed Buyer makes an offer ("**Tag Along Offer**") to the remaining Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is in accordance with the relevant provisions of Article 5.1 based upon the price per Share offered by the Proposed Buyer in the Proposed Transfer ("**Specified Price**").
- 14.15 The Tag Along Offer shall be given by written notice ("**Tag Along Notice**"), at least seven business days ("**Tag Along Period**") before the completion of the Proposed Transfer To the extent not described in any accompanying documents, the Tag Along Notice shall set out:
- (a) the identity of the Proposed Buyer;
 - (b) the purchase price and other terms and conditions of payment;
 - (c) the proposed date of completion of the Proposed Transfer, and
 - (d) the number of shares proposed to be purchased by the Proposed Buyer.
- 14.16 If the Proposed Buyer fails to make the tag along offer in accordance with Article 14.14 and Article 14.15, the Proposed Transferor 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.
- 14.17 If the Tag-Along Offer is accepted by any offeree in writing within the Tag Along Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of, all the Shares held by such offeree.
- 14.18 The Proposed Transfer may not be made without Caledonia Consent in accordance with Article 9.4, but the purchase of any offeree's shares pursuant to Articles 14.13 to 14.17 (inclusive) shall not be subject to those provisions.

15. **GENERAL MEETINGS**

- 15.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 15.2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in Article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50 per cent in nominal value of the Ordinary Shares (excluding Treasury Shares), any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.

- 15.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.
- 15.4 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
- 15.5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs *not being more than 14 days after the poll is demanded*. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 15.6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 15.7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

16. PROXIES

- 16.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words- "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)".
- 16.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may
- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
 - (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director, or
 - (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

17. DIRECTORS' BORROWING POWERS

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

18. ALTERNATE DIRECTORS

18.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the "**Appointer**") may appoint any director or any other person as he thinks fit to be his *alternate Director* to:

- (a) exercise that Director's powers, and
- (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

The appointment of an alternate Director shall not require approval by a resolution of the Directors.

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

18.3 The notice must:

- (a) identify the proposed alternate, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

18.4 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.

18.5 Except as these Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) are not deemed to be agents of or for their Appointors,

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

18.6 A person who is an alternate Director but not a Director:

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
- (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).

No alternate may be counted as more than one Director for such purposes.

- 18.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the Directors (provided that his Appointor is an Eligible Director in relation to that decision).
- 18.8 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.
- 18.9 An alternate Director's appointment as an alternate shall terminate:
- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - (b) on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
 - (c) on the death of the alternate's Appointor; or
 - (d) when the alternate's Appointor's appointment as a Director terminates.

19. NUMBER OF DIRECTORS

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than two.

20. APPOINTMENT AND REMOVAL OF DIRECTORS

- 20.1 Subject to Article 20.3, the A Ordinary Shareholder shall have the right to appoint and maintain in office such natural persons as the A Ordinary Shareholder may from time to time nominate as a director of the Company and to remove any director so appointed.
- 20.2 Appointment and removal of a director of the Company in accordance with Article 20.1 shall be by written notice from the A Ordinary Shareholder to the relevant Company which shall take effect on delivery at the Company's registered office.
- 20.3 In the event that PF becomes a Leaver and/or ceases to hold any Shares, then the Majority Preference Shareholder may by written notice to the Company direct that the Majority Preference Shareholder shall become in place of the A Ordinary Shareholder entitled to appoint and remove directors of the Company and accordingly, from the date of delivery of such notice, references in Articles 20.1 and 20.2 to the A Ordinary Shareholder shall be deemed to be references to the Majority Preference Shareholder.

21. DISQUALIFICATION OF DIRECTORS

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or
- (b) in the case of Directors, other than PF, if a majority of his co-Directors serve notice on him in writing, removing him from office.

22. PROCEEDINGS OF DIRECTORS

- 22.1 The quorum for Directors' meetings shall be two Directors. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next

week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

- 22.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.
- 22.3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 22.4 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 at any time before or 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.
- 22.5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 22.6 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall have a second or casting vote provided that the chairman shall not have a casting vote on a vote on a particular matter upon which he is restricted from voting.
- 22.7 22.7 A decision of the Directors 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 (including *confirmation* given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this Article also.

23. DIRECTORS' INTERESTS

Specific interests of a Director

- 23.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
 - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
 - (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a

Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;

- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (h) any other interest authorised by ordinary resolution.

Interests of which a Director is not aware

- 23.2 For the purposes of this Article 23 an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

Accountability of any benefit and validity of a contract

- 23.3 In any situation permitted by this Article 23 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

Terms and conditions of Board authorisation

- 23.4 Any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, *without limitation*:
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
 - (iii) restricting the application of the provisions in Articles 23.5 and 23.6, so far as is permitted by law, in respect of such Interested Director;
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time, and

an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 23.

Director's duty of confidentiality to a person other than the Company

- 23.5 Subject to Article 23.6 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 23), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
 - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 23.6 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 23.5 shall apply only if the conflict arises out of a matter which falls within Article 23.1 or has been authorised under section 175(5)(a) of the Act.

Additional steps to be taken by a Director to manage a conflict of interest

- 23.7 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation.
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
 - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

Requirement of a Director to declare an interest

- 23.8 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 23.1 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:
- (a) falling under Article 23.1(g),
 - (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
 - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles

Shareholder approval

23.9 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 23.

23.10 For the purposes of this Article 23.

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the *nature and extent* so specified.

24. NOTICES

24.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:

- (a) in hard copy form;
- (b) in electronic form, or
- (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 25.

Notices in hard copy form

24.2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):

- (a) to the Company or any other company at its registered office; or
- (b) to the address notified to or by the Company for that purpose; or
- (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or
- (d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors, or
- (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied: or
- (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company.

24.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

- (a) if delivered, at the time of delivery;
- (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

Notices in electronic form

24.4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may.

- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
- (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 24.2, or
- (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify:
 - (i) on its website from time to time, or
 - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time.

24.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
- (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
- (c) if delivered in an electronic form, at the time of delivery; and
- (d) if sent by any other electronic means as referred to in Article 24.4(c), at the time such delivery is deemed to occur under the Act.

24.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

Notice by means of a website

24.7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.

General

24.8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "Primary Holder") Notice so given shall constitute notice to all the joint holders.

24.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

25. INDEMNITIES AND INSURANCE

25.1 Subject to the provisions of and so far as may be permitted by, the Act

(a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no Director or any associated company is indemnified by the Company against,

(i) any liability incurred by the director to the Company or any associated company; or

(ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or

(iii) any liability incurred by the director

(A) in defending any criminal proceedings in which he is convicted;

(B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or

(C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 25.1 (a)(i), 25.1(a)(iii)(B) and 25.1(a)(iii)(C) applying;

(b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

25.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law

may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

26. **SECRETARY**

Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.

27. **AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS**

27.1 *The Board may, if authorised to do so by an ordinary resolution (with Caledonia Consent)*

- (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 such Shareholders and in such proportions as the Board may in their absolute discretion deem appropriate (the "**Shareholders Entitled**").

Article 36 of the Model Articles shall not apply to the Company.

27.2 Capitalised Sums may be applied on behalf of such Shareholders and in such proportions as the Board may (in its absolute discretion) deem appropriate.

27.3 Any Capitalised Sum may be applied in paying up new Shares up to the nominal amount (or such amount as is unpaid) equal to the Capitalised Sum, which are then allotted credited as fully paid to the Shareholders Entitled or as they may direct.

27.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are allotted credited as fully paid to the Shareholders Entitled or as they may direct.

27.5 Subject to the Articles the Board may:

- (a) apply Capitalised Sums in accordance with Articles 27.3 and 27.4 partly in one way and partly another,
- (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article 27; and
- (c) authorise any person to enter into an agreement with the Company on behalf of all of the Shareholders Entitled which is binding on them in respect of the allotment of Shares or debentures under this Article 27.