

Dated 26 October

2021

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

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Company number 10077516

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BAR LOUNGE VENUES LIMITED

(Adopted by special resolution passed on 26 October 2021)

Introduction

1. INTERPRETATION

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

Act	the Companies Act 2006.
Acting in Concert	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time).
Articles	the company's articles of association for the time being in force.
Board	the board of directors of the Company.
Board Invitee	means any of: <ol style="list-style-type: none">1. means the Company (subject to compliance by the Company with CA 2006); and/or2. means the trustees of any employee benefit trust; and/or3. means any person(s) (being a current or future employee or officer of a member of the Company), as selected by the directors with in the period of 15 Business Days after the service of a Transfer Notice.

Business Day	a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.
Company	Bar Lounge Venues Limited.
Conflict	has the meaning given in article 7.1.
Controlling Interest	means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.
eligible director	a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter).
Fair Value	in relation to shares, as determined in accordance with article 15.
Model Articles	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.
Proposed Sale Price	has the meaning given in article 14.1.
Sale Shares	has the meaning given in article 14.1.
Second Offer Shareholders	the holder of share in the capital of the Company (excluding the holder who has served the Transfer Notice).
Seller	has the meaning given in article 14.1.
Shareholder	a holder of Shares.
Shareholder Majority	holders of shares in the capital of the Company who in aggregate hold 51% or more of the entire issued share capital of the Company (excluding any shares held in treasury).
Shares	shares (of any class) in the capital of the Company.
Transfer Notice	has the meaning given in article 14.1;
Transfer Price	has the meaning given in article 14.4;

Valuer	a member of an independent firm of chartered accountants appointed by the Company and the Seller in accordance with article 15;
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- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles.
- 1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5 Unless expressly provided otherwise, a reference to legislation or a legislative provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.6 A reference to legislation or a legislative provision shall include all subordinate legislation made from time to time under that legislation or legislative provision.
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company.
- 1.11 Article 7 of the Model Articles shall be amended by:
 - 1.11.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - 1.11.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

- 1.14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2) of the Model Articles," after the words "the transmittee's name".
- 1.16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

Directors

2. UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 2.3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

3. CALLING A DIRECTORS' MEETING

- 3.1 Any director may call a directors' meeting by giving not less than ten Business Days' notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 3.2 Notice of a directors' meeting shall be given to each director in writing.

4. QUORUM FOR DIRECTORS' MEETINGS

- 4.1 Subject to article 4.2 and 4.3, the quorum for the transaction of business at a meeting of directors is any two eligible directors with at least one director being Carol Rialas or Nathan Rialas and the other being Karl Flomer.
- 4.2 Where a quorum is not present after 30 minutes from the date and time specified in the notice of the meeting:
 - 4.2.1 the meeting shall be adjourned to a date and time 7 days from the date and time specified in such notice; and
 - 4.2.2 the adjourned meeting shall proceed whether or not a quorum is present and any decisions passed shall be valid as if approved at a quorate meeting.

- 4.3 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 4.4 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision:
- 4.4.1 to appoint further directors; or
 - 4.4.2 to call a general meeting so as to enable the shareholders to appoint further directors.

5. CASTING VOTE

If the numbers of votes for and against a proposal at a meeting of directors are equal, the chair or other director chairing the meeting shall not have a casting vote.

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 6.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he or she has declared the nature and extent of his or her interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:
- 6.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
 - 6.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he or she is interested;
 - 6.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he or she is interested;
 - 6.1.4 may act by himself or herself, or his or her firm in a professional capacity for the company (otherwise than as auditor) and he or she, or his or her firm shall be entitled to remuneration for professional services as if he or she were not a director;
 - 6.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
 - 6.1.6 shall not, save as he or she may otherwise agree, be accountable to the company for any benefit which he or she (or a person connected

with him or her (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his or her duty under section 176 of the Act.

7. DIRECTORS' CONFLICTS OF INTEREST

- 7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his or her duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 7.2 Any authorisation under this article 7 will be effective only if:
 - 7.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;
 - 7.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
 - 7.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted.
- 7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently):
 - 7.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 7.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
 - 7.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict;
 - 7.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
 - 7.3.5 provide that, where the Interested Director obtains, or has obtained (through his or her involvement in the Conflict and otherwise than

through his or her position as a director of the company) information that is confidential to a third party, he or she will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence; and

- 7.3.6 permit the Interested Director to absent himself or herself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.
- 7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself or herself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he or she derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

8. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

10. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

Shares

11. PURCHASE OF OWN SHARES

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

11.1.1 £15,000; and

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

12. FURTHER ISSUES OF SHARES: AUTHORITY

Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company

13. FURTHER ISSUES OF SHARES: PRE-EMPTION RIGHTS

13.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company.

13.2 Unless otherwise agreed by special resolution, if the company proposes to allot any equity securities (other than any equity securities to be held under an employees' share scheme), those equity securities shall not be allotted to any person unless the company has first offered them to all shareholders on the date of the offer on the same terms, and at the same price, as those equity securities are being offered to other persons on a pari passu and pro rata basis to the number of shares held by those holders (as nearly as possible without involving fractions). The offer:

13.2.1 shall be in writing, shall be open for acceptance for a period of 15 business days from the date of the offer and shall give details of the number and subscription price of the relevant equity securities; and

13.2.2 may stipulate that any shareholder who wishes to subscribe for a number of equity securities in excess of the proportion to which they are entitled shall, in their acceptance, state the number of excess equity securities (**Excess Securities**) for which they wish to subscribe.

13.3 Any equity securities not accepted by shareholders pursuant to the offer made to them in accordance with Article 13.2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 13.2. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of shares held by the applicants immediately before the offer was made to shareholders in accordance with Article 13.2 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any shareholder beyond that applied for by that shareholder). After that allotment, any Excess

Securities remaining shall be offered to any other person as the directors may determine and approve, at the same price and on the same terms as the offer to the shareholders.

- 13.4 Subject to Articles 13.2 and 13.3 and to section 551 of the Act, any equity securities shall be at the disposal of the directors 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.
- 13.5 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 14.1 Except where the provisions of article 16 apply, a shareholder (**Seller**) wishing to transfer their shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:
 - 14.1.1 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer; and
 - 14.1.2 the price (in cash) at which the Seller wishes to sell the Sale Shares (**Proposed Sale Price**).
- 14.2 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 14.3 Once given, a Transfer Notice may only be withdrawn by the Seller where the Transfer Price of the Sale Shares comprised within a Transfer Notice is to be the Fair Value and such Fair Value is less than the Proposed Sale Price. In such case, the Seller may, within five Business Days of receipt of notification of the Fair Value, withdraw the Transfer Notice.
- 14.4 The Transfer Price for each Sale Share the subject of a Transfer Notice shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Seller and the Original Shareholder(s) or, in default of agreement within fifteen Business Days of the date of service of the Transfer Notice, the Fair Value of each Sale Share determined in accordance with article 15.
- 14.5 As soon as practicable following the determination of the Transfer Price, the directors shall (unless the Transfer Notice is withdrawn in accordance with article 14.3) offer the Sale Shares for sale in the manner set out in the remaining provisions of this article 14 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 14.6 The directors shall, subject to article **Error! Reference source not found.**, offer the Sale Shares to the Second Offer Shareholders.
- 14.7 The directors shall offer the Sale Shares first to the Second Offer Shareholders, inviting them to apply in writing within the period from the date of the offer to

the date ten Business Days after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy.

14.8 If:

14.8.1 at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each of the Second Offer Shareholders who has applied for Sale Shares in the proportion determined by the Board. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case, the allocation of any such fractional entitlements among the Second Offer Shareholders shall be determined by Board). No allocation shall be made to a shareholder of more than the maximum number of Sale Shares which the shareholder has stated they are willing to buy;

14.8.2 not all Sale Shares are allocated following allocations in accordance with article 14.8.1, but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in article 14.8.1. The procedure set out in this article 14.8.2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

14.8.3 at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Second Offer Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 14.9.

14.9 At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to the Second Offer Shareholders, inviting them to apply in writing within the period from the date of the offer to the date ten Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

14.10 If:

14.10.1 at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to each Second Offer Shareholder who has applied for Initial Surplus Shares in the proportion which his existing holding of shares of the class held by Second Offer Shareholders bears to the total number of shares of that class. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Second Offer Shareholders shall be determined by the directors). No allocation shall be made to a shareholder of more than the maximum number of Initial

Surplus Shares which the shareholder has stated they are willing to buy;

14.10.2 not all Initial Surplus Shares are allocated following allocations in accordance with article 14.10.1, but there are applications for Initial Surplus Shares that have not been satisfied, the directors shall allocate the remaining Initial Surplus Shares to such applicants in accordance with the procedure set out in article 14.10.1. The procedure set out in this article 14.10.2 shall apply on any number of consecutive occasions until either all Initial Surplus Shares have been allocated or all applications for Initial Surplus Shares have been satisfied; and

14.10.3 at the end of the Second Offer Period, the total number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the Second Offer Shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) may, with the prior written consent of the Board, be transferred to the buyer identified in the Transfer Notice (if any) in accordance with article 14.14.

14.11 The directors shall, when no further offers or allocations are required to be made under article 14.6 to article 14.10 (inclusive), give notice in writing of the allocations of Sale Shares (an **Allocation Notice**) to the Seller and each shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least twenty Business Days, but not more than forty Business Days, after the date of the Allocation Notice).

14.12 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice, together with the relevant share certificate(s) (or an indemnity in lieu thereof) and such other documents as the Applicant may reasonably require to show good title to the Sale Shares, or to enable the Applicant to be registered as the holder of the Sale Shares.

14.13 If the Seller fails to comply with article 14.12:

14.13.1 the chairperson (or, failing the chairperson, any other director or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:

14.13.1.1 complete, execute and deliver in the Seller's name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

14.13.1.2 receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price); and

14.13.1.3 (subject to the transfers being duly stamped) enter the Applicants in the register of shareholders as the holders of the Sale Shares purchased by them; and

14.13.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until the Seller has delivered the certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the board may reasonably require to prove good title to those Sale Shares, to the Company.

14.14 Where an Allocation Notice does not relate to all the Sale Shares, then the Seller shall not be entitled to transfer the Sale Shares to a third party buyer without the prior consent of the Board.

15. VALUATION

15.1 If a Valuer is to be appointed to determine the Fair Value of any Sale Shares in accordance with these Articles, the Company and the Seller shall use all reasonable endeavours to reach agreement regarding the identity of the person to be appointed as the Valuer and to agree the terms of appointment with the Valuer. Neither the Company nor the Seller shall unreasonably withhold their agreement to the terms of appointment proposed by the Valuer or the other party.

15.2 If the Seller and the Company fail to agree on a Valuer and their terms of appointment within five Business Days of either the Seller or the Company serving details of a proposed Valuer on the other, then either the Seller or the Company shall be entitled to request the President for the time being of the Institute of Chartered Accountants to appoint the Valuer and to agree their terms of appointment on behalf of the Seller and the Company.

15.3 The Valuer shall be requested to determine the Fair Value within fifteen Business Days of their appointment and to notify the Company and the Seller in writing of their determination.

15.4 The Fair Value for any Sale Share shall be the price per share determined in writing by the Valuer on the following bases and assumptions:

15.4.1 valuing each of the Sale Shares as a proportion of the total value of all the issued shares in the capital of the Company without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent or for the rights or restrictions applying to the Sale Shares;

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

15.4.3 the sale is to be on arms' length terms between a willing seller and a willing buyer;

15.4.4 the Sale Shares are sold free of all encumbrances;

- 15.4.5 the sale is taking place on the date the Valuer was requested to determine the Fair Value; and
- 15.4.6 to take account of any other factors that the Valuer reasonably believes should be taken into account.
- 15.5 The Seller and the Company are entitled to make submissions to the Valuer including oral submissions and will provide the Valuer with such assistance and documents as the Valuer reasonably requires for the purpose of reaching a decision, subject to the Valuer agreeing to give such confidentiality undertakings as the parties may reasonably require.
- 15.6 To the extent not provided for by this article 15, the Valuer may, in their reasonable discretion, determine such other procedures to assist with the valuation as they consider just or appropriate, including (to the extent they consider necessary) instructing professional advisers to assist them in reaching their valuation.
- 15.7 The Valuer shall act as expert and not as arbitrator and their written determination shall be final and binding on the shareholders in the absence of manifest error or fraud.
- 15.8 The cost of obtaining the Valuer's valuation shall be borne by the Company and the Seller equally or in such other proportions as the Valuer directs.

16. DRAG ALONG

- 16.1 If a Shareholder Majority wish to transfer all (but not some only) of their respective shares (**Selling Shareholders**) to a bona fide purchaser on arm's length terms (**Proposed Buyer**), the Selling Shareholders may require all other holders of shares in the Company (**Called Shareholders**) to sell and transfer their shares (**Called Shares**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (**Drag Along Option**).
- 16.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (**Drag Along Notice**) at any time before the transfer of the Selling Shareholders' shares to the Proposed Buyer. The Drag Along Notice shall specify:
 - 16.2.1 that the relevant Called Shareholder is required to transfer all of their Called Shares pursuant to this article 16;
 - 16.2.2 the person to whom the Called Shares are to be transferred;
 - 16.2.3 the purchase price payable for the Called Shares which shall, for each Called Share, be an amount at least equal to the price per share offered by the Proposed Buyer for the Selling Shareholders' shares; and
 - 16.2.4 the proposed date of the transfer.
- 16.3 Once the Selling Shareholders have served the Drag Along Notice the Called Shareholders shall have an option to acquire the Shares subject of such notice

provided that notice of exercise of such option is served upon the Selling Shareholders within 15 Business Days of the date of the Drag Along Notice provided always that the price payable for the Selling Shareholders Shares shall not be less than that specified in the Drag Along Notice and the Drag Along Notice shall be deemed revoked at that time provided that where the notice of exercise of the option is not served within the time specified in this Article the provisions of Article 16.5 to 16.10 shall apply.

- 16.4 Where the Called Shareholders have served notice under article 16.3, completion of sale of the Selling Shareholders Shares shall take place at a time and date agreed between the Called Shareholders and the Selling Shareholders.
- 16.5 Once issued, a Drag Along Notice shall be irrevocable save where article 16.3 applies. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold their respective shares to the Proposed Buyer within twenty Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 16.6 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Selling Shareholders' shares unless:
 - 16.6.1 the Selling Shareholders and the Called Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by them; or
 - 16.6.2 that date is less than ten Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the tenth Business Day after service of the Drag Along Notice.
- 16.7 Neither the proposed sale of the Selling Shareholders' shares to the Proposed Buyer nor the sale of the Called Shares by the Called Shareholders shall be subject to the rights of pre-emption set out in article 14.
- 16.8 On or before the Completion Date, the Called Shareholders shall execute and deliver a stock transfer form(s) for the Called Shares, together with the relevant share certificate(s) (or a suitable indemnity for any lost share certificate(s)) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts due pursuant to article 16.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest.
- 16.9 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company (or its duly appointed legal advisor) in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer form(s) and share certificate(s) (or suitable indemnity) for the relevant Called Shares and the Called Shareholders

shall have no further rights or obligations under this article 16 in respect of their shares.

- 16.10 If any Called Shareholder does not, on or before the Completion Date, execute and deliver (in accordance with article 16.8) transfer(s) in respect of all of the Called Shares held by them, that Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be the Called Shareholder's agent to execute all necessary transfer(s) on the Called Shareholder's behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as it may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder of the Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 16.10.

17. TAG ALONG RIGHTS ON A CHANGE OF CONTROL

- 17.1 After going through the pre-emption procedure set out in Article 14, the provisions of article 17.2 to article 17.6 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares (**Proposed Transfer**) which would, if carried out, result in any person (**Buyer**), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 17.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer (**Offer**) to the other Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the six months preceding the date of the Proposed Transfer (**Specified Price**).
- 17.3 The Offer shall be made by written notice (**Offer Notice**), at least twenty Business Days before the proposed sale date (**Sale Date**). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 17.3.1 the identity of the Buyer;
 - 17.3.2 the Specified Price and other terms and conditions of payment;
 - 17.3.3 the Sale Date; and
 - 17.3.4 the number of Shares proposed to be purchased by the Buyer (**Offer Shares**).
- 17.4 If the Buyer fails to make the Offer to all of the holders of Shares in the Company in accordance with article 17.2 and article 17.3, the Seller 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.
- 17.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) in writing within ten Business Days of receipt of the Offer Notice, the completion of the

Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.

- 17.6 The Proposed Transfer is subject to the pre-emption provisions of Article 14 , but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

Decision making by shareholders

18. POLL VOTES

- 18.1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 18.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

19. PROXIES

- 19.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 19.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article.

Administrative arrangements

20. MEANS OF COMMUNICATION TO BE USED

- 20.1 Subject to article 20.3, any notice, document or other information shall be deemed received by the intended recipient:
- 20.1.1 if delivered by hand at the time the notice, document or other information is left at the address;
- 20.1.2 if sent by pre-paid first class post or other next working day delivery service providing proof of postage, at 9.00 am on the second Business Day after posting;
- 20.1.3 if sent by pre-paid airmail providing proof of postage, at 9.00 am on the fifth Business Day after posting;
- 20.1.4 if sent by email, at the time of transmission; or

- 20.1.5 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 20.2 If deemed receipt under article 20.1 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this article 18.2, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt and all references to time are to local time in the place of receipt.
- 20.3 To prove service, it is sufficient to prove that:
 - 20.3.1 if delivered by hand, the notice was delivered to the correct address; or
 - 20.3.2 if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
 - 20.3.3 if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

21. INDEMNITY

- 21.1 Subject to article 21.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:
 - 21.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and
 - 21.1.2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in article 21.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.
- 21.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 21.3 In this article:

- 21.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 21.3.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) , but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he or she is also a director or other officer), to the extent he or she acts in his or her capacity as auditor).

22. INSURANCE

- 22.1 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.
- 22.2 In this article:
 - 22.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act) , but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he or she is also a director or other officer), to the extent he or she acts in his capacity as auditor);
 - 22.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company; and
 - 22.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.