

COMPANIES ACT 2006

SPECIAL RESOLUTION

Company Name: 04 Stars International Sports & Entertainment Corporation Limited

Company Number: 09931835

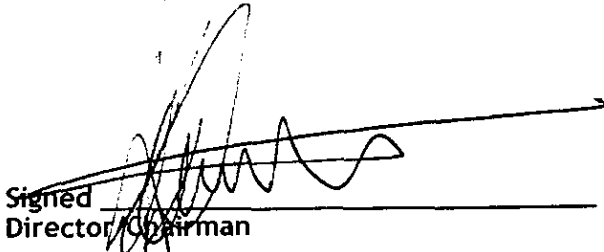
At a General Meeting of the above company, duly convened and held at:-

Level 5, Berkeley Square House, Berkeley Square, London, W1J 6BY

On the 1st day of May 2017

That the following be passed as special resolution:-

That the document attached hereto be adopted as the articles of association of the company in replacement and to the exclusions of the existing articles of association of the company previously registered with the Registrar of Companies.


Signed _____
Director/Chairman

Date: 1st May 2017



DATED 1ST MAY 2017

**04 STARS INTERNATIONAL SPORTS &
ENTERTAINMENT CORPORATION LIMITED**

ARTICLES OF ASSOCIATION

(As adopted by Special Resolution of the Company passed on

1ST MAY 2017

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Company No. 09931835
COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
04 STARS INTERNATIONAL SPORTS & ENTERTAINMENT CORPORATION LIMITED
(As adopted by Special Resolution of the Company passed on 1ST MAY 2017)
INTERPRETATION

1 MODEL ARTICLES

- 1.1 The model articles for private companies (as set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 SI No 3229 as amended before the date of adoption of these Articles) (the **Model Articles**) apply to the Company, except to the extent that they are excluded or modified by these Articles, to the exclusion of the model articles contained in any other enactment.
- 1.2 Model Articles 11, 13, 14, 17 and 45 do not apply to the Company.

2 DEFINITIONS

- 2.1 In these Articles the following words and expressions will have the following meanings:

Adoption Date: means the date on which these Articles are adopted as the articles of association of the Company;

Affiliates: means in respect of an individual, any Family Member and any Family Trust;

A Director: means a Director appointed by the holder(s) of the A Shares;

A Share: means a share of £1.00 in the capital of the Company designated as such by the Board;

A Shareholder: means a registered holder of any A Shares;

Asset Sale: means the disposal by the Company of all, or a substantial part of, its business and assets;

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

Average Leaver: an Employee who:

- (a) is a Leaver;
- (b) whose Cessation Date occurs after 31 July 2018 but before 31 July 2021;
- (c) is not a Good Leaver; and

- (d) has not committed a breach of the non-compete provisions or restrictive covenants in his service agreement with the Company;

Bad Leaver: means an Employee who is a Leaver and is not a Good Leaver or an Average Leaver;

Board: means the board of directors of the Company as constituted from time to time;

Business Day: means a day (which for these purposes ends at 5.30pm) on which banks are open for commercial business in the City of London other than a Saturday, Sunday or public holiday;

CA 2006: means the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force;

Called Shareholders: has the meaning given in Article 14.1;

Called Shares: has the meaning given in Article 14.1;

Called Shares Price: has the meaning given in Article 14.4;

Capital Event: means a Share Sale, an Asset Sale, a Listing, a liquidation or winding up or other return of capital;

Cessation Date: means the date on which a Employee becomes a Leaver provided always that where an Employee ceases to be an employee and/or consultant in circumstances where he has served notice on the Company or the Company has served notice on him terminating his employment or engagement, then unless the Board determine otherwise, the relevant Cessation Date shall be deemed to be the date of service of such notice and the Employee shall be deemed to be a Leaver with effect from such deemed Cessation Date;

Compulsory Sale Notice: means a notice served on a Compulsory Seller pursuant to Article 15.2;

Compulsory Sale Shares: has the meaning given in Article 15.2;

Compulsory Seller: has the meaning given in Article 15.2;

Connected Person: means a person connected with another within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010;

Controlling Interest: means an ownership interest conferring more than 50% in aggregate of the total voting rights in the Company (whether such rights are exercisable on a vote of the shareholders of the Company or on a vote of the Board on any ordinary business to be decided upon by the Board (and, in the latter case, any casting vote which is exercisable by any member of the Board on such business shall be taken into account));

Credited as Paid Up: means amounts paid up or credited as paid up on a Share including any premium;

Drag Along Documents: means any or all of the stock transfer form, indemnity for lost share certificate, sale agreement and form of acceptance and any other related documents to be executed by Called Shareholders which are necessary to give effect to the provisions of Article 14;

Drag Along Notice: has the meaning given in Article 14.2;

Drag Along Right: has the meaning given in Article 14.1;

Drag Completion: means the proposed place, date and time of completion of the transfer of the Called Shares as specified in the *Drag Along Notice*;

Dragging Shareholders: has the meaning given in Article 14.1;

Drag Offeror: has the meaning given in Article 14.1;

Employee: means an employee of, or a consultant to, the Company, including an executive director (and whom on the Adoption Date shall be George Kazianis and Koralia Konstantea, notwithstanding that on the Adoption Date neither of them has entered into a service agreement with the Company);

Employee Benefit Trust: means any trust which may be established with the approval of the Board for the benefit of the Employees (which may include past Employees);

Encumbrance: means any mortgage, charge, restriction, right to acquire or other third party right or encumbrance of whatever nature;

EURIBOR: means the interbank offered rate in euros, expressed in the form of an annual rate on the basis of three hundred and sixty five (365) days, as administered by the European Money Markets Institute (EMMI) (or any authority that replaces it);

Family Member: means the spouse, civil partner, mother, father, grandmother, grandfather, brother, sister or child of an individual;

Family Trust: means a settlement set up by an individual provided that only such individual and/or Family Members of such individual are capable of being a beneficiary thereof;

FSMA: means the Financial Services and Markets Act 2000;

Good Leaver: means an Employee who is a Leaver:

- (a) as a result of his permanent incapacity due to physical or mental ill-health (except where such ill-health arises as a result of a continuing and untreated abuse of drink or drugs) which, in the reasonable opinion of the Board (acting by Unanimous Board Consent), is sufficiently serious to prevent him from carrying out his normal duties; or
- (b) who retires on reaching the normal retirement age as set out under his contract of employment; or

- (c) whose service agreement with the Company is for a fixed term and such service agreement expires at the end of the term set out thereunder and the Company does not offer him a new contract of employment on terms no less favourable to the Employee (in respect of remuneration, employment term and restrictive covenants) than the terms of his service agreement which so expires; or
- (d) who is made redundant; or
- (e) who terminates his service agreement with the Company in accordance with its terms by reason of the Company's failure to pay him any sum(s) due thereunder; or
- (f) whose service agreement with the Company is terminated by the Company (including by way of constructive dismissal) in circumstances that constitute unfair or wrongful dismissal; or
- (g) whose Cessation Date is after 31 July 2021 and who has not committed a breach of the non-compete provisions or restrictive covenants in his service agreement with the Company; or
- (h) who does not fall within categories (a) to (g) above, but is determined by the Board (acting by Unanimous Board Consent), to be a Good Leaver;

Ineligible Director: means a Director who is subject to a Relevant Situation and who has not been authorised under Article 28 to participate in the decision making process in respect of such Relevant Situation;

Insolvency Event: has the meaning given in Article 11.2;

Leaver: means an Employee who ceases to be an employee or consultant of the Company other than by reason of death;

Listing: means:

- (a) the admission of all or any of the Company's equity shares to trading on the London Stock Exchange plc's markets for listed securities becoming effective; or
- (b) the admission of all or any of the Company's equity shares to trading on any other public securities market (including the AIM Market of the London Stock Exchange plc or any successor market) in the United Kingdom or elsewhere, becoming effective;

and **Listed** will be construed accordingly;

Market Value: has the meaning given in Articles 15 and 16;

New Shares: means Shares or rights to subscribe for or to convert into Shares which, in either case, the Company proposes to allot or grant (as the case may be) after the Adoption Date;

Ordinary Share: means an ordinary share of £1.00 in the capital of the Company (excluding, for the avoidance of doubt, the A Shares) having the rights set out in these Articles;

Ordinary Shareholder: means a registered holder of any Ordinary Shares;

Permitted Transfer: means a transfer of Shares permitted by Article 11.1;

Permitted Transferee: means a person who holds shares pursuant to a Permitted Transfer;

Realisation: means a Listing or a Share Sale, as the case may be;

Relevant Situation: means 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 (other than a situation that cannot reasonably be regarded as likely to give rise to a conflict of interest or a conflict of interest arising in relation to a transaction or arrangement with the Company);

Sale Date: means the date on which a Share Sale takes place;

Share: means a share in the capital of the Company;

Shareholder: means a registered holder of any Share as recorded in the Company's register of members from time to time;

Shareholders' Agreement: means an agreement dated on the Adoption Date and made between, inter alia, (1) the Company (2) George Kazianis (3) Koralia Konstantea and (4) Daniel Taylor;

Share Sale: means the sale of any Shares to any person pursuant to a transaction or series of transactions resulting in that person together with any Connected Persons or person acting in concert (as defined in the City Code on Takeovers and Mergers) holding a Controlling Interest in the Company, and persons who are holders of shares at the Adoption Date shall not be deemed to be acting in concert with each other;

Tag Interest: means an ownership interest in Ordinary Shares conferring 50% or more in aggregate of the total voting rights in the Company;

Tag Offer: has the meaning given in Article 13.1;

Tag Offeror: has the meaning given in Article 13.1;

Tag Seller: has the meaning given in Article 13.1; and

Unanimous Board Consent: has the meaning given in the Shareholders' Agreement.

2.2 Words and phrases which are defined or referred to in or for the purposes of the CA 2006 as it is in force on the Adoption Date have the same meanings in these Articles (unless otherwise expressly defined in these Articles).

2.3 In these Articles, (unless the context otherwise requires):

2.3.1 words which refer to the singular number include the plural number and vice versa, words which refer to one gender include all genders, and words which refer to persons include bodies corporate and unincorporated associations;

- 2.3.2 reference to a statute or a statutory provision includes reference to:
- (a) the statute or statutory provision as modified or re-enacted or both from time to time; and
 - (b) any subordinate legislation made under the statutory provision (as modified or re-enacted as set out above);
- 2.3.3 reference to an Article is to a provision of these Articles;
- 2.3.4 reference to a **transfer** of Shares or any similar expression will be deemed to include (without limitation):
- (a) any sale or other disposition of the legal or equitable interest in a Share (including any voting right attached to a Share) (**Interest**);
 - (b) the creation of any Encumbrance over any Interest;
 - (c) any direction by a Shareholder entitled to an allotment or issue of Shares that a Share be allotted or issued to some person other than himself; and
 - (d) any grant of an option to acquire either or both of the legal and equitable ownership of any Share by any Shareholder entitled to any such Share; and
- 2.3.5 reference to **written** or **in writing** includes any method of representing or reproducing words in a legible form.
- 2.4 Unless it is specifically stated otherwise, any dispute as to value, or as to calculations or adjustments to be made, or as to amount, whether in relation to Market Value of any Shares under Articles 15 or 16 or otherwise pursuant to these Articles, will be referred promptly to the Auditors for final determination. If the Auditors decline to act in respect of any such referral, or if there are no Auditors, the matter will be determined by an independent firm of chartered accountants agreed for the purpose by the parties concerned or, in default of agreement within 5 Business Days after the Auditors have declined to act, appointed by the *incumbent president of the Institute of Chartered Accountants in England and Wales*. The Auditors or independent accountants (as the case may be) will act as expert and not as arbitrator and their costs will be borne as directed by the Article in question or, if the Article is silent on the point, as directed by the Auditors/independent accountants. In the absence of any such direction, such costs will be borne equally between the parties concerned. The *written certificate of the Auditors/independent accountants (as the case may be) will be conclusive and binding on the Company and the Shareholders (except in the case of fraud or manifest error)*.
- 2.5 The headings in these Articles are included for convenience only and do not affect the meaning of these Articles.
- 2.6 Where, for any purpose, an ordinary resolution of the Company is required, a special resolution is also effective for that purpose.

SHARES

General Provisions

3 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

- 3.1 Subject to these Articles, but without prejudice to the rights attached to any existing share, the Company may issue Ordinary Shares and A Shares with the rights and restrictions set out in these Articles and any other Shares with such rights or restrictions as may be determined by ordinary resolution (including for the avoidance of doubt, rights to income and/or capital ranking in priority, *pari passu* or otherwise to any other class of Shares).
- 3.2 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.

4 CLASSES OF SHARES

The Ordinary Shares and the A Shares shall constitute separate classes of Shares. Except as otherwise expressly provided in these Articles, the Ordinary Shares and the A Shares will rank equally for all purposes.

5 INCOME

- 5.1 Provided that the Company can lawfully pay a dividend, then unless the Shareholders by ordinary resolution otherwise resolve, the directors (acting by Unanimous Board Consent) may declare and pay dividends.
- 5.2 Any dividend resolved to be declared by the Shareholders must not exceed the amount recommended by the directors.
- 5.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 5.4 A dividend shall be paid on Shares in respect of which it is payable and which are Credited as Paid Up in full, and will belong to and be paid to the holders of the relevant class of Shares *pro rata* according to their holdings of such class
- 5.5 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the directors, and with the agreement of the recipient Shareholder, 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)*.

6 RETURN OF CAPITAL

- 6.1 On any Capital Event, the total of all and any form of consideration received or receivable by the Shareholders at any time in respect of the Shares held by them, or which, in the case of a Share Sale, are the subject of a Share Sale shall be allocated between them so as to ensure the total of all or any form of consideration received or receivable by them will be applied in the following manner and order of priority:

- 6.1.1 First, in paying to the A Shareholders pro rata to the number of A Shares held by them a sum equal to the amounts Credited as Paid Up on each A Share held by them;
 - 6.1.2 second, in paying to the Ordinary Shareholders pro rata to the number of Ordinary Shares held by them the excess (if any) above the amounts paid under Article 6.1.1, up to an aggregate amount equal to the amounts Credited as Paid Up on each Ordinary Share held by them; and
 - 6.1.3 third, in paying to the A Shareholders and the Ordinary Shareholders pro rata to the number of A Shares and/or Ordinary Shares respectively held by them as if they constituted one class of share, the excess (if any) above the amounts paid under Article 6.1.1 and Article 6.1.2.
- 6.2 If a Listing occurs, the provisions of Article 6.1 shall apply *mutatis mutandis* to the value attributable to the Shares for the purpose of any reorganisation of the Company's share capital for the purpose of the Listing.
- 6.3 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully able to do so) in the order of priority set out in Article 6.1. If it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action reasonably required (including (but not limited to) any actions that may be necessary to put the Company into voluntary liquidation so that Article 6.1 applies).
- 6.4 Any return on any Shares of a particular class will be made amongst their holders pro rata as nearly as possible to their respective holdings of Shares of that class.

7 VARIATION OF SHARE RIGHTS

- 7.1 The rights attached to the A Shares and the Ordinary Shares may, in each case, be altered or abrogated (whether or not the Company is being wound up) only with the prior consent in writing of the holders of 75 per cent or more of that class or by a special resolution passed at a separate general meeting of the holders of the Shares of that class or by a written resolution of the holders of not less than 75 per cent in nominal value of the Shares of that class.
- 7.2 All the provisions of these Articles relating to general meetings of the Company or to the proceedings at general meetings will apply, with changes where appropriate, to separate general meetings referred to in Article 7.1, except that:
- 7.2.1 the quorum at a separate general meeting will be two Shareholders holding at least one-third in nominal value of the issued shares of the class in question present in person or by proxy or by corporate representative (unless there is only one Shareholder of the relevant class in which case it will be one);
 - 7.2.2 a poll may be demanded by the chairman or by any Shareholder of the class present in person or by proxy or by corporate representative; and
 - 7.2.3 every Shareholder of the class will, on a poll, have one vote in respect of every share of the class held by him.

Issue of Shares

8 NEW ISSUES

- 8.1 Any New Shares will be offered by the directors for subscription first to the holders of the A Shares in such proportions as is equal (as nearly as possible) to the proportion of A Shares held by them respectively at that time.
- 8.2 The offer will be made by notice specifying the number and class of Shares offered, the price per Share, and a time (being not less than 14 days) within which the offer, if not accepted, will be deemed to be declined. At the end of that period or, if earlier, on the receipt of an indication from the person(s) to whom such notice is given that he/they decline(s) to accept some or all of the Shares so offered, the directors will offer the declined Shares in the same proportions to the holders of Ordinary Shares and/or A Shares who have accepted all the Shares initially offered to them. This further offer will be made in the same manner as the original offer but may, at the discretion of the directors, be limited to a period of 7 days after which it will (to the extent that any Shares remain unaccepted) be deemed to have been withdrawn.
- 8.3 Any Shares not taken up by the holders of the A Shares at the end of the procedure set out in Articles 8.1 and 8.2 may be offered by the directors to holders of the Ordinary Shares, in such proportions as is equal (as nearly as possible) to the proportion of Ordinary Shares held by them respectively at that time, and the provisions of Article 8.2 shall apply to such offer, *mutatis mutandis*.
- 8.4 Any Shares not taken up at the end of the procedure set out in Articles 8.1 to 8.3 may be offered by the directors to a third party, and such Shares will be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms as they think fit (acting by Unanimous Board Consent). However:
- 8.4.1 no Shares will be issued at a discount;
- 8.4.2 no Shares will be issued more than 3 months after the end of the period for acceptance of the last offer of such Shares under Articles 8.1 to 8.3 unless the *procedure set out in those Articles is repeated in respect of such Shares*; and
- 8.4.3 no Shares will be issued on terms which are more favourable than those on which they were offered to the Shareholders.
- 8.5 In accordance with section 567(1) of the CA 2006, sections 561 and 562 of the CA 2006 shall not apply to an allotment of equity securities (within the meaning of section 560 of the CA 2006) by the Company.
- 8.6 If, due to any inequality between the number of New Shares to be issued and the number of Shares held by Shareholders entitled to have the offer of New Shares made to them, any difficulty arises in the apportionment of any such New Shares amongst the Shareholders, such difficulties will be determined by the Board (acting by Unanimous Board Consent).

9 COMPANY'S LIEN OVER PARTLY PAID SHARES

9.1 The Company has a lien (the **Company's lien**) over every Share which is partly paid for any part of:

9.1.1 that Share's nominal value;

9.1.2 any premium at which it was issued; and

9.1.3 all other monies due to the Company from the holder of that Share or his estate, whether solely or jointly with any other person (whether a Shareholder or not),

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

9.2 The Board may accept from any Shareholder the whole or any part of the amount remaining unpaid on any Share held by him even though no part of that amount has been called up.

Transfer and Transmission of Shares

10 PROHIBITED TRANSFERS

10.1 The directors will not register any transfer of Shares to any of the following:

10.1.1 any person who, in the reasonable opinion of the Board (acting by Unanimous Board Consent), is carrying on or has a material interest in a business directly or indirectly in competition with the Company, except that this restriction will not apply to any transfer of Shares pursuant to Articles 13 or 14 (*Tag Along Rights* and *Drag Along Rights*); or

10.1.2 any person who does not have legal capacity to comply fully with the provisions of these Articles.

10.2 Subject to Article 10.1, the directors will not register a transfer of Shares unless:

10.2.1 the transfer is a Permitted Transfer; or

10.2.2 the provisions of Article 12 (*Pre-emption on Transfer*) have been complied with, and in each case:

(a) the proposed transferee has entered into a deed of adherence to, and in the form required by, the Shareholders' Agreement;

(b) in the case of an Employee, where such transfer is to be completed within 12 months of the date of adoption of these Articles, Unanimous Board Consent has been provided.

10.3 For the purpose of ensuring that:

10.3.1 a transfer of Shares is permitted under these Articles; or

10.3.2 no circumstances have arisen pursuant to which Article 10.6 or Article 11.2 would apply; or

10.3.3 no circumstances have arisen whereby the tag along provisions are required to be or ought to have been triggered pursuant to Article 13;

the Board may require any Shareholder to procure that any person whom the Board reasonably believe(s) to have information relevant to such purpose to provide the Company with such information and evidence as the Board thinks fit. Pending the provision of such information the Board (acting by Unanimous Board Consent) will be entitled to refuse to register any relevant transfer.

10.4 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such breach has occurred, or if as a result of such information and evidence the Board is reasonably satisfied that such breach has occurred, the Board (acting by Unanimous Board Consent) may notify the holder of such Shares in writing of that fact and, if the holder fails to provide such information or evidence or remedy such breach within 10 Business Days of receipt of such written notice, then the relevant Shares shall cease to confer upon the holder thereof (or any proxy thereof) any rights:

10.4.1 to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question) or on any written resolutions of shareholders or of separate classes of shareholders; or

10.4.2 to receive dividends or other distributions (other than the amount paid-up (including any premium) or amounts Credited as Paid Up (as the case may be) on the relevant Shares upon a return of capital); or

10.4.3 otherwise attaching to such Shares; or

10.4.4 to any further Shares issued in respect of such Shares or in pursuance of an offer made to the relevant holder,

and the holder may be required (by notice in writing to such holder from the Board) at any time following such notice to transfer some or all of his Shares to such person(s) and at a price determined by the Board (acting by Unanimous Board Consent).

10.5 The rights referred to in Article 10.4 shall be reinstated by the Board (acting by Unanimous Board Consent) once the failure to provide information satisfactory to the Board, or to remedy the breach, is remedied or, if earlier, upon the completion of any transfer referred to in Article 10.4 above.

10.6 If a Shareholder defaults in transferring Shares to be transferred pursuant to Article 10.4 (the **Relevant Shares**), the defaulting Shareholder will be deemed to have irrevocably appointed any director to be his agent to execute, complete and deliver a transfer of the Relevant Shares in favour of the proposed purchaser against receipt by the Company of the consideration due for the Relevant Shares. The Company's receipt of the consideration will be a good discharge to the purchaser, who will not be bound to see its application. The Company will hold the

consideration on trust for the relevant Shareholder(s) without any obligation to pay interest. Subject to stamping, the directors will without delay register the transfer(s), after which the validity of such proceedings will not be questioned by any person. Each Shareholder will surrender his share certificate(s) (or, where appropriate provide an indemnity in respect of (it) (them) in a form satisfactory to the directors) although it will be no impediment to registration of Shares under this Article that no share certificate has been produced. On such surrender or provision, the defaulting Shareholder(s) will be entitled to the consideration for the Relevant Shares transferred on his or its behalf, without interest.

11 PERMITTED TRANSFERS

11.1 The legal or beneficial interest in any Share may at any time be transferred:

- 11.1.1 to a Tag Offeror pursuant to Article 13 (*Tag Along Rights*) or to a Drag Offeror pursuant to Article 14 (*Drag Along Rights*);
- 11.1.2 when required by, and in accordance with, Article 15 (*Compulsory Transfers*);
- 11.1.3 in the case of Ordinary Shares and/or A Shares held by an individual (other than a transmittee to which Article 17 (*Transmission*) applies) , to any of their Affiliates;
- 11.1.4 to a transmittee pursuant to Article 17 (*Transmission*); or
- 11.1.5 in the case of any Shares transferred pursuant to this Article 11.1, back to the original transferor or to any other person to whom the original transferor, if it still held such Shares, would have been able to transfer them under this Article 11.1.

11.2 In the event that any person to whom Shares are transferred pursuant to Article 11.1.3 ceases to be within the required relationship to the original holder of such Shares, the holder of such Shares shall without delay notify the Company that such change of relationship has occurred and transfer such Shares back to the Shareholder who originally held them or to such other person if any (designated by such original Shareholder) to whom such original Shareholder, if it still held such Shares, would have been able to transfer them under Article 11.1. If the holder of such Shares fails to transfer the Shares pursuant to this Article 11.2 within 10 Business Days of such change of relationship, the provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply *mutatis mutandis*.

11.3 In the event of bankruptcy or insolvency (**Insolvency Event**) in relation to any Shareholder to which Shares have been transferred pursuant to Article 11.1.3, that Shareholder shall without delay notify the Company of such event and transfer such Shares back to the Shareholder who originally held such Shares or to such other person if any (designated by such Shareholder) to whom such original Shareholder, if it still held such Shares, could transfer such Shares pursuant to Article 11.1. If the holder of such Shares fails to transfer the Shares pursuant to this Article 11.2 within 10 Business Days of such event, the provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article) shall apply *mutatis mutandis*.

12 PRE-EMPTION ON TRANSFER

Service of transfer notice

12.1 Except in the case of a transfer pursuant to Article 11 (*Permitted Transfers*), Article 13 (*Tag Along Rights*), Article 14 (*Drag Along*) or Article 17 (*Transmission*), a Shareholder who wishes to transfer any Ordinary Shares (**Seller**) shall give notice in writing of such wish to the Company (**Transfer Notice**). Each Transfer Notice shall:

- (a) relate to Ordinary Shares only;
- (b) specify the number and class of Shares which the Seller wishes to transfer (**Sale Shares**);
- (c) specify the identity of any person to whom the Seller wishes to transfer the Sale Shares (**Proposed Transferee**);
- (d) specify the price per Share (**Proposed Price**) at which the Seller wishes to transfer the Sale Shares;
- (e) state whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provision of this Article 12 (**Total Transfer Condition**);
- (f) be deemed to constitute the Company the Seller's agent for the sale of the Sale Shares at the Sale Price (as defined below) in the manner prescribed by these Articles; and
- (g) not be varied or cancelled without the consent of the Board (acting by Unanimous Board Consent).

Determination of Sale Price

12.2 The Sale Shares shall be offered for purchase in accordance with this Article 12 at a price per Sale Share (**Sale Price**) agreed between the Seller and the Board (acting by Unanimous Board Consent) or, in default of such agreement within 20 Business Days after the date of service of the Transfer Notice, the lower of:

12.2.1 the Proposed Price, in which case for the purpose of these Articles the Sale Price shall be deemed to have been agreed at the end of that 20 Business Day period; and

12.2.2 if the Board (acting by Unanimous Board Consent) so elects within that 20 Business Day period after the date of service of the Transfer Notice, the price determined by the Auditors (or independent accountant) to be the Market Value as at the date of service of the Transfer Notice in which case for the purposes of these Articles the Sale Price shall be deemed to have been determined on the date of the receipt by the Company of the Auditor's (or independent accountant's) report.

12.3 If the Market Value is reported on by the Auditors (or independent accountant) under Article 12.2.2 to be less than the Proposed Price, the Seller may revoke the Transfer Notice by written notice given to the Board within the period of 7 Business Days after the date the Board serves on the Seller the Auditor's (or independent accountant's) report of the Market Value.

Service of Transfer Notice by the Board

- 12.4 The Board shall at least 10 Business Days after and no more than 20 Business Days after the Sale Price has been agreed or determined give a notice (for the purposes of this Article 12, an **Offer Notice**) to all Shareholders to whom the Sale Shares are to be offered in accordance with these Articles.

Offer Notice

- 12.5 An Offer Notice shall expire 15 Business Days after its service and shall:
- 12.5.1 specify the Sale Price;
 - 12.5.2 contain the other information set out in the Transfer Notice; and
 - 12.5.3 invite the Shareholders to whom it is addressed to apply in writing, before expiry of the Offer Notice, to purchase the numbers of shares specified by them in their application.

Allocation of Sale Shares

- 12.6 After the expiry date of the Offer Notice, (or, if earlier, after valid applications being received for all the Sale Shares), the Board shall allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these Articles, save that:
- 12.6.1 if an application is received from any A Shareholders for any number of Sale Shares, all of those Sale Shares applied for by the A Shareholders shall be allocated to them before any further allocation of Sale Shares to other Shareholders is made;
 - 12.6.2 subject to, and after any allocation made to the A Shareholders pursuant to, Article 12.6.1, any remaining Sale Shares shall be allocated amongst any other Shareholders making applications for Sale Shares;
 - 12.6.3 if there are applications from any Shareholders for more than their proportionate entitlement of Sale Shares (whether such entitlement is under Article 12.6.1 or Article 12.6.2), they shall be allocated to such Shareholders in proportion (as nearly as possible but without allocating to any Shareholder more Sale Shares than the maximum number applied for by him) to the number of Shares held by them respectively;
 - 12.6.4 if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst the Shareholders in such manner as the Board shall think fit;
 - 12.6.5 if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated pursuant to Article 12.6.1 and Article 12.6.2.

Notice of purchasers

- 12.7 Within 5 Business Days of the expiry date of the last Offer Notice, the Board shall give notice

in writing (a **Sale Notice**) to the Seller and to each person to whom Sale Shares have been allocated (each a **Purchaser**) specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the total price payable for them.

Completion

- 12.8 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice when the Seller shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser.

Sale by Seller

- 12.9 The Seller may, during the period of 60 Business Days commencing 20 Business Days after the expiry date of the last Offer Notice, sell all or any of those Sale Shares for which a Sale Notice has not been given by way of *bona fide* sale to the proposed transferee named in the Transfer Notice at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that:

- 12.9.1 the Seller may not transfer any such share and the Board shall not register any transfer to a transferee who is not at that date a Shareholder unless the requirements of Article 10.1 are complied with; and
- 12.9.2 if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled, save with the written consent of all the other Shareholders, to sell only some of the Sale Shares under this Article 12.

Failure to transfer by Seller

- 12.10 If a Seller fails for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 12:
- 12.10.1 the Seller will be deemed to have irrevocably appointed any director to be his agent to execute, complete and deliver the necessary transfer of such Sale Shares on the Seller's behalf;
- 12.10.2 the Company may receive the purchase money for such Sale Shares from the Purchaser and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchaser as the holder of such Sale Shares;
- 12.10.3 the Company shall hold such purchase money in a separate bank account on trust for the Seller but shall not be bound to earn or pay interest on any money so held;
- 12.10.4 the Company's receipt for such purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application of it; and
- 12.10.5 after the name of the Purchaser has been entered in the register of members in purported exercise of the power conferred by this Article 12.10, the validity of the proceedings shall not be questioned by any person.

13 TAG ALONG RIGHTS

- 13.1 If a Tag Interest is proposed to be transferred by one or more Shareholders (the **Tag Seller(s)**) to a person or persons that are not Permitted Transferees of such Tag Seller(s) (the **Tag Offeror**), such Tag Seller(s) will not be entitled to transfer any such Shares and no such Shares shall be capable of being purchased or transferred unless the Tag Offeror shall have offered (the **Tag Offer**) to purchase from each other Shareholder all the Shares held by such other Shareholders.
- 13.2 The Tag Offer will be made on the terms set out in Article 13.3 (unless, in the case of a particular Shareholder, less favourable terms are agreed by the Tag Offeror with that Shareholder).
- 13.3 The terms of the Tag Offer will be that:
- 13.3.1 it will be open for acceptance for not less than 20 Business Days from the date on which the Tag Offeror makes a Tag Offer, and will be deemed to have been rejected if not accepted during such period;
 - 13.3.2 the value of such consideration will be equivalent to that offered by the Tag Offeror to the Tag Seller(s), save that in the case where the transfer amounts to a Share Sale, Article 6 shall apply to the allocation of the consideration amongst the Shares; and
 - 13.3.3 it will apply *pari passu* to the Ordinary Shares and the A Shares as if they constituted one class of shares.

For the purposes of this Article 13.3, where a Tag Seller is being offered securities by way of consideration, the value of consideration offered to the other shareholders will be equivalent to that offered by the Tag Offeror to the Tag Seller(s) if it is cash consideration equal to the amount of the subscription price attributable to such securities, at the date of the Share Sale.

- 13.4 Tag Completion will take place on the same date as the date proposed for completion of the Tag Seller(s) Shares unless any other Shareholders who wish to accept the Tag Offer and the Tag Offeror agree otherwise.
- 13.5 Any transfer of Shares made in accordance with this Article 13 will not be subject to any other restrictions on transfer contained in these Articles.

14 DRAG ALONG

- 14.1 If the Ordinary Shareholders, together with the A Shareholders, wish to sell Shares which have conferred upon them at least 85% of the voting rights in the Company to a independent third party and any of its Connected Persons (together the **Drag Offeror**), those Ordinary Shareholders and A Shareholders (the **Dragging Shareholders**) will have the right (the **Drag Along Right**) to require all of the other Shareholders (the **Called Shareholders**) to sell and transfer all their Ordinary Shares and/or A Shares (the **Called Shares**) to the Drag Offeror or as the Drag Offeror may direct, free from all Encumbrances and together with all rights then attaching to them.

- 14.2 The Drag Along Right will be exercisable by the Dragging Shareholders by giving written notice of their intention to exercise the Drag Along Right to the Company prior to the transfer of the Dragging Shareholders' Shares to the Drag Offeror (the **Drag Along Notice**). The Drag Along Notice will specify:
- 14.2.1 that the Called Shareholders are required to transfer all their Called Shares pursuant to this Article;
 - 14.2.2 any terms of sale to which Called Shareholders are required to adhere and will enclose copies of the Drag Along Documents (if any) relating to it;
 - 14.2.3 the identity of the Drag Offeror;
 - 14.2.4 the proposed price to be paid by the Drag Offeror for each class of the Called Shares; and
 - 14.2.5 the proposed place, date and time of Drag Completion.
- 14.3 The Company will send copies of the Drag Along Notice and Drag Along Documents (if any) to each of the Called Shareholders at their address shown on the Company's register of members and require all of them to sell and transfer to the Drag Offeror, or as the Drag Offeror may direct at Drag Completion all of their Called Shares on the terms set out in the Drag Along Notice.
- 14.4 The value of such consideration for each class of Called Shares will be equivalent to that offered for the Dragging Shareholders' Shares being transferred by the Dragging Shareholders to the Drag Offeror (the **Called Shares Price**) save that Article 6 shall apply to the allocation of the consideration amongst the Shares. The Called Shares Price will be expressed net of any transaction costs that are for the account of the Dragging Shareholders and Called Shareholders which, in the absence of agreement otherwise, will be borne by each of the Dragging Shareholders and Called Shareholders in proportion to his holding of Shares. For the purposes of this Article 14.4, where a Dragging Shareholder is being offered securities by way of consideration, the value of consideration offered to the Called Shareholders shall be equivalent to that offered by the Drag Offeror to that Dragging Shareholder if it is cash consideration equal to the amount of the subscription price attributable to such securities at the date of the sale.
- 14.5 Drag Along Notices will be irrevocable but will lapse if the sale of the Dragging Shareholders' Shares to the Drag Offeror does not proceed either:
- 14.5.1 due to the expiry or non-fulfilment of any conditions to the sale (unless the conditions have been waived in accordance with the terms of the sale documentation);
 - 14.5.2 if there are no conditions to the sale, within 90 calendar days after the date of service by the Dragging Shareholders of the Drag Along Notice on the Company; or
 - 14.5.3 if, with the consent of the Dragging Shareholders, notices are issued under section 979 of the CA 2006 in respect of the Called Shares,

and, in the case of Articles 14.5.1 and 14.5.2, the Dragging Shareholders will be entitled to serve further Drag Along Notices no earlier than seven calendar days following the lapse of any previous Drag Along Notice.

- 14.6 Drag Completion will take place on the same date as the date proposed for completion of the sale of the Dragging Shareholders' Shares unless the Dragging Shareholders elect otherwise in which case Drag Completion will take place on a date to be specified by the Dragging Shareholders that is no more than 20 Business Days later than the date upon which the Dragging Shareholders sell the Dragging Shareholder Shares.
- 14.7 On or before Drag Completion, each Called Shareholder will deliver duly executed Drag Along Documents in respect of his Called Shares to the Company, provided that no Called Shareholder shall be required to give any warranty or indemnity or provide any other protection or accept any liability in such Drag Along Documents or otherwise in respect of a sale of Shares made pursuant to this Article 14, save in respect of having title to the Shares that the Called Shareholder is selling himself. Subject always to receipt of the Drag Along Documents, on Drag Completion the Company will pay each Called Shareholder, on behalf of the Drag Offeror, the Called Shares Price due, to the extent only that the Drag Offeror has put the Company in the requisite cleared funds or other form of consideration. Payment to a Called Shareholder will be made to its address on the Company's register of members. The Company's receipt for the Called Shares Price due will be a good discharge to the relevant Drag Offeror who will not be bound to see its application. Pending compliance by the Called Shareholder with the obligations in this Article 14, the Company will hold any funds or other form of consideration received from the Drag Offeror in respect of the Called Shares on trust for the defaulting Called Shareholder, without any obligation to pay interest.
- 14.8 If, following the issue of a Drag Along Notice, either: (a) a person becomes a Shareholder pursuant to the exercise of a pre-existing option to acquire Shares or the exercise of another right or option or otherwise; or (b) additional Shares are issued to an existing Shareholder pursuant to the exercise of a pre-existing option to acquire Shares or the exercise of another right or option or otherwise (each an **Option Shareholder**), in each case, a Drag Along Notice will be deemed to have been served on the Option Shareholder on the date he acquired such Shares and on the same terms as the previous Drag Along Notice. The Option Shareholder will be bound to sell and transfer all the Shares so acquired by him to the Drag Offeror, or as the Drag Offeror may direct, and the provisions of this Article 14 will apply (with changes where appropriate) to the Option Shareholder as if references to Called Shareholder included the Option Shareholder except that completion of the sale of the Shares will take place on such date as the Drag Offeror will determine.
- 14.9 If any Called Shareholder does not transfer the Called Shares registered in his name and execute all of the Drag Along Documents (if any), the provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article 14) shall apply *mutatis mutandis*.
- 14.10 The Company will be entitled to hold the Called Shares Price payable to any Called Shareholder on behalf of any Dragging Shareholder without any obligation to pay interest for so long as the Called Shareholder does not execute all of the Drag Along Documents to the satisfaction of the directors.

14.11 Subject to Article 14.12, any Called Shares held by a Called Shareholder on the date of a Drag Along Notice (and any shares subsequently acquired by an Option Shareholder) will:

14.11.1 automatically cease to confer the right to receive notice of or to attend or vote (either in person or by proxy and whether on a poll or on a show of hands) at any general meeting of the Company or (subject to the CA 2006) at any meeting of the holders of any class of Shares, or to receive a copy of any proposed written resolution, or vote on a written resolution with effect from the date of the Drag Along Notice (or the date of acquisition of such Shares, if later);

14.11.2 not be counted in determining the total number of votes which may be cast at any such meeting, or required for the purposes of a written resolution of any Shareholders or any class of Shareholders, or for the purposes of any other consent required under these Articles or the Shareholders' Agreement; and

14.11.3 notwithstanding any other provisions in these Articles, not be transferred otherwise than under this Article 14.

14.12 The rights referred to in Article 14.11 will be restored immediately upon the transfer of the Called Shares in accordance with this Article 14.

14.13 Any transfer of Shares made by the Dragging Shareholders or Called Shareholders in accordance with this Article 14 will not be subject to any restrictions on transfer contained in these Articles.

15 **COMPULSORY TRANSFERS**

15.1 This Article 15 applies when an Employee who is an Ordinary Shareholder becomes a Leaver.

15.2 At any time after the Cessation Date the Board (acting by Unanimous Board Consent) may serve notice (**Compulsory Sale Notice**) on a Leaver (a **Compulsory Seller**) requiring such person to offer all the Shares registered in his, or any Connected Person's, or any of his Permitted Transferee's name or to which he or any of his Connected Persons or Permitted Transferees is entitled whether as a result of his holding of Shares or otherwise (**Compulsory Sale Shares**) to the A Shareholders, pro rata to their holding of Ordinary Shares, provided that if the A Shareholders decline any such Compulsory Sale Shares they shall be offered by the Board (acting by Unanimous Board Consent) to any of the following:

15.2.1 the Company;

15.2.2 a person or persons intended to take the relevant Compulsory Seller's place;

15.2.3 any existing Employee;

15.2.4 an Employee Benefit Trust;

15.2.5 the other Shareholders pro rata to their holding of Ordinary Shares: and

15.2.6 any other person approved by the Board (acting by Unanimous Board Consent).

- 15.3 The relevant Compulsory Seller, his Connected Persons and all of his Permitted Transferees will transfer the Compulsory Sale Shares that they are directed to transfer free from all Encumbrances and together with all rights attaching to them on the terms set out in this Article 15. The price of the Compulsory Sale Shares to be transferred pursuant to Article 15.2 will be determined in accordance with this Article 15.
- 15.4 The price for the Compulsory Sale Shares will be:
- 15.4.1 if the Employee is a Bad Leaver, the lower of:
- (a) the issue price (including any premium) of the Compulsory Sale Shares (or, where any of the Compulsory Sale Shares were acquired by a Compulsory Seller by way of transfer rather than allotment, the lower of the issue price (including any premium) and the amount paid by such Compulsory Seller on the transfer); and
 - (b) the Market Value of the Compulsory Sale Shares on the Cessation Date;
- 15.4.2 if the Employee is a Good Leaver the Market Value of the Compulsory Sale Shares; and
- 15.4.3 if the Employee is an Average Leaver, a percentage of the Compulsory Sale Shares shall be treated as if the Employee was a Good Leaver and priced in accordance with clause 15.4.2, which percentage shall be equal to A% where:
- $$A = 50 + (m/36 \times 50)$$
- where m = the number of full calendar months that have elapsed between 31 July 2018 and the Cessation Date
- and the remainder of the Compulsory Sale Shares shall be treated as if the Employee was a Bad Leaver and priced in accordance with clause 15.4.1.
- 15.5 **Market Value** for the purposes of this Article 15 will be:
- 15.5.1 the price agreed between the Compulsory Seller(s) and the Board (acting by Unanimous Board Consent); or
- 15.5.2 if they fail to agree a price within 15 Business Days of the date of service of the Compulsory Sale Notice (or within such other timetable as may be determined by the Board), the price determined by the Auditors (or independent accountant) to be the Market Value of such Shares on the Cessation Date, according to the principles set out in Article 16.
- 15.6 If a Shareholder defaults in transferring Shares to be transferred pursuant to Article 15.2, the provisions of Article 10.6 (references therein to the holder, Relevant Shares, transferee and documents being construed in accordance with the provisions of this Article 15) shall apply *mutatis mutandis*.
- 15.7 Unless the Board (acting by Unanimous Board Consent) directs otherwise in writing, any Shares held by a Compulsory Seller on the Cessation Date (and any Shares issued to a

Compulsory Seller after such date by virtue of the exercise of any right or option granted or arising by virtue of his holding of the Sale Shares) will cease to confer the right to be entitled to receive notice of, attend and vote at any general meeting of the Company, or any meeting of the holders of any class of Shares with effect from the Cessation Date (or, where appropriate, the date of issue of such Shares, if later), and such Shares will not be counted in determining the total number of votes which may be cast at any such meeting, or for the purposes of a written resolution of any Shareholders or class of Shareholders. That right will be restored immediately upon the Company registering a transfer of the Sale Shares in accordance with this Article 15.

- 15.8 For so long as any Shares are disenfranchised pursuant to Article 15.7, the voting rights attaching to the Ordinary Shares will be varied so that the holders of Ordinary Shares are entitled (as a class) to cast such percentage of votes as they would otherwise have been entitled to cast prior to the suspension of voting rights of the disenfranchised Shares.

16 VALUATION

- 16.1 If the Auditors (or, by virtue of Article 2.4, independent accountants) are required to determine Market Value pursuant to Article 15 the provisions set out below will apply.

- 16.2 Market Value will be determined by the Auditors or, as the case may be, independent accountants, first valuing the Company as a whole:

16.2.1 assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;

16.2.2 assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion;

16.2.3 taking account of any Shares which may be allotted pursuant to options which have been issued by the Company and which are still outstanding; and

16.2.4 taking account of any bona fide offer for the Company received from an unconnected third party within 6 months prior to the relevant Compulsory Sale Notice being served or deemed to have been served.

- 16.3 Having valued the Company as a whole, the Auditors or, as the case may be, independent accountants will determine the Market Value of the Shares concerned:

16.3.1 not having regard to whether the Shares concerned represent a majority or a minority interest; and

16.3.2 not having regard to the rights and restrictions attached to the Shares concerned in respect of income, capital and transfer.

- 16.4 The costs and expenses of the Auditors (or independent accountants) for reporting on their opinion of the Market Value will be borne as to one half by the Compulsory Share Seller and as to the other half by the Company.

17 TRANSMISSION

- 17.1 If entitlement to a Share passes to any person (a “**transmittee**”) in consequence of the death of a Shareholder, the Company shall only recognise the transmittee as having title to that Share where the requirements of Article 10.2.2(a) are complied with and such transferee was, immediately prior to the Shareholder’s death, an Affiliate of the relevant Shareholder.
- 17.2 Subject to Article 17.1, a transmittee who produces such evidence of entitlement to Shares as the directors may properly require:
- 17.2.1 may, subject to the Articles, choose to become the holder of those Shares; and
- 17.2.2 subject to the Articles (including without limitation Article 17.4), shall have the same rights as the relevant Shareholder had.
- 17.3 Transmittees who wish to become the holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 17.4 Transmittees shall have the benefit of all income and return of capital rights attaching to the Shares pursuant to Articles 5 (*Income*) and 6 (*Return of Capital*) transmitted to them. However, transmittees shall not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of such Shares or to exercise any other rights attaching to such Shares.
- 17.5 The provisions of Article 11.1.3 (*Permitted Transfers*) shall not apply to transmittees.
- 17.6 If a transmittee wishes to transfer a Share to another person, the transmittee must execute an instrument of transfer in respect of it. The directors will not register a transfer of such Shares unless the provisions of Articles 10.1 and 10.2.2 have been complied with.
- 17.7 Where Shares are transferred pursuant to Article 17.6, upon the transferee being entered into the register of members of the Company as the holder to such Shares, the restrictions on the exercise of voting and other rights in Article 17.4 shall cease to apply to such Shares.
- 17.8 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.

18 AUTHORITY

The Shareholders acknowledge and agree that the authorities conferred under Articles 10.6, 14.9 and 15.6 are necessary as security for the performance by the relevant Shareholder(s) of their obligations under these Articles.

19 PURCHASE OF OWN SHARES

- 19.1 Subject to CA 2006 but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of CA 2006, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:

19.1.1 £15,000; and

19.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

DIRECTORS

Decision Making by Directors

20 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) will not exceed 6.

21 PARTICIPATION IN DIRECTORS' MEETINGS

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. In the absence of agreement it will be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is.

22 QUORUM FOR DIRECTORS' MEETINGS

22.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

22.2 The quorum for meetings of the directors will be three, one of whom must be a director appointed by the A Shareholders pursuant to Article 29.1 or 29.2 (if any)(or his alternate).

22.3 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:

22.3.1 to appoint further directors; or

22.3.2 to call a general meeting so as to enable the Shareholders to appoint further directors.

23 CASTING VOTE

In case of an equality of votes the chairman or other director chairing the meeting shall not have a second or casting vote.

24 DIRECTORS' WRITTEN RESOLUTIONS

24.1 Notice of a proposed directors' written resolution must indicate:

24.1.1 the proposed resolution; and

24.1.2 the time by which it is proposed that the directors should adopt it, failing which the resolution shall lapse.

- 24.2 A proposed directors' written resolution is adopted when a majority of the directors who would have been entitled to vote on the resolution at a directors' meeting have signed one or more copies of it, provided that those directors would have formed a quorum at such a meeting.

25 TRANSACTIONS WITH THE COMPANY

- 25.1 Provided that he has declared to the other directors the nature and extent of any interest of his, a director notwithstanding his office may be a party to, or otherwise directly or indirectly interested in, any proposed or existing transaction or arrangement with the Company.
- 25.2 Provided that he has declared to the other directors the nature and extent of any interest of his, a director may participate in the decision-making process and count in the quorum and vote if a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the Company in which the director is interested.

26 CONFLICTS OF INTEREST

- 26.1 The directors may authorise in accordance with section 175(5)(a) of the CA 2006 a Relevant Situation in respect of any director and the continuing performance by the relevant director of his duties as a director on such terms as they may determine. For the avoidance of doubt, such terms may permit the interested director to continue to participate in the decision making process and vote and count in the quorum at a meeting of the directors or of a committee of the directors in respect of resolutions relating to the subject matter of the Relevant Situation. Authorisation of a Relevant Situation may be withdrawn, and the terms of authorisation may be varied or subsequently imposed, at any time. Any resolution of the directors for the purposes of providing, varying the terms of or withdrawing such authorisation will not be effective unless:

26.1.1 the requirement as to the quorum at the meeting at which the resolution is proposed is met without counting the interested director or any other interested director; and

26.1.2 the resolution is passed without the interested director or any other interested director voting or would have been passed if their votes had not been counted,

but otherwise will be dealt with in the same way as any other matter may be proposed to and resolved upon by the directors in accordance with the provisions of these Articles. An interested director must act in accordance with any terms determined by the directors under this Article 26.1.

- 26.2 Provided that a Relevant Situation has been duly authorised by the directors or the Company and its nature and extent has been disclosed under Article 28, a director may participate in the decision making process and count in the quorum and vote if a proposed decision of the directors is concerned with such situation (subject to any restrictions imposed under the terms on which it was authorised).
- 26.3 References in these Articles to a conflict of interest include a conflict of interest and duty and a conflict of duties, and an interest includes both a direct and an indirect interest.

27 DIRECTOR NOT LIABLE TO ACCOUNT

A director will not, by reason of his holding office as a director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from any situation or interest permitted under Articles 25 or 26 duly authorised by the directors or the Company, nor will the receipt of such remuneration, profit or other benefit constitute a breach of the director's duty under section 176 of the CA 2006 or otherwise, and no contract, transaction or arrangement will be liable to be avoided on the grounds of any director having any type of interest which is permitted under Articles 25 or 26 or duly authorised by the directors.

28 DECLARATIONS OF INTEREST

A declaration of interest or other notification may be made by a director for the purposes of Articles 25 and 26 at a meeting of the directors or by notice in writing to the other directors. A director need not declare any interest if it cannot reasonably be regarded as likely to give rise to a conflict of interest, or if he is not aware of the interest, or if, or to the extent that, the other directors are already aware of it (and for these purposes a director will be treated as aware of anything of which he ought reasonably to be aware) or if, or to the extent that, it concerns terms of his service contract that have been or are to be considered (a) by a meeting of the directors or (b) by a committee of the directors appointed for the purpose under the Company's constitution.

Appointment of Directors

29 METHODS OF APPOINTING DIRECTORS

- 29.1 Subject to Article 29.5, each Shareholder shall have the right, for so long as he, together with his Permitted Transferees, holds at least 10% in nominal value of the Shares in issue from time to time (excluding any Shares for the time being held in treasury), to appoint and maintain in office one natural person as a director of the Company and to remove any director so appointed and, upon his removal (whether by his appointor or otherwise), to appoint another person to act as a director in his place.
- 29.2 In addition to the right to appoint a director granted under Article 29.1, if any Shareholder holds A Shares together representing at least 20% in nominal value of the Shares in issue from time to time (excluding any Shares for the time being held in treasury), such A Shareholder shall have the right to appoint and maintain in office one additional natural person as a director of the Company and to remove any director so appointed and, upon his removal (whether by his appointors or otherwise), to appoint another person to act as a director in his place.
- 29.3 The Board (acting by Unanimous Board Consent) may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- 29.4 The holders of a majority of the Shares may appoint a person to be a director, either to fill a vacancy or as an additional director and remove from office any director so appointed, provided that such appointment is approved by Unanimous Board Approval.

29.5 Any Employee who holds at least 5% (by voting rights) of the issued share capital of the Company may appoint one director (either himself or a nominee) subject always to the provisions of these Articles and save in the case of disqualification of such person as a director of the Company. For the avoidance of doubt, such Employee shall not be entitled to appoint an additional director pursuant to Article 29.1 should their shareholding subsequently exceed 10% (but they shall be entitled to appoint an additional director pursuant to Article 29.2 should they hold A Shares together representing at least 20% in nominal value of the Shares in issue from time to time).

29.6 Any appointment or removal referred to in this Article 29 will be in writing notified to the Company and will take effect on being delivered to or sent by post to the Company at its registered office or upon delivery to the company secretary (if any) or to the Company at a meeting of the directors or, if contained in electronic form, upon delivery to the address (if any) as may for the time being be notified by or on behalf of the Company for the receipt of messages in electronic form.

30 TERMINATION OF DIRECTOR'S APPOINTMENT

30.1 Except for any director appointed pursuant to Article 29.1, 29.2 or 29.5, the office of a director will be vacated if he is removed from office by Unanimous Director Consent. If he holds an appointment to an executive office which automatically determines as a result, his removal will be deemed to be an act of the Company and will have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company.

30.2 Subject to the provisions of Article 30.1, the Company may by ordinary resolution remove any director (other than a director appointed pursuant to Article 29.1, 29.2 or 29.5) before the expiration of his period of office and may by ordinary resolution appoint another director in his place, in each case, without the need for any special notice and without the need for such resolutions to be passed at a meeting, provided that such appointment is approved by Unanimous Director Consent.

30.3 The office of a director will be vacated if:

30.3.1 he ceases to be a director by virtue of any provision of the CA 2006 or he becomes prohibited by law from being a director;

30.3.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally unless the Board (acting by Unanimous Board Consent) agrees that the office of director need not be vacated;

30.3.3 he becomes, in the reasonable opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director;

30.3.4 he resigns his office by notice in writing to the Company;

30.3.5 he has for more than 6 consecutive months been absent without permission of the directors from meetings of directors held during that period and his alternate

director (if any) has not during that period attended any such meetings instead of him, and the directors resolve that his office be vacated;

- 30.3.6 other than in the case of a director appointed pursuant to Article 29.1 or 29.2, he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors;
- 30.3.7 in the case of a director appointed pursuant to Article 29.1, 29.2 or 29.5, he is removed from office by notice given by a Shareholder appointing him under Article 29.1, 29.2 or 29.5; or
- 30.3.8 in the case of a director appointed pursuant to Article 29.1, 29.2 or 29.5, the Shareholder appointing him under Article 29.1, 29.2 or 29.5 no longer holds the requisite percentage of the issued share capital of the Company to make such appointment.

Alternate Directors

31 RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 31.1 An alternate director has the same rights, in relation to any directors' meeting or directors' written resolution, as the alternate's appointor.
- 31.2 Subject to Article 31.4, a person may act as alternate director to represent more than one director.
- 31.3 Except as these Articles specify otherwise, alternate directors:
 - 31.3.1 are deemed for all purposes to be directors;
 - 31.3.2 are liable for their own acts and omissions;
 - 31.3.3 are subject to the same restrictions as their appointors; and
 - 31.3.4 are not deemed to be agents of or for their appointors.
- 31.4 A director or any other person who is an alternate director will not count as more than one director for the purposes of determining whether a quorum is participating but:
 - 31.4.1 has a vote as alternate for each appointor on a decision taken at a meeting of the directors, in addition to his own vote, if any, as director; and
 - 31.4.2 may sign a directors' written resolution for himself, if he is a director, and as alternate for each appointor who would have been entitled to sign or agree to it, and will count as more than one director for this purpose,

provided that his appointor is eligible to (but does not) participate in the relevant quorum, vote or directors' written resolution. For the avoidance of doubt, if his appointor is not eligible to participate in the relevant quorum, vote or written resolution, this does not preclude the alternate from participating as alternate for another appointor who is eligible to (but does not) participate.

- 31.5 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.

32 APPOINTMENT AND REMOVAL OF SECRETARY

The directors may (but shall not be obliged to) 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.

DECISION-MAKING BY SHAREHOLDERS

33 VOTING - GENERAL

- 33.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, Shares will carry votes in accordance with this Article 33.
- 33.2 Each Ordinary Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to a proposed written resolution as if each Ordinary Share carried one vote per share.
- 33.3 Each A Share will entitle its holder to receive notice of, attend and vote at any general meeting of the Company, and to receive a copy of and agree to a proposed written resolution as if each A Share carried one vote per share.
- 33.4 Notwithstanding any other provision of these Articles, neither a Leaver nor his Permitted Transferees will have any rights to receive notice of or attend or vote at any general meeting of the Company, nor to receive a copy of or agree to a proposed written resolution.
- 33.5 No voting rights attached to a Share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it; or in respect of a written resolution which would otherwise have to be proposed at a general meeting, unless all amounts payable to the Company in respect of that share have been paid.

Organisation of General Meetings

34 PROCEEDINGS AT GENERAL MEETINGS

- 34.1 The quorum for a general meeting will be three qualifying persons determined in accordance with section 318(2) and (3) of the CA 2006, consisting of a minimum of one A Shareholder and one other Shareholder (present in person or by proxy or by corporate representative).
- 34.2 A general meeting may consist of a conference between Shareholders, some or all of whom are in different places if each Shareholder who participates is able:
- 34.2.1 to hear each of the other participating Shareholders addressing the meeting; and
 - 34.2.2 if he so wishes, to address all of the other participating Shareholders simultaneously,

whether directly, by conference telephone or by any other form of communications equipment (whether in use when these Articles are adopted or not) or by a combination of those methods. A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of Shareholders required to form a quorum. A meeting held in this way is deemed to take place at the place where the largest group of participating Shareholders is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. A resolution put to the vote of a meeting will be decided by each Shareholder indicating to the chairman (in such manner as the chairman may direct) whether the Shareholder votes in favour of or against the resolution or abstains. References in this Article 34 to Shareholders includes their duly appointed proxies and, in the case of corporate Shareholders, their duly authorised representatives.

- 34.3 If any meeting is adjourned because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present will form a quorum.

35 POLL VOTES

A poll may be demanded by the chairman of the meeting, the directors, or any person having the right to vote on the resolution. Article 44(2) of the Model Articles shall be modified accordingly. A demand that is withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made. Polls must be taken immediately and in such manner as the chairman of the meeting directs.

36 DELIVERY OF PROXY NOTICES

- 36.1 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.
- 36.2 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.
- 36.3 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.
- 36.4 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.

37 INDEMNITY AND INSURANCE

- 37.1 Subject to Article 37.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:
- 37.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer:

- (a) in the actual or purported execution and/or discharge of his duties, or in relation thereto; and
- (b) in relation to the Company's activities as trustee of an occupational pension scheme (as defined in section 235(6) of the CA 2006),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs; and

37.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 37.1.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

37.2 This Article 37 does not authorise any indemnity which would be prohibited or rendered void by any provision of the CA 2006 or by any other provision of law.

37.3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

37.4 In this Article 37:

37.4.1 **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company or any pension fund or Employees' share scheme of the Company; and

37.4.2 **Relevant Officer** means any director or other officer or former director or other officer of the Company, but excluding any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor.

MISCELLANEOUS

38 CHANGE OF NAME

38.1 The Company may change its name:

38.1.1 by special resolution; or

38.1.2 by a decision of the directors (acting by Unanimous Board Consent).

39 MEANS OF COMMUNICATION

Any notice or other document sent by the Company under these Articles which is delivered or left at a registered address otherwise than by post will be deemed to have been received on the

day it was so delivered or left. A notice or other document sent by the Company in electronic form will be deemed to have been received at the time it is sent. A notice sent or supplied by means of a website will be deemed to have been received by the intended recipient at the time when the material was first available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

40 **WINDING UP**

40.1 If the Company is wound up, the liquidator may, with the authority of a special resolution:

40.1.1 divide among the Shareholders in specie the whole or any part of the assets of the Company, (and may, for that purpose, value any assets and determine how the division will be carried out as between the Shareholders or different classes of Shareholders); and

40.1.2 vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator determines,

in each case, (to the extent lawfully permitted) in the order of priority set out in Article 6.1, but no Shareholder will be compelled to accept any assets in respect of which there is a liability.